



**THE COORDINATION OF COOPERATION IN
TOURISM BUSINESS NETWORKS**

Arja Lemmetyinen

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At Kuloistensuvi, on Kalevala Day, 28 February 2010

Arja Lemmetyinen

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1 INTRODUCTION

1.1 Research background

The theoretical discussion in this study is based on the discourse on destination management and marketing research that pinpoints the need for cooperation among service providers and other actors in the tourism business. Several researchers have emphasized the importance of effective networking (Kendell, 1987; Buckley & Witt, 1989; Holder, 1992; Jamal & Getz, 1995; Bramwell & Sharman, 1999; Buhalis, 2000; de Araujo & Bramwell, 2002). The network approach is highly relevant to the study of tourism destinations, which constitute multiple supplier activities covering many business and sector types (Pavlovich, 2003). Regional development projects and the criteria for EU subsidies have made networking and cooperation the key words in tourism (Komppula, 2000). However, although there is increasing interest in networks in mainstream business research, there are relatively few studies addressing the issues with which actors in collective tourism business networks are faced in a particular destination (Tinsley & Lynch, 2001).

Araujo and Easton (1996) analyzed the spectrum of network approaches with research interests in common with marketing. They all have the same theoretical basis, namely social anthropology. In the case of tourism the emphasis has been mainly on social networks, although some studies have adopted the industrial network approach (INA) (Komppula, 2000; March & Wilkinson, 2009), which is used in this study. In contrast with the social-marketing approach, which according to Araujo and Easton (1996) is mostly concerned with the structural properties of inter-organizational networks, it focuses on process and change as much as on structures.

This study represents the Industrial Network approach (INA) and its direct forerunner from the 1980s, the Interaction approach developed by the IMP (Industrial Marketing and Purchasing) group. The aim is to build on the concept of 'interaction'. According to this school of thought, the emphasis in the marketing and market contexts during the 1990s was on relationships between different enterprises. Firms and organizations are not seen as independent entities acting on their own in the market, and in order to develop their activities they have to interact with other firms and organizations. This system of interdependent organizations then forms an industrial network, which in turn creates value as a network.

Moreover, the focus in this study is on intentionally constructed networks, so-called strategic networks that have “stable inter-organizational ties, which are strategically important to the participating organizations” (Möller, Rajala & Svahn, 2005, 1275 referring to Gulati, Nohria & Zaheer, 2000). The value-continuum discussion in the research stems from the literature on strategic networks. Dimensions of social capital are also studied in the context of tourism business networks.

1.2 Research gap

Coordination is essential in intentionally constructed networks. As Lundgren (1992) points out, the coordination of activities undertaken by actors within a network involves both mutual adaptation and learning, which may create new conditions for future changes. Hertz (1992) also argues that the coordination of activities and resources creates change in networks and according to Tremblay (1998), tourism enterprises coordinate their activities through a web of cooperative and competitive linkages fashioned by the capabilities they possess. Local destination networks play a crucial role in balancing the interests of various stakeholders. In tourism it is of utmost importance that information flows in a complex network of business organizations engaged in providing entertainment, accommodation, food, transportation, communication and other products to tourists (Fyall & Garrod, 2005). The network approach offers a way of studying actors in local destination and their roles in balancing the interests of various members and coordinating their activities.

Such studies cannot ignore the significant role of destination management. As Page, Brunt, Busby and Connell (2002, 246) note: “The careful management of tourist destinations is crucial if tourism is to be maintained at acceptable levels”. Ritchie and Crouch (2003, xi) also emphasize the competitiveness of a destination and its significance from the perspective of management, and stress the critical and vital role of the destination management organization (DMO) in “providing leadership and coordination for the many destination stakeholders that must contribute and work together if the destination is to succeed” (Ritchie & Crouch, 2003, 11).

The theoretical roots of coordination lie in the intra-organizational context, whereas in this research the phenomenon is studied in the inter-organizational context, and more precisely in tourism business networks. Lundgren (1992) discusses coordination from an intra-organizational perspective as well as in network terms, and argues that it could be considered a temporal phenomenon and a process. Tourism business networks could thus be described as active, dynamic and changing (cf. Lundgren, 1992).

A significant extension to the concept of tourism business networks discussed in this research is the inclusion of both public- and private-sector actors in a destination network. This echoes Scott, Cooper and Baggio (2008), who see regions or destinations not as places, but as settings for interactions among actors who are linked together to deliver the overall destination product. Shih (2006) also sees the tourism destination as a product comprising economic, cultural and social activities. The focus in this research is on networks. In the current era in which markets are formed of networks and firms are outsourcing, inter-organizational coordination is crucial. The need for such coordination arises from the fact that a great number of people are involved and participate in the decision-making. Moreover, when organizations and networks grow they become more complex, which makes it increasingly difficult to manage in the absence of coordination (cf. Tuominen, 1981).

In theoretical term, (Frances, Levacic, Mitchell & Thompson, 1991, 1–20; Powell, 1991, 265–276) networks, markets and hierarchies are seen as mechanisms of coordination as such. Moreover, according to Easton (1992, 23–24) and with reference to industrial networks, the coordination of firms rests on three types of mechanisms, markets, hierarchies and networks. In two recent studies from the IMP perspective, Dubois and Araujo (2006, 23) and Gadde and Araujo (2006, 6) argue along similar lines. Coordination is often connected to networks (Easton & Lundgren, 1992, 106; Axelsson & Johanson, 1992, 231), but its role in managing them has not been explicitly addressed as a research question. Lundgren (1992, 152–159), more than any other IMP scholar, has put effort into defining the concept, claiming that “coordination in the network perspective is a process of mutual learning and it both changes the structure of, and affects the distribution of power in, networks”. In brief, network actors coordinate their activities through interaction.

Ebers (1999) also describes coordination as a mechanism, and defines the main coordination mechanisms for the three institutional forms of markets, firms and networks as bargaining and competition (markets), negotiation and concurrence (inter-organizational network), and authority and identification (firms). Jarillo’s (1993, 7) definition of a strategic network as “an arrangement by which companies set up a web of close relationships that form a veritable system geared to providing product of services in a coordinated way” points out the significance of coordination, but the concept is not defined. Möller, Rajala and Svahn (2005, 1275) argue that coordinating the value activities of the relevant actors is essential in managing strategic nets. Nevertheless, their focus is not on the concept of coordination as such.

In the tourism context Tinchley and Lynch (2001) studied the nature of networks and their collective operation within a destination, but did not focus

on their coordination. De Araujo and Bramwell (2002) investigated partnerships, focusing on coordination among government organizations, but do not define the concept of coordination or explore the means. Beritelli, Bieger and Laesser (2007) describe tourist destinations as centrally managed, integrated entities. Dredge (2006), in turn, emphasizes the importance of careful management among actors in the tourism destination, but stops short of explicitly advocating coordination among network members. Von Friedrichs Grängsjö and Gummesson (2006) examined the mechanics of a local, horizontal hotel network, identifying the need for agreement in order to make coordinated actions possible. Nevertheless the role of the coordination is minor. Go and Williams (1994), at an early stage, argued for an integrated strategy in tourism and emphasized the coordination of product flows, resources and communication across independent units. They conclude, however, that their research identifies an emerging trend towards an integrated rather than a coordinated network strategy. Moreover, Saxena and Ilbery (2008) propose an integrated approach to rural tourism in their case study.

According to March and Wilkinson (2009, 456), relations and networks in the context of destination networks play a role “in accessing, combining, recombining and coordinating the activities, resources and outputs of people and firms specializing in different parts of the overall process of value creation and delivery”. Pavlovich (2003), like others, focuses on how relationships between organizations can act as self-organizing mechanisms. However, neither Pavlovich (2003) nor Saxena’s research on relationships, networks and learning regions (2005) focuses on coordinating networks.

One of the most prominent marketing paradigms today concerns interactions, networking and cooperation. It is represented by industrial network scholars such as Easton and Lundgren who liken changes in a network to flowing through nodes (1992, 91), and Lundgren who states that the coordination of activities will produce changes in the resource structure associated with the activity cycle and thus form the foundation for further development within the activity cycle. New ways of combining resources in order to carry out activities more efficiently will emerge at the intersection between activities and activity cycles (Lundgren, 1992, 159). In the tourism context, Scott, Cooper and Baggio (2008) take a similar view, suggesting that actors, called nodes in formal network theory, carry out activities in relationships with other players and control resources. In a destination these actors are heterogeneous in size and function, representing the private sector, commercial actors, and coordinating actors such as regional tourist boards.

Information is a critical strategic resource, especially in travel and tourism. Communication technology gives tourism suppliers the opportunity to cooperate much more closely than before (Go & Williams, 1994, 241–242). It

is important in the tourism to distinguish between the concept of integration, which signifies the prerequisites for cooperation between actors, and the concept of coordination, which signifies the implementation of cooperation. Integration creates the wherewithal for cooperation, whereas coordination enhances its profitability. In addition, Östhol, Svensson and Halkier (2002) emphasize strategic partnerships in regional development that involves various elements of coordination between different actors in many activities. As Seaton states (2004, 23–25), the product in tourism is frequently a multiple one involving cooperation between several suppliers.

In conclusion, it would seem inevitable that coordination will become increasingly relevant in tourism research. Its importance and the very term need to be explicitly defined and clarified, which has not happened so far in the context of tourism or network research. The need for coordination is most evident in tourism business networks, in which the different members are often disparate. Without it the members of local, regional, national and international networks might have different and potentially conflicting objectives, resulting in chaos and inefficiency (Frances et al., 1991, 3; Ouchi, 1991). Therefore, disparate tourism providers need to coordinate their activities in order to be able to produce a common service to offer to the customer, the tourist.

According to Ford, Gadde, Håkansson, Lundgren, Snehota, Turnbull & Wilson (1998, 270): “A network is different from a market because a network is a place where companies can come and go as they please, to a great extent, and where no single transaction is explicitly related to another in the future or in the past. A network is also different from a hierarchy or organizational structure because the links between those involved are neither fixed, nor subject to ownership or overall control. A business network is not something that is imposed on the companies in it, nor is it something that can be designed or managed by any one of them. No one manages a network, but many have to try to manage in it”. This statement offers a fruitful juxtaposition and standpoint for this research on how the cooperation in tourism business networks is coordinated and by what means. It is inevitable that, given its fragmented and multi-sectored nature, tourism demands inter-organizational cooperation between network actors, and the cooperation has to be coordinated if it is not possible to manage it. Neither the significance of coordination nor the coordination of cooperation has been explicitly examined or defined in the contexts of networks and tourism. This study therefore contributes to network theory, and the research on tourism in aiming to narrow the gap.

1.3 The main concepts used in the study

1.3.1 Coordination

Coordination is one of the basic management tasks in the organizational context (Tuominen, 1981) in that it fosters inter-functional harmony (Fayol, 1990). Its importance is highlighted in the fields of economics, sociology and especially organizational development (Larsson, 1990). Adam Smith's¹ (1776, 5) initial notion of the division of work was based on the principle of coordination (Larsson, 1990). Petit (1975) took the opposite view: whereas the division of the work breaks down an activity into its constituent parts, coordination reunites the separate activities in a new way.

It is indicative of the importance of intra-organizational coordination that the main theme of the American Marketing Association's (AMA) 44th national conference in 1961 was 'Effective marketing coordination', the sub-themes including coordination within market segments, through marketing plans, through control (controllable and uncontrollable variables), and through marketing research. It has been a relevant theme in marketing science for nearly fifty years.

In terms of organizational theory, increasing coordination and control is a way of dealing with uncertainty stemming from interdependence (Pfeffer & Salancik, 1978; Lehtimäki, 1996). The conclusion is that both cooperation and coordination are needed for the best results (Petit, 1975). Quinn and Dutton (2005) define coordination as the process of arranging activities, the process people use to create, adapt and re-create organizations. According to Tuominen (1981), even though the importance of coordination cannot be denied, it has seldom, neither in content nor context, been an explicit focus of research. Moreover, the research that has been conducted has been fairly narrow and lacking in specific concepts and perspectives, and this makes it difficult to compare and connect the studies. The theoretical discussion on coordination in organizations is conducted in small-scale articles and general presentations within the literature on organizational issues. Hyvönen (1983), however, introduced the integrated model of inter-organizational coordination and cooperation, the basic proposition in which is that transaction processes and organizational structuring variables determine its level.

Table 1 summarizes the research on coordination in different organizational contexts, highlighting the most significant analytical principles. It includes research on intra-organizational coordination, the arguments of the classic

¹ Smith, Adam (1776 (1937)) *An inquiry into the Nature and Causes of the Wealth of Nations*. New York: The Modern Library.

organization theorist Fayol (1990), Petit's (1975) fundamentals of management coordination, and Tuominen's (1981) theoretical view on organizations.

Table 1 The concept and context of coordination according to different researchers

	<i>Context</i>	<i>How the concept is viewed/defined</i>
Fayol (1990)	Firms (intra-organizational coordination)	Coordination is one of the most important administrative functions: All departments in the firm function in accordance with the other departments. Every department, division and unit is explained with regard to its role in the organization's aims and how they need to help each other. The time schedules of the different departments are forever being harmonized to fit continuously changing circumstances.
Petit (1975)	Organizations (intra-organizational coordination)	Fundamentals of management coordination Coordination and management (methods of achieving coordination, coordination functions) Management coordination functions (decision-making, planning, organizing, leadership, control) Supervisory coordination
Tuominen (1981)	Firms, organizations (intra-organizational coordination between the international business units of a corporation)	The aim is to move towards a theory of coordination A theoretical view on organizational coordination, which incorporates internal and external situational factors Explaining the coordination phenomenon in terms of process theory
Hyvönen (1983)	Vertical marketing systems (inter-organizational coordination)	Coordination and cooperation in a vertical marketing system Economic and organizational approaches as an integrated framework of coordination and cooperation The effects of coordination and cooperation on inter-organizational performance A conceptual model of coordination and cooperation in vertical marketing systems
Larsson (1990)	Mergers and acquisitions of firms	Coordination of actions in mergers and acquisitions An overview of the literature on coordination

	(intra- and inter-organizational coordination)	(economic and social, inter- and intra-organizational, group and interpersonal coordination) A comparative analysis of the coordinative realization of synergies Implications for conceptual theories on coordination
Lorenzen and Foss (2003)	Industrial clusters (inter-organizational coordination)	Cognitive coordination in industrial clusters The roles of incentives and beliefs Processes of cognitive coordination Social learning and analogy making
This study (2010)	Tourism business networks (inter-organizational coordination in networks)	A theory-building case study of the coordination of cooperation in tourism business networks The contextual factors and the prerequisites for the coordination of cooperation The structures and processes of coordinated cooperation Value creation as an outcome of coordinated cooperation

In the inter-organizational context, research interest in inter-organizational relations was rather limited until the late 1970s, but since then coordination between organizations has become a common topic. Hyvönen (1983) discusses coordination and cooperation in vertical marketing systems. Larsson (1990) focuses on the coordination of actions in mergers and acquisitions, whereas Lorenzen and Foss (2003) take a cluster perspective when discussing cognitive coordination in regions (see Table 1).

Coordination is a relevant focus of research in contemporary supply-chain management (Martin & Grbac, 2003; Jaspers & van den Ende, 2006; Chen, Chang, Huang & Liao, 2006; Hsieh, Chiu & Hsu, 2008; Duffy, 2008), which emphasizes the mediating role of cross-functional (Eng, 2006) coordination and the moderating role of inter-functional coordination (Auh & Menguc, 2005; Zahay & Peltier, 2008). In Eng's (2006) model organizational norms (e.g., cooperative norms, participative culture, mutual trust) are linked to supply-chain responsiveness and firm performance through cross-functional coordination. Auh and Menguc (2005) found that greater inter-functional coordination is a source of internal social capital, whereas Zahay and Peltier (2008) saw the need to develop customer-centric strategies interactively, as dialogue between middle and upper management. Carcia-Dastugue and Lambert (2003), and Osmonbekov, Bello and Gilliland (2009) discuss Internet-enabled coordination in supply chains (see Ovaska, 2005). Samiee (2008) focuses on global marketing effectiveness via alliances and electronic

commerce in business-to-business markets, whereas Duffy (2008) aims at identifying the coordination levels of partnerships.

In the tourism business the product or service offering is a combination of the outputs of many service providers (multiple supplier activities), which demands coordination of cooperation among the actors. The focus in this study is firm-external, in other words on coordination among actors from different organizations, which is thus defined as *the process of arranging activities and connecting actor resources in tourism business networks*.

1.3.2 Cooperation

Organization theorists link intra-organizational coordination and cooperation. Petit (1975, 53) defines the two concepts: “Coordination refers to effective time and sequence in performing activities, while cooperation indicates the willingness of persons to work together toward objectives”. According to Argyle (1991, 4), a social psychologist, “in a sense all social interaction and communication require a minimum level of coordination, even competitive games”.

Hyvönen (1983, 30), focusing on coordination and cooperation in vertical marketing systems, suggests that cooperation between channel members presupposes the search for shared goals, awareness that cooperation will lead to goal attainment, and the willingness to work together, share the rewards and acquire the skills necessary to make the joint activities successful. Lorenzon and Foss (2003, 99) do not explicitly define the concept of cooperation, but they propose that cognitive coordination “plays a pivotal role for trust based cooperation and communication among entrepreneurs in a regional cluster”.

Hyvönen (1983, 30) defines an inter-organizational network as equilibrated to the extent that participant organizations are engaged in highly coordinated, cooperative interactions based on normative consensus and mutual respect. Easton and Araujo (1992, 76) define cooperation as follows: “two or more parties have objectives that are mutually dependent”. According to them there is a variety of forms of cooperation in networks, such as the distinction between formal and informal cooperation. Formal cooperation is planned and managed, or at least can be, whereas informal cooperation is more likely to be individual, random and unplanned.

In the tourism context Schianetz, Kavanagh and Lockington (2007) define cooperation as informal collaboration, whereas coordination denotes formal inter-organizational relations (e.g., networks and partnerships). Jamal and Getz (1995, 188), on the other hand, argue that the concept of the inter-organizational domain is critical to the understanding of collaboration. Fyall

and Garrod (2005) refer to *collaborative* marketing as a new paradigm in the tourism business: the increasingly competitive nature of global markets means that *cooperation* between actors will continue to increase. Fyall and Garrod (2005) seem to use the terms ‘collaboration’ and ‘cooperation’ synonymously. However, Jamal and Getz (1995) make a difference between these concepts, referring to Fowler and Fowler² (1964, 269) in stating that “cooperation means working together to some end”. They refer to Gray³ (1989, 227) thus in their definition of the concept of collaboration (p 187): “collaboration is a process of joint decision making among key stakeholders of a problem domain about the future of that domain.” Hardy, Lawrence and Grant (2005), in turn, define collaboration as cooperative, inter-organizational action that produces innovative, synergistic solutions and balances divergent stakeholder concerns. Although these terms may be slightly differentiated in some definitions, they are used as synonyms in this study.

Argyle (1991) defines cooperation as “acting together, in a coordinated way at work, leisure or in social relationships, in the pursuit of shared goals, the enjoyment of the joint activity or simply furthering the relationship.” According to Sommerlatte (1990, 29), on the other hand, the cooperation phenomenon is the economic effect of “one plus one equals three”. Mindful of the increasing need for companies to enter into networks of alliances and cooperative arrangements ranging from R&D joint ventures to market exploration and marketing agreements, O’Doherty (1990, 266) provides a working definition of such practices as “inter-organizational cooperation agreements, which are formal and informal agreements, between two or more companies providing for a certain degree of collaboration between them and involving equity participation”.

In this work cooperation is defined as *an inter-organizational, formal and informal action that balances divergent concerns of network actors*. Combining the definitions of ‘coordination’ and ‘cooperation’ the definition of ‘coordination of cooperation’ is consequently: *the process of arranging inter-organizational, formal and informal activities and connecting actor resources in a way that balances divergent concerns of network actors*.

² Fowler, H. W. and Fowler, F. G. (1964) *The Concise Oxford Dictionary* (5th edition). Oxford: Oxford University Press.

³ Gray, B. (1989) *Collaborating: Finding Common ground for Multiparty Problems*. San Francisco: Jossey-Bass.

1.3.3 Tourism business networks

In order to define the concept of a ‘tourism business network’ it is necessary to consider the three words ‘tourism’, ‘business’ and ‘network’. With regard to tourism, Middleton (1994, 8) and Middleton and Clarke (2001, 9) note that academics have been discussing conceptual definitions for several decades. Nevertheless, it was not until recently that the WTO⁴ (World Tourism Organization) endorsed the following statement: “Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business or other purposes” (WTO, 1992 – subsequently ratified by the UN Statistical Commission). This is clearly a demand side definition of tourism and therefore does not suit the purpose of this study, which focuses on the supply side.

The tourism sector has been late in recognising the importance of supply-side definitions of this complex phenomenon. It was as late as 2000 when the United Nations Statistical commission approved the adoption of tourism satellite accounts (TSA) as a method of measuring this economic sector (Cooper, Fletcher, Fyall, Gilbert & Wanhill, 2005). According to Cooper et al. (2005, 15), TSA could be considered a ‘technical’ supply-side definition, and refer to Leiper (1979, 400) for a conceptual or descriptive definition: “The tourist industry consists of all those firms, organisations, and facilities, which are intended to serve the specific needs and wants of tourists”.

In order to incorporate the business aspect Seaton and Bennett (2004, referring to Smith 1990, 183⁵) define tourism as “...the aggregate of all businesses that directly provide goods or services to facilitate business, pleasure, and leisure activities away from the home environment”. This is clearly a supply-side definition and takes into consideration tourism as a heterogeneous sector consisting of several product fields. It was referred to as an industry rather than a multi-product sector in Britain in the 1980s because this encompassed a heterogeneous and diverse number of different businesses, which individually would not have had as much lobbying power as more homogenous industries such as transport and agriculture (Seaton & Bennett, 2004, 3–4). The main business areas that have been subsumed under the tourism label include hotels and accommodation, airlines, ferry and cruise operators, restaurants, travel agencies and tour operators, tourist attractions and car hire, for example (Seaton & Bennett, 2004, 4).

⁴ World Tourism Organization (WTO) (1992). Presentation on Tourism Trends to 2000 and beyond.

⁵ Smith, S. (1990) *Tourism Analysis*, Essex: Longman.

Finally, there are various definitions of the network in tourism, depending on the school of thought followed in the study. It is defined in the industrial network approach as “a structure where a number of nodes (being companies & organizations) are related to each other by specific threads” (Ford, Gadde, Håkansson & Snehota, 2003, 18). The definition thus depends on the characterizing feature, i.e. whether it is an issue-based (Komppula, 2000; Brito, 1997) or a value-creating intentional or strategic (Möller, Rajala & Svahn, 2005; Ebers, 1999; Jarillo, 1988, 1993) network. In the tourist industry, according to Tremblay (1998, 837–859), innovations are promoted through network relationships and alliances for multiple reasons, but mainly in order to improve communications and dialogue among firms. On the basis of Redding’s analysis (2005) the business system in the cases studied in this research was the network because the actors were connected through mechanisms other than ownership.

A tourism business network is thus defined here as *a value-creating, intentional or strategic network of firms, organizations, and facilities set up to serve the specific needs and desires of tourists and consisting of actors engaged in activities and controlling resources in connection with other actors.*

1.3.4 Destination management and marketing organizations (DMO)

The development of a tourist destination has become one of the most popular topics in the tourism literature (Shih, 2006). Hence, destination management or destination marketing is one of the key theoretical standpoints in this study. Seaton and Bennett (2004, 350–351) describe a destination as “a complex and peculiar animal”. It is a product, a single entity such as the Baltic Sea, but at the same time “it comprises every kind of tourism organization and operation in its geographical area (hotels, transport, attractions)”. He thus conceptualizes a physical entity (the Baltic Sea with the countries and towns on its shores as a geographical location), but also a more intangible, socio-cultural phenomenon constituting its history, traditions and way of living. He also emphasizes the psychological aspect, the destination that exists in the minds of its tourists and potential tourists, which “may not even be a single place, but a conceptual entity, which incorporates several destinations and locations”. Both the Baltic Sea and the Mail Road in Finland, Åland and Sweden are good examples of a destination that is perceived as a totality.

A destination represents patterns of cooperative and competitive linkages between commercial operators as well as coordinating organizations such as DMOs (Scott et al., 2008; Tremblay, 1998). According to Buhalis (2000, 98),

a destination is an amalgam of tourism products, offering an integrated experience to consumers, which he defines “as a geographical region, which is understood by its visitors as a unique entity, with a political and legislative framework for tourism marketing and planning”. In his view this gives DMOs the responsibility for the development and promotion of a region and the authority and resources to initiate action in pursuit of its planned objectives.

Cooper et al. (2005, 725) define a DMO as “a destination-based organization tasked with the responsibility of coordinating and managing destination activity including planning and promotion”. Middleton focuses on marketing as a basic function, and defines a DMO as a tourist organisation designated with reference to its geographical area as a tourist destination, which may be a country, an island or a city (Middleton, 2001, 328). Viewpoints in the literature vary depending on the explanation of the concept of a DMO. The above definition works on both the regional and the local level. Seaton and Bennett (2004, 350) consider destination marketing the “heartland of tourism marketing”: because of its role as a catalyst it links all the other industries in the tourism, transport, accommodation and attractions sectors.

With regard to the term ‘marketing’ Fyall and Garrod (2005, 26–29) note that the definitions tend to fall into two principal camps focusing on either processes and systems or philosophy and customers. Whereas the process-centric definitions originate from professional bodies such as the American Marketing Association, the philosophy-centric ones stem from academia (Fyall & Garrod referring to Levitt, 1960⁶; Morgan, 1996⁷). However, marketing is defined in a general sense and not specifically with reference to tourism. As Fyall and Garrod (2005, 34, 109) note, marketing in tourism has to be located in the context of services and service marketing. Still, it is significant that all the components in the tourism ‘product’ work in harmony. This reflects how, according to Seaton (2004, 23–25), tourism differs from other services because it is more supply-led, the product is a complex offering incorporating an extended product experience with no predictable critical evaluation point, and high involvement and high risk for the consumers.

Whether considered from the management or marketing perspective, the role of public-sector support and/or the creation of private-sector partnerships in marketing a destination cannot be ignored (Seaton & Bennett, 2004, 369–370). Page et al. (2002, 227) define the role of the public sector in tourism as “an anchor and counterbalance to the private sector”, which needs to “work in harmony with the private sector”. Seaton and Bennett point out the connection

⁶ Levitt, T. (1960) Marketing myopia. *Harvard Business Review* (July- August), 3–13.

⁷ Morgan, M. (1996) *Marketing for Leisure and Tourism*. London: Prentice Hall.

between the image and the identity of a destination, and concludes that it cannot be taken care of by the private sector alone, especially when it extends to the image and identity of a town, a region or a country. Therefore, public-sector intervention in promoting and protecting a local identity is essential for the development of a viable and successful private industry (Page et al., 2002): it cannot be done by private organizations alone (Seaton & Bennett, 2004, 369–370).

More than most economic sectors, tourism involves the development of formal and informal collaboration, partnerships and networks (Scott, Cooper & Baggio, 2008; Saxena, 2005; Tinsley & Lynch, 2001). Such inter-organizational networks consist of independent suppliers linked together to deliver an overall product (King, 2002; Scott et al., 2008).

The focus in this research is on the coordination of cooperation in tourism business networks whose members may represent both the private and the public sector. *Destination management or marketing organizations (DMOs) are seen as coordinating mechanisms in tourism business networks consisting of actors carrying out activities in cooperation with other actors and controlling resources.*

1.4 The network approach in tourism research

In order to enable the theoretical positioning of this study in the field of networks, tourism research is analyzed from the perspective of the specific network approach applied.

The *social network approach*, as one of the schools, offers powerful mathematical modelling tools (Araujo & Easton, 1996). In the context of tourism Shih (2006) presents a quantitative method for investigating the network characteristics of offering techniques and indicators that measure the links among the nodes to demonstrate the structural patterns of connected systems. Scott et al. (2008) examine the structural properties of inter-organizational networks within destinations by means of network analysis.

The social network approach could be criticized because the structural forms of analysis are poorly equipped to explain how structures are created, reproduced and transformed by the behaviour of actors embedded in the networks (Araujo & Easton, 1996). In the present context, Saxena (2005, 1) argues that sustainable tourism is ‘territorially embedded’ in ongoing social networks and relationships. Von Friedrichs Grängsjö and Gummesson (2006) note that networks have increasingly gained ground in the organization of the development of economic systems, such as the tourist industry. Horizontal networks have not been studied to the same extent as vertical ones, however.

According to Wang and Fesenmaier (2007), despite the high incidence of collaboration and partnerships in tourism, few theories have been developed that explain the processes underlying collaborative destination marketing. Greer (2002) focuses on trans-jurisdictional tourism partnerships, and de Araujo and Bramwell (2002) on regional tourism-development partnerships. Moreover, Beritelli, Bieger and Laesser (2007) analyzed the contribution of corporate governance theories, including social-network theory, to explaining destination governance structures and evolution.

The concept of embeddedness provides a rewarding theoretical standpoint for understanding the evolution of a business network (Halinen & Törnroos, 1998). Networks are commonly viewed as dynamic and constantly changing (Johnston, Peters & Gassenheimer, 2006; Freytag and Ritter, 2005). As Mattsson (2002, 11) argues, “the external effects, in the network, of individual transactions constitute an important aspect of markets. Exchange in one relationship is dependent on exchange in the other relationship. Such network effects are the most important driving force for market dynamics”. It is therefore necessary to take a dynamic approach to studying relationships (in a network) in order to arrive at an understanding of how such a relationship evolves over time (Ravald & Grönroos, 1996; Ritter & Gemünden, 2003; Ritter, Wilkinson, & Johnston, 2004; Morton, Brookes, Smart, Backhouse, & Burns, 2004).

In the tourism context there has been relatively little research on the dynamic process of collaborative marketing at the destination level (Wang, 2008; Fyall & Garrod, 2005; Saxena, 2005). Nevertheless, Östhol, Svensson & Halkier (2002, 31) note that a common strategy agreed on by collaborative partners may refer to new priorities and new combinations of resources, i.e. coordination dynamics of a new kind. Sainaghi (2006) proposes a dynamic model of destination management, whereas Beritelli, Bieger and Laesser (2007) analyze corporate governance theories as a basis for effective management.

Inter-organisation theory was initially built on social-network concepts such as network density and centrality, but has since developed its own arsenal of vocabulary (Araujo & Easton, 1996). Pavlovich (2003) emphasizes both the evolution of a tourism destination and structural features such as architectural density and centrality in the network. As Fyall and Garrod (2005) note, inter-organizational collaboration amongst stakeholders and public-private sector partnerships is a popular strategy for destination marketing organizations and their interested parties. According to the traditional inter-organization theoretical discourse the nodes in the network are non-profit organizations and public agencies, and the links are represented by resource flows typically defined as financial resources, physical facilities, client or customer referrals

and service delivery. Networks thus emerge as purposeful social systems aimed at coordinating a range of disparate resources in order to deliver particular types of services targeted at specific social problems (Araujo & Easton, 1996). Fyall and Garrod (2005) apply this view in their discussion on collaborative relationships in the context of the tourist industry, mentioning activities such as information gathering, product development, product marketing and promotion, visitor management, training and employment initiatives, networking, and encouraging stakeholder support.

According to some, inter-organizational theory is close to resource-dependency theory (Araujo & Easton, 1996; Pfeffer & Salancik, 1978). It is therefore not surprising that Palmer and Bejou (1995) apply the latter to the context of tourism, arguing that stakeholders seek to reduce environmental uncertainty by exchanging scarce resources for mutual benefit. Wang and Fesenmaier (2007), however, argue that theories such as resource-dependency theory (Pfeffer & Salancik, 1978), transaction cost economics (Williamson, 1975), strategic-management theory (Porter, 1990; Prahalad & Hamel, 1990) and networking theory (Granovetter, 1985⁸; Gulati, 1998⁹) cannot individually explain the nature of the marketing alliances and networks that represent a destination.

According to Araujo and Easton (1996, 78), the main difference between *actor-network theory* and other network approaches such as social-network and inter-organizational theory lies in its emphasis on process rather than structure: “this is the sociology of verbs rather than nouns”. If this logic is applied to social or inter-organizational networks the focus shifts from relationships between entities to what those relationships do in order to help to define the entities. This view is evident in Gnoth’s (2003, 3–4) conception of the networked tourism product as instrumental: the end result adds value to the consumer’s experience by turning an inadvertent network into a voluntary one that learns and develops its services according to customer wishes.

Entrepreneurship is an interesting phenomenon considered from a network perspective. Entrepreneurs are generally associated with independence and innovation, breaking existing modes of organizing and producing goods and services. In the context of tourism research Mattsson, Sundbo & Fussing-Jensen (2005) propose an attractor-based model of an innovation system. This concept differs from the general notion of an innovation system in that it identifies a clear originator (Mattsson et al., 2005). Studies on entrepreneurship networks have strong links to social network analysis, inter-

⁸ Granovetter, M.S. (1985) Economic action and social structure: The problem of embeddedness. *American Journal of Sociology*, No. 91, 481–510.

⁹ Gulati, R. (1998) Alliances and networks. *Strategic Management Journal*, Vol. 19, No. 4, 293–317.

organizational theory and population ecology (Araujo & Easton, 1996). Florén and Tell (2004, 292–307) argue that cooperation in networks produces better higher-level learning opportunities than small firms can manage on their own: learning in networks is inherently based on trust.

With regard to tourism, Tinsley and Lynch (2001) argue that entrepreneurs often mobilize different networks (e.g., business contacts, family and friends) in the search for resources (e.g., information, capital and other business contacts) to translate their visions and business plans into reality. Smeral (1998, 374) points out the importance of perceiving the whole bundle of destination experiences as a product of flexible technologies as opposed to single supply components *per se*. Ballantyne (2004, 122), in turn, emphasises the role of marketing in creating dialogical space within social, economic and technical network structures through which relationship-specific knowledge, trust and knowledge-generating processes can evolve.

Consequently, the focus in research on *networks of innovators* has moved from their role as carriers of social and mainly technical information and know-how to the phenomenon of inter-organizational relationships and innovation that span and cross organizational boundaries (Araujo & Easton, 1996). Novelli, Schmitz and Spencer (2006) use networks and clusters as a framework for providing small and medium-sized enterprises with innovative opportunities to operate in the tourist industry. Another idea is that an intermediate category might include actors such as entrepreneurs and the networks of individuals involved in innovation. In both cases we might argue that it is a question of issue-based networks, in other words networks set up to resolve particular issues such as setting up a new venture, or the innovation processes involved in the creation and adoption of a new product or service. Komppula (2000) adopted this approach in her study of how tourism enterprises become committed to a network.

Araujo and Easton (1996) use the term *Policy network*, reflecting the adoption of the network concept in political science, mainly in describing policy-making processes. In the tourism context Dredge (2006) discusses the role of networks in fostering or inhibiting public- and private-sector partnership building.

Inherent in the industrial network approach (INA) are strong cross-references to other approaches, particularly social-exchange theory. Nevertheless, its origins lie in empirical studies of dyadic relationships in industrial markets in particular, but also in research on internationalization, and distribution channels. It is based on social-exchange theory in view of its connectedness to exchange relationships. The concept of connectedness allows us to move away from dyadic relationships and to consider the impact of indirect relationships and system-wide effects on individual relationships

(Araujo & Easton, 1996). In the tourism context Pavlovich (2003, 216) emphasizes the importance of understanding how collective inter-organizational relationships and partnerships are formed and managed, and how they evolve over time. March and Wilkinson (2009) study the way the relationships and networks connecting the actors involved in a tourist destination affect its behaviour and performance.

Table 2 classifies the research on tourism according to the network approach adopted.

Table 2 Research on cooperative business networks in tourism destinations classified according to the approach adopted

<i>Tourism research</i>	<i>Network approach adopted</i>	<i>Other main approaches referred to</i>	<i>Results in brief</i>
De Araujo & Bramwell (2002)	The inter-organizational approach; policymaking networks (von Mettenheim, 1992 ¹⁰)	(Collaboration theory (e.g., Gray 1989 ¹¹))	The partnerships focused on coordination and planning for regional development, bringing together stakeholders representing interests from different spatial categories.
Beritelli, Bieger & Laesser (2007)	Social-network approach (Gulati, 1998) ¹²	Corporate governance theories (Coase, 1960 ¹³ , Jensen & Meckling, 1976 ¹⁴ , Williamson, 1979 ¹⁵)	The results, based on 12 case studies, reveal the high relevance of corporate-governance theories.

¹⁰ Von Mettenheim, K. (1992) Democratic Theory and Electoral Representation: Trends Toward Direct Democracy? Pennsylvania: University of Pittsburg, LASA.

¹¹ Gray, B. (1989) Collaborating. Finding Common Ground for Multi-Party Problems. San Francisco: Jossey-Bass.

¹² Gulati, R. (1998) Alliances and Networks. Strategic Management Journal, Vol. 19, No. 4, 293–317.

¹³ Coase, R. (1960) The Problem of Social Cost. Journal of Law and Economics, Vol. 3, 1–23.

¹⁴ Jensen, M. and Meckling, W. (1976) Theory of the Firm: Managerial Behavior, Agency Costs and Ownership Structure. The Journal of Financial Economics, Vol. 3, 305–360.

¹⁵ Williamson, O. E. (1979) Transaction-Cost Economics: The Governance of Contractual Relations. Journal of Law and Economics, Vol. 22, No. 2, 233–261.

Dredge (2006)	Policy networks (Rhodes, 1997 ¹⁶ ; Marsh 1998 ¹⁷)		Management is needed in fostering public-private-sector partnerships.
Von Friedrichs Grängsjö & Gummesson (2006)	Social-network approach (Granovetter 1973 ¹⁸ , 1985 ¹⁹) Industrial network approach (Halinen & Törnroos, 1998)		Networking is facilitated when local competitors build social capital through trust and commitment.
Gnoth (2003)	Industrial network approach (Håkansson & Snehota, 1995; Ford et al., 1998)		The nature of a networked tourism product is seen as instrumental. The end result is value added to a consumer's experience.
Go & Williams (1994)		Value system, value chain (Porter, 1985 ²⁰)	Cooperation through networking is the key to gaining a competitive edge in the tourist industry.
Komppula (2000)	Industrial network approach, issue-based networks (e.g., Brito, 1997; Easton 1992; Håkansson, 1982; Tikkanen 1996 ²¹ , 1997 ²²)		An embedded and representational structure in an issue-based network operating in regional tourism is distinguished. Commitment to a network evolves along with the cooperation process. The network position of an actor is defined according to the amount of resources invested in its activities. Mutual trust is an absolute prerequisite for a high level of commitment.

¹⁶ Rhodes, R. A. W. (1997) Understanding governance: policy networks, governance, reflexivity and accountability. Buckingham: Open University Press.

¹⁷ Marsh, D. (1998) Comparing policy networks. Buckingham: Open University Press.

¹⁸ Granovetter, M. (1973) The strength of weak ties. *American Journal of Sociology*, No. 78, 1360–80.

¹⁹ Granovetter, M. (1985) Economic action and social structure: the problem of embeddedness. *American Journal of Sociology*, No. 91, 481–510.

²⁰ Porter, M. E. (1985) *Competitive Advantage*. New York: Free Press.

²¹ Tikkanen, H. (1996) Pohjoismaisen verkostotutkimuksen tieteenfilosofiset perusteet. *Liiketaloudellinen Aikakauskirja* 4, 384–403.

²² Tikkanen, H. (1997) *A Network Approach to Industrial Business Processes. A Theoretical and Empirical Analysis*. Publications of Turku School of Economics. Serie A-7:1997.

March and Wilkinson (2009)	Industrial network approach (e.g., Axelsson & Easton, 1992; Andersson, Håkansson & Johanson, 1994 ²³ ; Håkansson & Snehota, 1995; Ritter, Wilkinson & Johnston, 2004)		Offers a method for investigating and conceptualizing network relationships in a regional tourism district. Classifies four different approaches to inter-organisational relationships in a tourism region: a) the application of a value net; b) the generation of a partnership-activity matrix; c) the ecological approach; d) identifying competences regarding scarce resources among tourism stakeholders.
Novelli, Schmitz and Spencer (2006)	Social-network approach (Knoke & Kuklinski, 1983 ²⁴)	Cluster theory (Porter, 1998 ²⁵)	Uses network and clusters as a framework for providing SMEs with innovative opportunities to operate in a competitive tourism environment.
Pavlovich (2003)	Social-network approach (e.g., Granovetter, 1973 ²⁶ ; Rowley 1997 ²⁷ ; Gulati, 1998 ²⁸) Industrial network approach (Easton, 1992)		Focuses on how relationships between organizations can act as a self-organizing mechanism for a destination. Uses network theory to express these dynamics and emphasizes the structural features of architectural density and centrality.

²³ Andersson, J., Håkansson, H. & Johanson, J. (1994) Dyadic business relationships within a business network context. *Journal of Marketing*, 58, 1–15.

²⁴ Knoke, D. & Kuklinski, J. (1983) *Network analysis*. Los Angeles: Sage.

²⁵ Porter, M. E. (1998) Clusters and the new economics of competition. *Harvard Business Review*, Vol. 76, No. 6, 77–90.

²⁶ Granovetter, M. (1973) The strength of the weak ties. *American Journal of Sociology*, No. 78, 1360–80.

²⁷ Rowley, T. J. (1997) Moving beyond dyadic ties: a network theory of stakeholder influences. *Academy of Management Review*, Vol. 22, No. 4, 887–910.

²⁸ Gulati, R. (1998) Alliances and networks. *Strategic Management Journal*, Vol. 19, No. 4, 293–317.

Saxena (2005)	Social-network approach (Granovetter, 1973 ²⁹)	Relationship marketing (e.g., Grönroos, 1990 ³⁰ ; Gummesson, 1997 ³¹)	Constructs a relational framework using principles of relationship marketing and the network approach in order to examine the nature of the exchange structure in three case-study areas and learning environments.
Saxena & Ilbery (2008)	Social-network approach (Granovetter, 1973 ³² ; Rowley 1997 ³³)	Integrated Rural Tourism (IRT)	Argues that the creation of embedded and endogenous networks does not necessarily result in empowerment for all concerned.
Scott, Cooper & Bagglio (2008)	Social-network approach (Granovetter, 1973 ³⁴ ; Knoke & Kuklinski, 1993; Rowley, 1997 ³⁵)		Examines the structural properties of inter-organizational networks within destinations. Information flows between key agencies provide the basis for analyzing the structures and linkages.
Shih, Hsin-Yu (2006)	Network analysis (Freeman, 1979, 1980)		Presents a quantitative method for investigating the network characteristics of drive tourism destinations with the help of methodologies derived from the network analysis.
Tinsley and Lynch (2001)	Entrepreneurial networks (e.g., Birley, 1991)		Based on ongoing research into networking between small tourism businesses and their contribution to destination development.

According to the theory, change is a key feature of any industrial network. Disruptive changes generally occur as a result of mobilization processes, which break old patterns of exchange and create new ones (Brito, 2001; Lundgren, 1992). Lundgren (1992) goes on to argue that a collective goal in the network is not a necessary condition for disruptive changes, pointing out that the mobilization process is likely to evolve more smoothly if the actors have a common vision. The concern in the industrial networks approach has been with process and change as much as with structures. This orientation

²⁹ See footnote 18

³⁰ Grönroos, C. (1990) Marketing redefined. *Management Decision*, Vol. 28, No. 8, 5–9.

³¹ Gummesson, E. (1997) Relationship marketing – The Emperor’s new clothes or a paradigm shift? *Marketing and Research Today*, February, 53–60.

³² See footnote 18

³³ See footnote 27

³⁴ See footnote 18

³⁵ See footnote 27

differs markedly among the network studies reviewed by Araujo and Easton (1996). A purely structuralist approach is difficult to defend, particularly in business networks, given that markets are, by definition, dynamic. This does not mean that the structure should be neglected, but the two elements, structure and process, should coexist and neither should dominate. Of the ten candidates Araujo and Easton (1996) discussed, only one comes anywhere close to meeting these criteria, the industrial networks approach, in which the links are defined as relationships of economic exchange. Comparative studies on networks expand this idea to include possible between-country differences in such social networks in terms of structure and process, particularly when the very links are cross-cultural. In this research, for example, the partners in the case networks come from several countries and cultures.

Pavlovich (2003) refers to Easton (1992) when using the network approach to express the dynamics of change in relationships between organizations in a tourism network. Zahra and Ryan (2007) advance that view and introduce the theory of chaos and complexity in identifying the components of and change within a complex social system in the context of regional tourism organizations. It is also worth noting that Russell and Faulkner (2004) associate nonlinearity, change and turbulence with entrepreneurial activity.

As indicated in Table 2 above, the social-network approach has been the most common in tourism research (Beritelli et al., 2007; von Friedrichs Grängsjö & Gummesson, 2006; Novelli et al., 2006; Pavlovich, 2003; Saxena, 2005; Saxena & Ilbery, 2008; Scott et al., 2008), although some studies focus on policy (Dredge, 2006) and entrepreneurial networks (Tinsley & Lynch, 2001). Two of them adopt the industrial network approach (Komppula, 2000; March & Wilkinson, 2009), and Gnoth (2003) presents an initial outline for a dynamic model of network formation in the tourist industry.

2 PROBLEM SETTING AND THE FOCUS OF THE STUDY

2.1 Purpose

The purpose of the study is to explore the means of coordinating cooperation in tourism business networks, and more precisely to select certain means for deeper analysis. The actors in tourism networks include independent business enterprises, which although closely linked in terms of business conduct are often managerially isolated. This may result in confusion about who is supposed to play what role, and could lead to conflict.

In line with the Industrial Network Approach, this coordination and cooperation could be analyzed in terms of both structures and processes. It is important to understand the role of the coordination process in bringing about a higher level of cooperation amongst stakeholders in private and public sectors and, in some cases, stimulating innovation in order to enhance the competitiveness of the network. In this research the longitudinal multi-case study made it possible to focus on both structures and processes, and to experience both the process of learning about the cases and the product, described as an ideal situation by Stake (1998).

The concept of coordination has been widely studied in the intra-organizational context and also, especially in the literature on supply-chain management in the inter-organizational context. The idea of coordinating the cooperation is more seldom raised as an explicit research question in studies of industrial networks, however. Nevertheless, networks as well as markets and hierarchies could be seen as coordinative mechanisms as such. The focus in this study is on the coordination of cooperation in the context of tourism business networks with common interests on the international, national, regional, and local geographical level. As mentioned earlier, destination is part of this concept.

The purpose of the study is the end goal of the research process, and to make the process consequential four subordinate goals are set as sub-questions, which together constitute the main research question - *How is cooperation in the tourism business networks coordinated?* The sub-questions shed light on both the contextual factors (sub-question 1) and prerequisites (sub-question 2) involved in this coordination. The structures and processes (sub-question 3) and the outcome (sub-question 4) are also analyzed.

The above discussion prompts the first of the sub-questions: *How does the context of tourism business networks characterize the coordination of cooperation among the actors?*

Tuominen (1981) concludes that it is not possible to base a theory of coordination merely on organization theories, arguing that there is a need to establish its dependency on concrete exogenous and intrinsic factors. He (p. 171) classifies organizational growth as an indigenous factor, and an uncertain operational environment and changing competitive and technical circumstances as external factors. He bases his discussion on different cognitive and participative theories of coordination. In this context of this study the coordination of cooperation is considered an activity that goes on not only in single firms and organizations but also seen in a wider context. Therefore it is relevant to ask *what are the prerequisites for the coordination of cooperation in tourism business networks*, which is the substance of the second sub-question.

A major challenge to cooperation among the different stakeholders in the tourism business network is that it requires the convergence and execution of interactions in line with available resources, meaning that the stakeholders must have knowledge of the resources and be able to handle them and combine them. Such resources include social, technical and material structures (Castells, 1996ab; Cunha, Cunha & Kamoche, 1999; Go & van Fenema, 2003), to which Go and van Fenema added mental structures. Social structures incorporate culture, leadership, motivation, group and individual dynamics, and behaviour; technical structures incorporate hierarchies, the division of labour, rules and procedures; and material structures represent a general category incorporating all the resources that lie beyond individual and organizational systems. Examples of material structures include information systems, financial resources, buildings and other tangible assets, and the physical attractions at a tourist destination. Mental structures or spaces represent the perceived destination's image, which is relevant because in a network society "image making is power making" (Castells, 1996b, 476).

For the purposes of this research, building a brand identity in tourism business networks was selected as a mental activity demanding the coordination of cooperation among the actors involved. Interesting questions concern how the actors in the destination network perceive the brand, the potential value-added of coordinated and cooperative brand building, and how the brand-identity-building process evolves among the actors in the destination network.

Managing a common e-presence was chosen as a material activity demanding the coordination of cooperation. The rapid development of information technology (IT) has brought both opportunities and threats to

tourism companies. On the one hand it provides enterprises and organizations with the tools to develop their interfaces with their stakeholders and to enhance the efficiency and effectiveness of both their management and marketing functions. On the other hand however, small tourism companies often lack the expertise, know-how and resources to take advantage of these opportunities and thus to improve their competitiveness (Buhalis, 2004, 241). Cooperation is considered one of the most important strategic factors determining the success of European tourism companies (Keller, 2004, 7).

The influence of the DMO in the technical structure of coordinated cooperation in tourism business networks is inevitable given its role as a catalyst linking all the other industries involved in tourism - transport, accommodation and attractions, for example. Its role in integrating marketing efficiency among the network actors also justifies its selection as a means of coordinating the cooperation.

Consequently, the complexity of cooperation in strategic tourism business networks is evident in its varying structures, which have been recognized as influential coordinating mechanisms. On the structural level the brand identity represents the mental structure, a common e-presence the material structure, and the DMO the technical structure of the coordinated cooperation. The aim in this research is to identify not only the structures of coordinated cooperation but also the underlying processes, hence the third sub-question: *“How do the structures of coordinated cooperation evolve as processes in tourism business networks?”*

Descriptive studies have shown that cooperation in networks adds value for the actors, offering better opportunities for higher-level learning than small firms can organize on their own, for example. The capacity of an organization to learn through processes relates to its ability to forge and maintain relationships based on trust and a shared vision (Vaux Halliday & Cawley, 2000, 593). Previous studies on value creation in networks have not considered how the prerequisites for higher-level learning develop over time, however. Florén and Tell (2004, 292) came to the conclusion following their seven-year participant observation study that learning in small-firm owner/manager networks is based on trust and has emergent prerequisites. These prerequisites include reciprocity between the learning actors, the capacity to be receptive to and to confront problems, and transparency in the network dialogue. Over time these prerequisites develop and create better opportunities for value creation in the form of high-level learning, for example. Relation-specific knowledge between business counterparts is constantly updated and fed back in iterative cycles of learning. Håkansson, Havila and Pedersen (1999, 443) conclude in their study of value creation in business relationships that the more each single relationship is part of a

network, the more, on average, the company seems to learn from it. Go and Williams (1994, 238–239) argue that each of the service providers in a network contributes specific core competences and adds value to the cooperation. The value-creation process is affected by the opportunities for higher-level learning, which reinforces trust among the network actors. Trusted cooperation strengthens the ability and capacity to learn much more than when entrepreneurs work without the support of a network. The fourth and final sub-question in this study concerns value-creation processes as an outcome of coordinated cooperation: *What are the characteristics of value-creation processes as an outcome of coordinated cooperation?* Thus, the four sub-questions are:

1: *How does the context of tourism business networks characterize the coordination of cooperation among the actors?*

2: *What are the prerequisites for the coordination of cooperation in tourism business networks?*

3: *How do the structures of coordinated cooperation evolve as processes in tourism business networks?*

4: *What are the characteristics of value-creation processes as an outcome of coordinated cooperation?*

The study is an article-based dissertation comprising six published journal and conference articles. Each article sheds light on the different sub-questions. Figure 1 describes the purpose and lists the sub-questions, and illustrates how each article contributes to the process.

Article 1 concerns the first sub-question, the context of coordination and its geographical levels, and discusses the structures of coordinated cooperation. Article 2 elaborates on the concept of a tourism destination as a tourism business network, and on the structural and process issues in the destinations.

The second sub-question concerns the prerequisites of effective coordination. Article 3 highlights the management capabilities of the network coordinator, and Article 5 refers to social capital. The third sub-question focuses on how the structures of coordinated cooperation evolve as processes in tourism business networks. Article 4 analyzes the building of a brand identity among network actors as a mental process of coordinated cooperation, whereas Article 5 highlights the formation of a common e-presence as a material process. Article 5 also focuses on social capital as a prerequisite for coordinated cooperation.

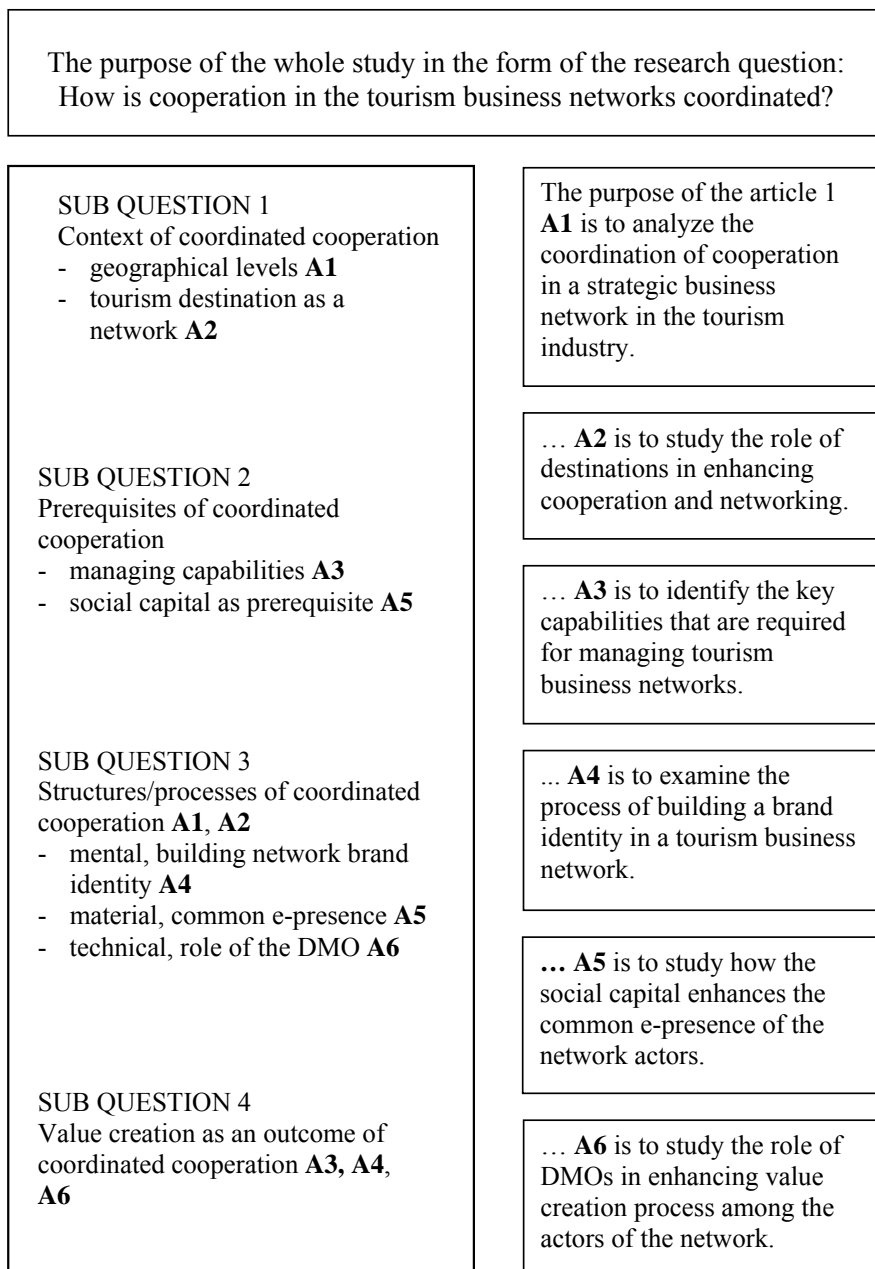


Figure 1 The purpose of the study and the themes of the sub-questions covered in the articles

Finally, Article 6 examines the process of integrating marketing efficiency as a technical element of coordinated cooperation. Among the destination stakeholders DMOs may play a major role in this process. The fourth sub-question deals with value creation as an outcome and the analysis is discussed in Articles 3, 4 and 6.

Table 3 further specifies the role of each article in addressing the research questions.

Table 3 The roles and positions of the articles in addressing the sub-questions

<i>Sub-questions Articles</i>	<i>Sub-question 1 (sq 1) Context of coordination</i>	<i>Sub-question 2 (sq 2) Prerequisites</i>	<i>Sub-question 3 (sq 3) Structures and processes</i>	<i>Sub-question 4 (sq 4) Value creation</i>
Article 1 (A1)	X		X	
Article 2 (A2)	X		X	
Article 3 (A3)		X		X
Article 4 (A4)			X	X
Article 5 (A5)		X	X	
Article 6 (A6)			X	X
Chapter	5.2	5.3	5.4	5.5

The chapter in which each sub-question is addressed is also indicated.

2.2 Theoretical positioning

Table 4 presents the different network approaches applied in this study, and lists the researchers the author has referred together with the relevant studies and articles.

As Table 4 shows, the industrial network approach and the ARA model (Håkansson & Johanson, 1992) feature in Article 2 in connection with the challenges of change the destinations are facing, as well as in Article 4 with regard to the building of a joint brand identity as an outcome of interconnected processes (Ford, Gadde, Håkansson & Snehota, 2003). According to Brito (2001), change is considered a key feature of any industrial network. Lundgren (1992), more than any other IMP group scholar, emphasizes the role of coordination in the context of industrial networks. The concept of a value-creating network is used in Article 6 in analyzing the different roles of a DMO in coordinating cooperation and creating value for network actors. The ARA model (Håkansson & Johanson, 1992) is also applied here.

Table 4 The network approaches applied in this study and the sources

<i>Approach</i>	<i>Authors</i>	<i>Application</i>
Industrial Network Approach, ARA-model	Håkansson & Johanson (1992); Lundgren (1992); Brito (2001); Ford, Gadde, Håkansson & Snehota (2003)	Analyzing the challenges of change faced by the destinations (Article 2). Analyzing the building of a joint brand identity as an outcome of interconnected processes (Article 4).
Value-creating network	Håkansson & Johanson (1992)	Analyzing the different roles of a DMO in coordinating the cooperation and creating value for actors in networks (Article 6)
Strategic, intentional network	Möller, Rajala & Svahn (2005); Campbell & Wilson (1996); Ebers (1999); Jarillo (1988; 1993)	Analyzing the coordination of cooperation in a strategic business network in the tourism industry (Article 1).
Value continuum	Möller & Svahn (2003); Möller & Törrönen (2003); Svahn (2004)	Identifying the key capabilities required for managing tourism business networks (Article 3).
Social capital in networks	Inkpen & Tsang (2005); Nahapiet and Ghoshal (1998); Widen-Wulff (2007)	Studying how social-capital dimensions in the context of a tourism business network affect the adoption of e-commerce (Article 5).

The strategic approach featured in Article 1 in connection with the coordination of cooperation in a tourism business network. Its characteristics, such as gaining a competitive edge by merging the overlapping products and services of local enterprises (Möller et al., 2005), integrating actors' resources (Jarillo, 1988) and gaining access to desired complementary resources (Ebers, 1999) reflect the ideas used in this study. Moreover, the role of the coordinator or captain in controlling the network and its value-creating capabilities in a synergistic way (Campbell & Wilson, 1996) also stems from the strategic-network literature. The concept of a value continuum (Möller & Svahn, 2003; Möller & Törrönen, 2003; Svahn, 2004) is applied in Article 3 in identifying the key capabilities required for managing tourism business networks.

The concept of social capital is applied in Article 5 in the analysis of how the social-capital dimensions affect the adoption of e-commerce in the context of tourism business networks. Inkpen and Tsang (2005), Nahapiet and Ghoshal (1998) and Widen-Wulff (2007) discuss the structural, cognitive and relational dimensions.

Figure 2 illustrates the theoretical positioning of the study through the intersection of three circles. Table 2 summarizes the research on tourism, including the literature on destination marketing and management, and relevant network research, and Table 4 covers network research. The intra- and inter-organizational research on coordination is also a relevant theoretical basis for this study and is summarized in Table 1. Given that the study is categorized as a theory-building case study the overall theoretical framework will evolve as empirically grounded in the concluding chapters of this report (see Eisenhardt, 1989, 548).

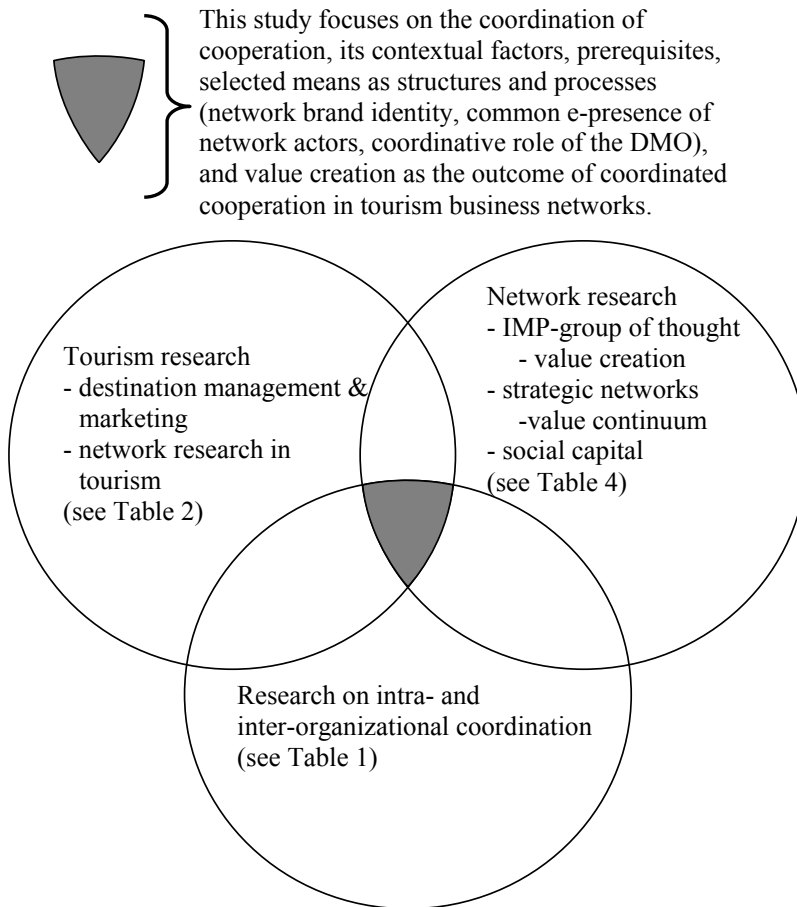


Figure 2 The theoretical positioning of the study

A deeper discussion on the means of coordinated cooperation follows Chapter 5 in the form of an analysis of network brand identity and a common e-presence, and of the role of the DMO as the network coordinator. The

literature on brands is used in Article 4 in connection with the discussion on mental structures and processes. E-tourism research is referred to in Article 5, which focuses on material structures and processes.

2.3 Structure

Figure 3 illustrates the structure of the study. The introductory chapter defines the main concepts, coordination and cooperation, the tourism business network and the destination marketing or managing organization (DMO). It also illustrates how the network approach is applied in tourism research.

Chapter 2 presents the purpose and the sub-questions of the study, and sets its theoretical position in the field of network and tourism research. Chapter 3 discusses the methodological choices and Chapter 4 summarizes the original articles included in the dissertation.

Chapter 5 analyses the conclusions from the original articles and of the whole study. The first section gives structure to the analysis. The second section focuses on the context of coordinated cooperation, and considers tourism business networks from an inter-organizational perspective. The prerequisites for the coordination of cooperation are analysed in the third section, and the fourth discusses the structures and processes. In conclusion, section 5 synthesizes the discussion on the value-creation process as an outcome of coordinated cooperation.

It is worth mentioning that the overall research strategy is described in Chapter 5.6 rather than in the introductory part of the report. The reason for this is that the theoretical framework and the holistic view were not clarified in the early stages on account of the explorative and inductive nature of the study. The retrospective view represents an informed rather than an assumed understanding of the phenomenon, in this case the coordination of cooperation in tourism business networks. Chapter 6 concludes the thesis introduction: the six original articles follow.

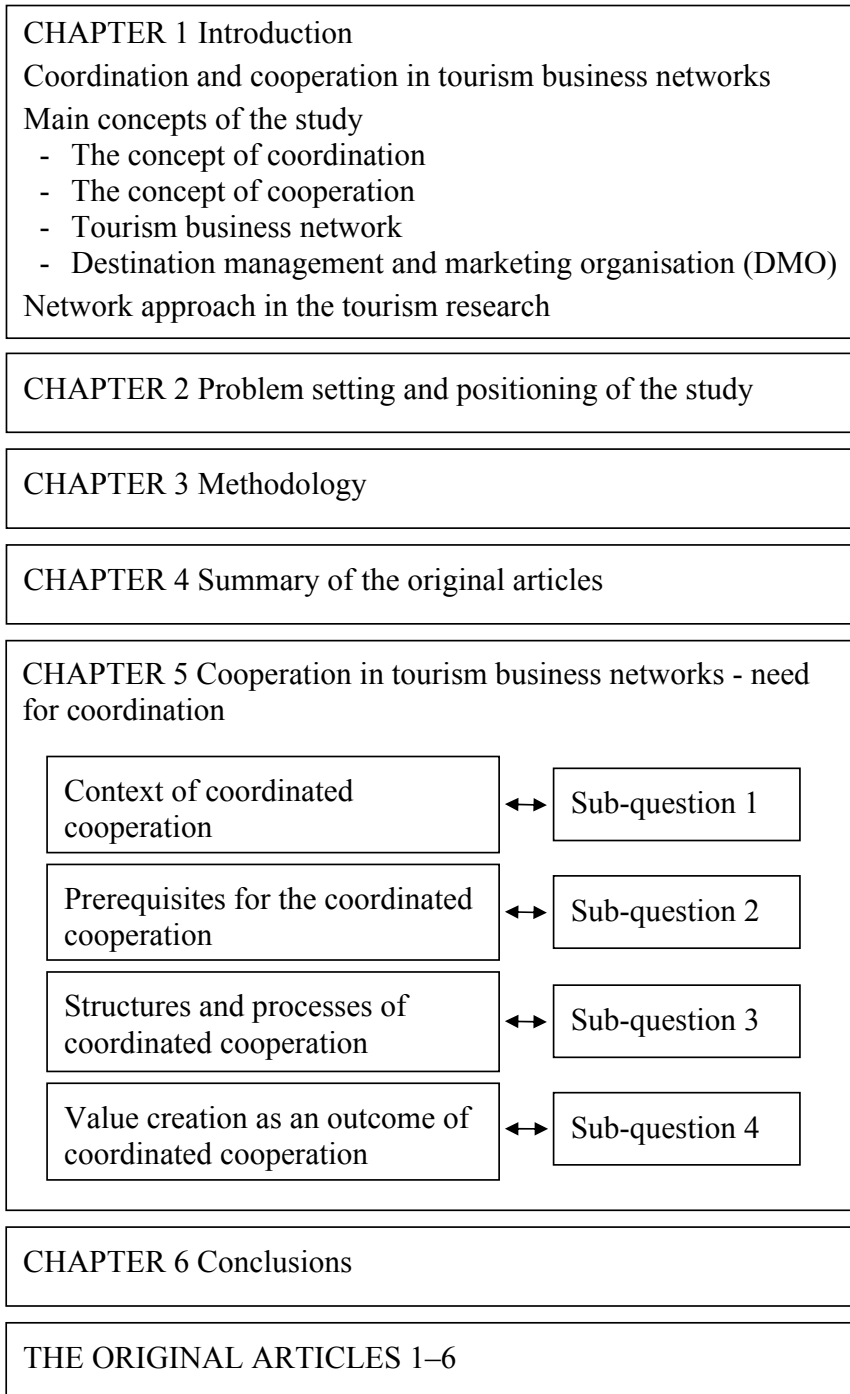


Figure 3 The structure of the study

3 THE LONGITUDINAL MULTIPLE-CASE STUDY

3.1 Ontological and epistemological perspectives

Phillimore and Goodson (2004a) discuss the ontological, epistemological and methodological issues related to qualitative research in tourism, which they claim emerge from five qualitative research 'moments'. These moments or periods are the traditional (1900–1950), the modernist (1950–1970), blurred genres (1970–1986), the crisis of representation (1986–1990) and postmodernism (1990–1995) (Denzin & Lincoln, 1994, 1998ab). Since then Denzin and Lincoln (2000ab) have added two more, post-experimental inquiry (1995–2000) and the future, which is now (2000–).

Denzin and Lincoln (1998b) view the researcher as an individual who fits together pieces of practices to find a solution to a puzzle. The four major inquiry paradigms that structure research are the positivist, the post-positivist, the critical and the interpretive. The first two of these provide the context within which many tourism researchers operate. They are, for the most part, associated with quantitative studies and their most characteristic feature is that the researcher strives to be value-free and neutral and so that he or she can be substituted without any subsequent impact on the research findings (Phillimore & Goodson, 2004a).

Riley and Love (2000) evaluate articles published in four tourism journals – *Annals of Tourism Research* (ATR), the *Journal of Travel Research* (JTR), *Tourism Management* (TM), and the *Journal of Travel and Tourism Marketing* (JTTM) - during the period from 1996 to 2003. This was a milestone in that previous reviews of tourism research methods concentrated on studies leaning on positivist science or assessments of quantitative methods and analysis. These represented the 'traditional' and 'modernist' approaches, with some evidence of third-moment studies ('blurred genre') and discussion of fourth- ('crisis in representation') and fifth-moment issues beginning to filter through.

This study represents the paradigm of interpretive inquiry, on the assumption that the complex social world can be understood only from the point of view of those who operate in it. The ontological perspective in this paradigm – the researcher's definition of knowledge – is that of relativism: knowledge is socially constructed, local and specific, and the researcher and the researched are partners in its production. The epistemological viewpoint –

what the researcher counts as knowledge – is subjective: knowledge is co-produced by the researcher and the researched. The way in which we collect knowledge depends of the kind of knowledge we seek, but could be defined as a process of reconstructing multiple realities through the informed consensus built by the researcher (Denzin & Lincoln, 1994; Riley & Love, 2000; Smith & Deemer, 2000; Phillimore & Goodson, 2004b, 34–37).

Järvensivu and Törnroos (2010) discuss the case-study processes as a continuum: at one end the deductive, realistic research process begins with theoretical argumentation and the arguments are tested against empirical observations, and at the other end the inductive, relativistic research process starts with subjective accounts of lived experiences on which the researcher inductively builds the theory. On a whole this research clearly represents the latter approach and could be categorized as an inductive, explorative and theory-building case study. Järvensivu and Törnroos (2010) identify the phases or sub-processes in the case-study research process as inductive, abductive and deductive. In the present case the sub-studies reported in the articles could be categorized as abductive, an approach that occupies the middle ground between induction and deduction: existing theories are accepted, which accords with how Järvensivu and Törnroos (2010) define abduction.

This research concerns tourism business networks comprising public-sector and private-sector actors. Accepting the views expressed by O'Donnell and Cummins (1999) and Carson and Coviello (1996), the researcher believed that with small, medium- and micro-sized tourism firms the research emphasis should be on empirical observation complemented with exploratory or grounded research. She used qualitative methods with an interpretive inquiry paradigm. This approach enables the researcher to understand how owner-managers of small firms use networking in their marketing activities (O'Donnell & Cummins, 1999; Carson & Coviello, 1996).

There were various stages in the data-gathering process. According to Gilmore and Carson (1996, 21), this kind of research could be considered a 'stream of research'. Furthermore, the fact that the study consists of several articles reflects the thinking of Gilmore and Carson (1996), who advocate research that builds on previous studies carried out by the same researcher thereby allowing him or her to evolve and develop through distinctive stages over a given time period.

3.2 The theory-building case study

Yin (2003) defines case studies as the preferred strategy when ‘how’ or ‘why’ questions are posed, when the researcher has little control over events and when the research is concentrated on a contemporary phenomenon within a real-life context. All these conditions are fulfilled in this research. The preliminary research questions of ‘how and why tourism business networks are cooperating’ and ‘how and why cooperation is coordinated in tourism business networks’ led the researcher to choose the case study as her research strategy. The tourism business could be regarded as a contemporary real-life context (with networks) over which the researcher has no control.

This research could be categorized as a theory-building case study. Halinen and Törnroos (2005) list the following challenges of case research aiming at theory development in the context of business networks: the problem of network boundaries, network complexity, the role of time, and case comparisons. Network boundaries are not always easy to define or even identify because business networks are not legal entities. Halinen and Törnroos (2005) also point out the difficulty of separating the content and context of a business network.

The context in this research was tourism business networks. The researcher selected case networks in which it was possible to identify the actors. Nevertheless, as Halinen and Törnroos (2005) argue, it is not possible to study an entire industrial network. Therefore the researcher also used her perceptions of the business actors involved as a guide for boundary setting.

Goulding (2005, 296) describes grounded theory as a process of iterative, inductive and interactional data collection, simultaneous analysis and emergent interpretation. This reflects the research process in this study. As Goulding (2005, 296) notes, the earlier works of Glaser and Strauss (1967) resulted in a misunderstanding concerning the nature of ‘induction’. A common misconception is that the researcher is expected to enter the empirical field unaware of any theory or connected literature. It is clear that the researcher in this study “could not erase from her mind all the theory she knew before she began her study” (adapted from Glaser and Strauss, 1967, 253). In grounded theory sampling begins as a ‘commonsense’ process of discussion with people who are probably able to provide early information (Goulding, 2005, 296). This was the fact in this study, as well.

In order to tackle the problem of network complexity the researcher chose different theoretical perspectives in the sub-studies: if only one appropriate theory is adopted the researcher always loses something of the network as a real-life system. The third challenge, the problem of time, emerges when the network approach is used to explain changes that have occurred in particular

networks (Halinen & Törnroos, 2005). The focus in this study was on change processes, in the form of the coordination of activities (Hertz, 1992; Lundgren, 1992; Brito, 2001). This was considered in the choice of the methodological tools, and the researcher opted for longitudinal methods and process research.

A multiple-case strategy was chosen despite the fact that it could be laborious for the individual researcher. The aim in using several cases was to overcome the problem of case comparison, identified as the fourth problem by Halinen and Törnroos (2005). This is particularly relevant in the case of theory generation (Eisenhardt, 1989; Yin, 2003; Halinen & Törnroos, 2005), when the potential to make cross-case comparisons is considered important even if it is not always necessary. As far as Dul and Hak (2008) are concerned, a theory-building case study is always a comparative case study. The comparative approach was used in two of the sub-studies of this research, although here, too, the researcher was careful not to directly compare cases, and focused on the richness of the whole data. In general, however, the emphasis is not on cross-case comparison, it is on within-case data analysis. As Eisenhardt (1989, 540) notes, the volume of data can easily become overwhelming in the theory-building case study, in which the research problem is open-ended - as in this study. Within-case analysis, as in the selection of certain means of coordinating the cooperation, helped the researcher to “cope with the deluge of data” (Eisenhardt, 1989, 540).

Moreover, the author of this study agrees with Stake (2000, 444) that case comparison could be in competition with learning from the cases. Likewise, conclusions about the differences between any two cases are less trustworthy than conclusions about one case. She chose several cases, not in order to systematically compare the case networks with each other but to facilitate the search for holistic explanations of processes. The longitudinal multi-case study made it possible to examine the means of coordination as processes in their respective network contexts, and to link features of the tourism business to certain outcomes, such as forms of coordination. This is in line with Pettigrew’s (1997) emphasis on the search for intersecting conditions of research phenomena. In the spirit of qualitative research the researcher proceeded from one theme to another in analyzing the large amount of empirical data, which she used throughout the entire dissertation.

As Halinen and Törnroos (2005) and Pettigrew (1997) also pointed out, time is a central mobilizing preoccupation in process research. Temporal interconnectedness makes it possible to understand the sequence and the flow of events over time. In this research time is captured through a combination of retrospective and real-time analysis. The phenomenon under study, i.e. the coordination of cooperation in tourism business networks, is analyzed as development processes. As Pettigrew (1997) states, without temporality there

is no scope to reveal the dynamics of a process. Furthermore, network processes are embedded in their context and can only be studied within it, as Pettigrew (1997) and Halinen and Törnroos (2005) put it.

Stake (1998) differentiates three types of case studies. The first is the intrinsic study, which is undertaken because the case itself is of interest. The second type is the instrumental study, in which the case itself is of secondary interest. This was the chosen strategy, with several cases, for this study, the point being to enhance understanding of how cooperation is coordinated in tourism business networks. Stake (1998) calls his third alternative the collective case study, into which the current research also fits: it is not a study of a collective, it is an instrumental study extended to several cases. The cases were selected because the researcher believed that analysing them would enhance understanding and facilitate theorizing about a still larger number of cases.

Eisenhardt (1989), describing the process of theory building from case studies, considers the initial definition of the research question an important starting point. In this research the initial research question concerned the coordination of cooperation in tourism business networks. A research problem was formulated and some potentially strong variables were specified, with some reference to the literature. However, specific relationships between variables and theories were avoided. As Eisenhardt (1989) suggests, theory-building research should be as close as possible to the ideal of no theory being under consideration and having no hypothesis to test.

The aim when selecting cases is to choose ones that are likely to replicate or extend the emergent theory (Eisenhardt, 1989). Given her objective to study the coordination of cooperation in tourism business networks, the researcher conducting this study selected seven case networks in which she was able to identify the coordinators and other actors representing both the public and private sector. The fact that four of them were originally EU-funded made it easier for her to define and limit the boundaries. With a view to enhancing understanding of the changes in the processes (Van de Ven, 1992), she decided to conduct longitudinal research and thus to follow the development of the selected networks over several years.

Eisenhardt (1989) points out the importance of achieving methodological triangulation in theory-building case studies. In this case, real-time data was collected in the form of interviews, observations were made on and during the meetings, workshops and seminars, and data was gathered from web sites, information letters and other archival sources, all of which provided for the stronger substantiation of constructs. Typically in this type of study (Eisenhardt, 1989), the researcher collected, coded and analyzed data from

several cases simultaneously. The fact that she had several conference and journal articles in process at the same time enhanced this overlap.

In line with Eisenhardt's (1989) further reasoning, Stake (1998) emphasizes the name case study because it draws attention to the epistemological question of what can be learned from a single case. A piece of research can carry more than one case study, but only if each case is a focused inquiry. Furthermore, case studies should also be experienced as both a process in terms of learning about the case, and the product of learning. This epistemological perspective is adopted in this research.

3.3 Case descriptions

The phenomenon of 'the coordination of cooperation in tourism business networks' is studied in seven selected networks. The empirical data gathered from the networks is used as one data set in the dissertation, although parts of it have been used as 'parcels' in the sub-studies reported in Articles 1-6. Figure 4 depicts the 'map' of the empirical data. The seven bigger circles represent the seven selected networks. The networks are, on the one hand represented by three DMOs, Turku Touring, Åland and Roslagen, which were more thoroughly investigated and their directors were interviewed. The circles representing these three cases are bigger than those representing the destinations in the Cruise Baltic network, which the researcher visited and interviewed the network representatives as illustrated with the weak line between these destinations.

On the other hand, the case networks, the Mail Road, Cruise Baltic, the Green Heart and Yachting in the Archipelago are depicted as circles, as well. The strong line between the DMOs and the Mail Road, Cruise Baltic and Yachting in the Archipelago elucidates the focus of this research. The DMOs are connected to the surrounding networks: in fact they are part of them in that Turku Touring, for example, is part of Cruise Baltic and Yachting in the Archipelago. The large size of the circles representing the Mail Road, Cruise Baltic and the Yachting in the Archipelago networks illustrates the larger amount of interviews in these cases, compared to the other cases.

The dashed line between the three DMOs, Turku Touring, Åland and Roslagen, indicates that the unit of observation in one of the sub-studies was a comparison of the areas they represent. The dashed line between the Mail Road, Cruise Baltic and Yachting in the Archipelago networks also indicates that the unit of observation was a comparison of these networks with Turku Touring. Similarly, the dashed line between the Mail Road and Green Heart

networks illustrates how the interviews with the coordinators in these networks formed the unit of observation in one of the sub-studies.

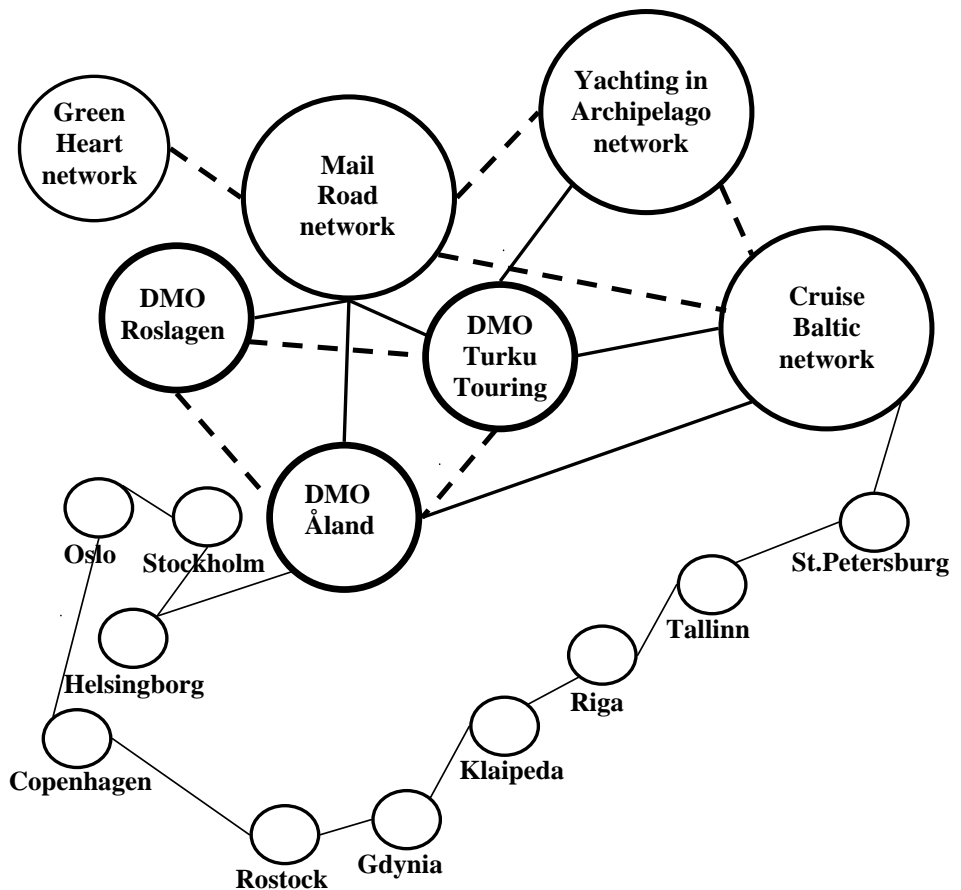


Figure 4 The ‘map’ of the empirical data

The research cases are presented in the following. As mentioned earlier, several actors in The Mail Road, Cruise Baltic and Yachting in the Archipelago networks were interviewed, as were some key persons in Turku Touring, destination Åland and Roslagen DMOs and the coordinator of the Green Heart Travel Area.

The Mail Road project started in the autumn of 2002 and ended in 2004. It involved communities located along the old postal route in the regions of Stockholm, Åland and South West Finland. The goal was to profile the route as a cultural tourism route with services available round the year. This project also incorporated the notion of staged authenticity, based on regional heritage and cultural assets. The aim of the entrepreneurs was to create a brand leaning on quality and with a strong knowledge of history and culture. They also

wanted to make the Postal Route convenient and attractive for tourists, and therefore had to focus on developing services and means of communication.

The entrepreneurs wanted to create a collaborative network that would carry on the work even after the project ended. It was important for all the actors (the entrepreneurs) under the common brand to share the same values related to it. In other words, it was essential that the representation of the brand identity was common and unambiguous in order to enable, (1) the coordinator to support the building of the common brand identity amongst the different actors in the network, and (2) the network's target groups to interpret the brand identity in an effective manner. In the case of the Mail Road the researcher first came into contact with the coordinator in 2003 when she was asked to give a lecture on brand building to the network actors. She then conducted interviews with the key actors between 2004 and 2008, and was able to follow developments both in real time and retrospectively.

The Cruise Baltic project started in 2004 and ended in 2007. Since then the actors have continued their cooperation, although they did not receive funding for it. The Baltic cruise industry has grown by over 50 percent since 2000, however it faced challenges from outside and inside the region. With a view to improving their efficiency in the face of these challenges, 26 destinations and 44 partners in 10 countries around the Baltic Sea joined forces to form the Cruise Baltic Project. Turku Touring was involved from the beginning. The aim was jointly to improve the destinations' facilities and coordinate the international marketing of the Baltic cruise product. The goal was to see a 20-per-cent increase in cruise-ship passenger traffic in the region.

The overall administration of Cruise Baltic is centred in Copenhagen. The logo is the most visible part of its marketing, depicting the participating destinations as pearls on a string. The participating countries include Finland, Sweden, Denmark, Germany, Poland, Estonia, Latvia, Lithuania, Russia and Norway. The Baltic area offers a broad range of experiences for visitors. There are also plenty of different themes to choose from, including 'Kings and Tsars' and 'Modern Architecture and Design'. The website www.cruisebaltic.com serves the international cruise industry as well as prospective cruise passengers.

The interviews for the Cruise Baltic network case study were conducted over a period of three years (from 2005 to 2008), which helped the researcher to follow the process both in real time and retrospectively.

Yachting in the Archipelago (www.balticyachting.com) started in 2005 and ended in 2007. It was a project administered by Turku Touring, which was designed to develop the archipelago around Turku and Western Estonia. The goal was to make the archipelago better known among tourists from St. Petersburg, as well as from Sweden and Germany. The entrepreneurs in the

archipelago and its guest harbours were the target group. The project was designed to develop local product packages that were common to both Finland and Estonia, to build up the skills of the entrepreneurs by providing training opportunities, and to market the archipelago as an attractive tourist destination. Further aims were to increase practical cooperation between entrepreneurs and travel organizations, and to exploit the best practices of both nations, as well as the principles of sustainable development in the planning and marketing of their guest harbours and organizing services. During the first phase of the project the interested parties were identified and assembled to form a network. The products of the network members were gathered together and presented in brochures and on web pages. The entrepreneurs were then provided with opportunities for training and benchmarking. The researcher conducted her interviews retrospectively in 2008–2009, given that the project ended in 2007.

The destination management and marketing organization, DMO, Turku Touring (www.turkutouring.fi) is a marketing and sales organization covering regional tourism over the entire province. It provides expert advice on tourism in South West Finland, which adds value to the tourist industry for residents and for visitors to the region. Turku Touring is organized as a company - the major local tourist-industry actors are among its principal shareholders. However, only the tourism director was directly hired by the DMO Company, the rest of the personnel being in the employ of Turku City Council. This serves as an example of how the destination marketing organization itself is a mixture of private- and public-sector management systems. The researcher has followed the development of DMO Turku Touring for over a decade, starting from 1999 when it was founded as an enterprise. The key actors were interviewed during the research period between 2004 and 2009.

Destination Åland (www.visitaland.com) is run by the Åland Tourism Board (ÅTF), which is destination Åland's own marketing department. ÅTF is Åland's official tourist business organization and has over 300 members. The web site presents its main objectives as follows: "To market and profile Destination Åland, by taking into consideration the member companies' interests, to represent the tourism branch for the authorities, to maintain tourist information and to simulate the member companies to product development, increased quality and new products within the tourism branch. To market Åland as a destination, includes different activities, such as: trade fairs and other selling activities, advertising and campaigns and other marketing and PR activities." The representatives of destination Åland were interviewed during the research period between 2007 and 2008.

Roslagen is an area north of Stockholm, the capital of Sweden, covering the municipalities of Vaxholm, Österåker, Norrtälje and Östhammar. The website (www.roslagen.se) gives a picturesque image: "In Roslagen you can find a

small town with typical Swedish wooden houses. Towns that draw tourists with art, design, museums, taverns, shops and cafés. Go and see Vaxholm, the capital of the archipelago and the gateway to Roslagen from Stockholm. Go shopping in Åkersberga, southern Roslagens modern centre at Åkers kanal. Discover Norrtälje, Roslagens well-known capital, with its idyllic little town with authentic houses and a medieval road network. Don't miss Öregrund and Östhammar, the picturesque summer towns in the northern part of Roslagen, each with its unique history and special charm.” The representatives of the Roslagen DMO were interviewed during the research period in 2008.

The Green Heart Travel Area started as an EU-funded project in 2000 when the coordinator of the EU-funded Green Heart project took up her duties as the Chief Executive Officer (CEO) of the company that had been founded in order to run it. The owners were the municipalities in the region, and the board consisted of the municipal managers. In principle the project was open to all regional actors, and the number of participants who in one way or another sought to enter into cooperative relations initially exceeded 150. Of the total, about 60 could be characterized as ‘core actors’, and 20 as ‘active participants’. The main focus of the project was on product development, packaging, and the joint marketing of the tourism enterprises belonging to the Tampere region. Serving a population of about 40,000 the tourism enterprises in the region are mostly either small or micro-sized. The national parks are the main attractions, as measured in visitor numbers. Both of these parks, which are governed in Finland by the National Board of Forestry, have strong cooperative ties with the region’s wilderness guides, most of them being independent entrepreneurs whose services are distributed via a variety of tour packages. The project ended in 2005. For this case study the researcher interviewed the coordinator of the network retrospectively in 2005, when the project had ended.

3.4 Narrative interviews

3.4.1 Defining the narrative interview

The researcher used narrative interviewing as a data-gathering method in this study. It is necessary to understand how narrative interviewing differs from the classic in-depth interview in order to define the concept. Bates (2004) argues that it suits person-centred studies. The technique stimulates storytelling and encourages interviewees to describe events they see as emphasizing actions or participants they regard as critical. The premise is that the participants engage in an evolving conversation collaboratively (Lewis-Beck, Bryman & Futing

Liao, 2004). If the interviews are interpretively active and meaning-making occasions the data the researcher obtains is unavoidably collaborative. This encourages the researchers to attend to the interview process in ways that are more sensitive to the social construction of knowledge (Holstein & Gubrium, 2002).

Elliott (2005) compares the naturalistic and constructivist approach, noting that in the former case the central research questions are ‘what’ questions, whereas in the latter case they are ‘how’ questions. In other words, the research focus is on identifying meaning-making practices and understanding the ways in which social activities are locally organized and constructed. This research represents the constructivist approach, as evidenced in the research question of how cooperation in tourism business networks is coordinated.

Mishler (1986) argues that many forms of research interviews suppress stories either by ‘training’ the interviewee to limit answers to short statements or by interrupting narratives as they occur. The aim of an interview should be to stimulate the interviewee’s interpretive capacities. This presumes that the interviewer should take a role in activating narrative production (Mishler, 1986; Holstein & Gubrium, 1998a; Elliott, 2005).

In this study the researcher encouraged the informants to describe cooperation in the tourism business networks in a narrative way, and to tell their stories of the networks they belonged to. As a listener she participated in the telling of the narratives through non-verbal cues, short responses, and by asking additional questions or making statements. Elliott (2005) emphasizes that, unlike conventional approaches, narrative interviewing increases the quality of the interactions between the interviewer and the interviewee. The point is not, as it may be in conventional approaches, to treat respondents as epistemologically passive and as mere vessels of answers.

The analytical method, be it thematic, structural or interaction analysis, depends on the researcher’s definition of a narrative. In practice, different models may be combined (Riessman, 2004, 706), as in this study. The analytical approach was thematic in the sense that the author was trying to find common thematic elements among the participants and the events they reported. The themes represented the critical factors that enhanced and motivated cooperation among network actors and increased the need for coordinating the cooperation by the different means explored in this research. The themes of the interviews are presented in more detail in Appendix 2.

The analytical approach was structural in the sense that the respondents’ accounts accumulated as social constructs signifying the underlying processes, such as building the brand identity over a period of time. The analysis as such was based on interaction between the researcher and the respondents, and on the researcher’s interpretation of the interaction between the actors. This is in

line with Gummesson's (2005) emphasis on the systemic and holistic as well as interpretive nature of case-study research. The data for this study comprised of the accounts of the respondents, and was gathered in narrative interviews in line with Ladkin's (1999; 2004, 37) recommendation of the use of life and work-history data as a research method in social science research, and especially in the case of tourism.

3.4.2 Exploring the coordination processes in the actor accounts

In order to explore the coordination processes in the actor accounts the researcher asked the respondents to tell her how they perceived the development of the network. For some of them this kind of question required a long and extensive narrative, whereas it was necessary to activate the storytelling of some others by asking them more precisely how and when the cooperation had started and how it was funded. They were also asked to say who the other actors in the network were and whether they had had any earlier connections. Other questions covered activities and resources, the coordinator's role in the network, and the perceived value of the coordinated cooperation and what the means of coordination were.

This procedure could be characterized as the critical incident technique. It was first introduced by Flanagan (1954), who recommended "a structured use of the technique by obtaining agreement from the respondent on a specific, measurable outcome of an incident" (Stokes, 2000, 49; see also Edvardsson & Roos, 1999). In line with Stokes' (2000) thinking, a more open, less structured approach in which the importance of the incident was not quantified was adopted in this research. Thus an incident was allowed to emerge during the respondents' accounts. For example, when asking about the brand-building process as a means of coordination the researcher probed for critical incidents by asking more pointed questions about how the respondents perceived the different stages of the brand building and how they perceived the identity of their respective destinations compared to that of the whole region.

In a similar vein, the researcher asked questions about how the network's common websites were built up. She was more specific in some of the interviews in order to explore the building process. This reflected the common brand identity of the actors. It was important to be able to negotiate how each of them was represented on the network web site. The online branding could be seen as a multi-story process representing joint values and interests, which are prerequisites for the successful building of a common brand identity (Lemmetyinen & Go, 2009).

Burns, Williams and Maxham (2000) give some good reasons why the critical incident technique is an appealing qualitative method for marketing researchers: firstly, it is easily adapted to research that seeks to understand marketing experiences recalled by respondents; secondly, there are examples of its use in purely qualitative research and pluralist marketing research; and thirdly, it is easily administrated to large groups of respondents. The interviews in this research, however, were between the researcher and one or at the most three other persons.

Schurr (2007) summarizes research that links interaction episodes and business relationships, referring to scholars in the IMP Group (Håkansson, 1982; Johanson & Matsson, 1987; 1992; 1993; Easton, 1992; Halinen, Salmi & Havila, 1999) who produced influential early work on connecting episodes and relationships. Service-marketing research has also largely adapted and developed the critical incident technique rooted in the work of Flanagan (1954). According to Schurr (2007), however, inadequate attention is paid in service-marketing research to relationship changes, which are of deeper interest to business marketers. The critical incident technique is applied in this research in the context of the networked relationships: as Schurr (2007) recommends, the aim is to connect critical episodes to relationship change other than dissolution because business relationships tend to persist.

Bates (2004, 15) introduces the concept of ‘episodic interviewing’, which seems to be rather close to the critical incident technique, as “a particular technique that evokes delineations of specific or critical episodes or features in the interviewees life”. Thus separate narratives within one interview could be analyzed collectively in order to build a picture of that person’s story and the accounts of all the actors, and of the network’s story, as in the network cases in this research. Those pictures are then aggregated to construct a rich narrative of the key processes in tourism business networks.

Patton (2002) emphasizes the fluid and emergent nature of naturalistic inquiry, which makes it more difficult to differentiate the phases of data gathering and analysis. During the fieldwork stage of the current research many ideas came up about the direction of the analysis, and other potential themes arose in the researcher’s mind throughout the process. As Patton (2002, 436) notes, earlier stages of fieldwork tend to be generative and emergent, and to follow wherever the data leads. The later stages then bring closure by moving toward confirmatory data collection, and thus deepen insights into and confirm (or disconfirm) patterns that seem to have appeared.

3.4.3 The chronology and phases of the interviews

Tables 5 to 7 below list the phases of data gathering in all of the three case networks, the Mail Road, Cruise Baltic and Yachting in the Archipelago, in chronological order. Table 8 lists the interviews with the key respondents and organizations (DMOs in Turku in Finland, Mariehamn in Åland/Finland, and Norrtälje/Roslagen in Sweden).

Five interviews were conducted with respondents from the Mail Road project in South West Finland during the first phase in autumn 2004. The researcher was present at meetings of the actors in Finland and the coordinators in Sweden held in spring 2005. Participating in the meetings gave her an overall picture of the structure of the network and helped her to find the key actors to interview in depth. A total of 14 interviews were conducted with 14 people representing 13 organizations in the Mail Road network.

Table 5 The data-gathering phases and chronology in the Mail Road case

<i>Phases 1-2</i>	<i>Time period</i>	<i>Method</i>	<i>Respondents</i>
Phase 1 2004-2006	Autumn 2004	Narrative interview	Five actors in South West Finland
	Spring 2005	Participation in a meeting of the actors	
		Participation in a meeting of the coordinators	
	Spring 2006	Web-site analysis (reported in an AIEST06 conference article) Telephone interview	The enterprises of the Finnish Mail Road The coordinator in Åland
	Summer 2006	Participation in an excursion along the route, organized by the local magazine Rannikkoseutu	
Phase 2 2006-2008	Autumn 2006	Narrative interview	Five actors in Sweden The main coordinator in Åland
	Autumn 2007	Narrative interview	Two actors in Åland
	Autumn 2008	Narrative interview	The representative of the local DMO in Sweden

The web-site analysis of Mail Road Finland was conducted during spring 2006 with the help of the innovation adoption framework (ISA) and the

extended model of the Internet Commerce Adoption (eMICA). The main coordinator in Åland confirmed the results of the analysis in a telephone interview (the results are reported in greater depth in the AIEST06 conference paper). This analysis revealed the importance of having a common e-presence as a way of coordinating cooperation in tourism business networks.

In summer 2006 the researcher joined an excursion along the route organized by the local magazine *Rannikkoseutu*, and was able to visit some of the accommodation facilities. The data gathered in the first phase were utilized for conference articles in 2005 and 2006 that focused on the role of the coordinator in enhancing cooperation among small enterprises in the tourism business. The articles covered e-commerce application and were based on the information gathered during this first data-gathering phase.

Five actors from the Swedish side of the Mail Road were interviewed during the second phase in autumn 2006, together with a face-to-face interview with the main coordinator in Åland. Two more actors in the network in Åland were interviewed in autumn 2007 and, finally, the representative of the local DMO in Sweden, Norrtälje, was interviewed in autumn 2008. These interviews related to the Mail Road network spanned four years (autumn 2004 to autumn 2008). They covered data collected between 2002 and 2004 and thus were partly retrospective and partly in real time. The longer time period made it possible for the researcher to find the relevant themes and processes of coordination in the empiric reality of the networks. She was also able to develop her theoretical examination based on the empirical findings, and to present her scientific results at several conferences by writing articles during the research process. The Mail Road interviews were utilized in Articles 2, 3 and 5.

Table 6 follows the data-gathering process in the case of Cruise Baltic. The first interview phase started in autumn 2005 with the local DMO representative in Turku. The next interviews were conducted in Stockholm, and secretariat representatives were interviewed in Copenhagen in spring 2006. The project director of Cruise Baltic was interviewed in Vilnius in the autumn. The second phase started during autumn 2007 with another interview with the local DMO representative in Turku. Further interviews were held with the local Cruise Baltic representatives in Helsingborg in Sweden, Copenhagen in Denmark, Oslo in Norway, Tallinn in Estonia, Rostock in Germany, St. Petersburg in Russia, Klaipeda in Lithuania and Gdynia in Poland. The researcher had the opportunity to interview the current director of Cruise Baltic at the TTRA conference in Helsinki in spring 2008. The second round ended when the local cruise network representative in Stockholm was interviewed in autumn 2008.

Table 6 The data gathering and chronology in the Cruise Baltic case

<i>Phases 1-2</i>	<i>Time period</i>	<i>Method</i>	<i>Respondents</i>
Phase 1 2005-2006	Autumn 2005	Narrative interview	The local DMO representative in Turku The representative of the port and the local cruise network in Stockholm
	Spring 2006	Narrative interviews	The secretariat representatives in Copenhagen The project manager in Riga
	Autumn 2006	Baltic Tourism conference workshop in Vilnius	The director of the project
Phase 2 2007-2008	Autumn 2007	Narrative interview	The local DMO representative in Turku The project/DMO representative in Helsingborg/Helsingör The project/DMO representative in Copenhagen The project/port of Oslo representative The project/town of Tallinn representative The project/port of Rostock representative The project representative in St Petersburg The three project/port/DMO/town representatives in Klaipeda The two project/port/town representatives in Gdynia
	Spring 2008	Narrative interview	The director of Cruise Baltic at the TTRA- conference in Helsinki
	Autumn 2008	Narrative interview	The local cruise network representative in Stockholm

The interviews relating to the Cruise Baltic network spanned three years (autumn 2005 to autumn 2008). They covered data collected from 2004 onwards (during the existence of the network), and were thus partly retrospective and partly in real time. Overall, 18 interviews were conducted with 21 persons at 15 network organizations. The data was utilized in Article 1 on the coordination of cooperation in strategic business networks in the tourism industry. The fact that the interviews were conducted in two phases over a longer time scale made it possible for the researcher to follow and understand the development of a strategic business network. These interviews were also utilized in Article 4 investigating a process of building the brand identity in a network of Cruise Baltic's destinations. This data formed a part of the empirical data in Article 6 examining the role of the DMO in creating value in EU funded tourism projects.

Table 7 below lists the interviews with the representatives of the Yachting in the Archipelago network.

Table 7 Data gathering in the Yachting in the Archipelago network

<i>Time period</i>	<i>Method</i>	<i>Respondents</i>
Spring 2008	Discussion about the start of the project	Yachting in the Archipelago representative
Autumn 2008	Telephone interview about the role of the local DMO in different EU projects	Yachting in the Archipelago representative
Spring 2009	Telephone interviews	The five entrepreneurs in the Yachting in the Archipelago network

The person responsible for Yachting in the Archipelago was interviewed in spring and autumn 2008, and telephone interviews were conducted with the five entrepreneurs in spring 2009. These interviews were utilized in Article 6, which concerned the role of the DMO in creating value in EU-funded tourism projects.

Table 8 lists the interviews with the DMO representatives and other key respondents in the case networks.

Table 8 The key respondents and organizations (DMOs)

<i>Time period</i>	<i>Method</i>	<i>Respondents</i>
Autumn 2005	Narrative interview	The CEO of the Green Heart network
Autumn 2007	Narrative interview	The representative of a hotel in the Scandinavian Islands in Åland network
Autumn 2007	Narrative interview	The DMO director in Mariehamn, Åland
Autumn 2008	Narrative interview	The DMO director in Roslagen, Sweden
Autumn 2008	Focus-group discussion	The three representatives of the cultural networks in Åland
Spring 2009	Narrative interview	The DMO director in Turku, South West Finland

Interviews were held with CEO of the Green Heart network in autumn 2005, the representative of a hotel in the Scandinavian Islands in Åland

network in autumn 2007, the DMO director in Mariehamn, Åland in autumn of 2007, and the DMO director in Roslagen, Sweden in autumn 2008. The three representatives of the different cultural networks in Åland were interviewed in a group discussion in autumn 2008, and the process ended in spring 2009 with an interview with the DMO director in Turku, South West Finland.

Table 9 shows in which articles the interview data was utilized. In the case of Article 1 actors in the Cruise Baltic network provided information on the development of a strategic business network. The viewpoints of network actors facing the challenges of change in the different destinations in the Turku area and Åland in Finland and Roslagen in Sweden were represented in Article 2. Article 3, the aim of which was to identify the key capabilities required for managing a tourism business network, was based on the interviews with the coordinators of the Green Heart Travel Area and the Finnish Mail Road network. The interviews with the Cruise Baltic network actors provided data for Article 4, which examined the process of building a brand identity in the cruise sector based in the Baltic Sea region.

Table 9 The articles and the interview data

<i>The articles</i>	<i>The utilized interviews data</i>
Article 1	The interviews with the Cruise Baltic network actors
Article 2	The interviews with the network actors in the three destinations (Turku area, Åland, Roslagen)
Article 3	The interviews with coordinators in the Mail Road and Green Heart networks
Article 4	The interviews with the Cruise Baltic network actors
Article 5	The interviews gathered from Åland
Article 6	The interviews with the network actors in the six selected networks (the DMOs Turku Touring, Åland and Roslagen and the Mail Road, Cruise Baltic and Yachting in the Archipelago)

Article 5 discusses the role of social capital in enhancing e-commerce preparedness among small enterprises in the tourism business, for which the data gathered from Åland was utilized. Finally, the interviews with the network actors in the six case networks provided the data for Article 6 concerning the role of the DMO in creating value in EU-funded tourism projects.

3.5 Interpreting the data

According to Feldman (1995), the role of interpretation in analyzing qualitative data is, above all, practical. Such often constitutes rich material in the form of audiotapes, memos of meetings, journeys, field notes, mail messages, information letters and written documents, for example. In the face of this complexity and ambiguity the researcher's task is "to create an interpretation of the setting or some feature of it to allow people who have not directly observed the phenomenon to have a deeper understanding of it" (Feldman, 1995, 1). Despite this pragmatic standpoint Feldman acknowledges the complicated aspect of interpretation, and that it should not be the simple application of some pre-existing theory a mere description of how the members of the studied culture, the networks in this research, see a particular phenomenon. The ultimate goal is to develop the researcher's own understanding of how the sections of the studied culture fit together or pertain to each other. Simultaneously, the researcher gains an understanding of how similar processes might occur in other settings.

Gumesson (2005) emphasizes the role of analysis in qualitative studies, noting that reports based on qualitative research often devote more attention to the data collection than to the analysis and interpretation, which are part and parcel of making sense of the data. He argues that the process of interpretation, which is more closely linked to qualitative research, is not as explicit, transparent or orderly as analysis, which as a term is more commonly used in quantitative research.

Hermeneutics is a general approach to interpretation. The researcher searches for meaning and an understanding of the studied phenomenon and interpretative schemes. The process of interpretation helps the researcher to acquire frameworks for organizing and making sense of everyday life (Holstein & Gubrium, 1998b), as in the context of the tourism business in this research. It is a process that evolves during the conducting of sub-studies for specific articles, in the phases of data gathering, during the review process for journals and conferences, as well as through participating in seminars, workshops, meetings and conferences.

Kovalainen (1990, 29) emphasizes that the aim of the interpretation in qualitative research should focus on intentionality and a *phenomenological attitude* should be assumed. It is not enough that the researcher thoroughly understands the phenomenon: he or she should aim at an interpretive understanding, which extends beyond the phenomenon. This is also related to the question of reliability: the research procedure with all of its phases of interpretation has to be well and precisely documented and described. The

researcher in this case study aimed to document the phases of her interpretation process as scientifically as possible.

As Tontti (2005, 60) argues, in all interpretation and understanding the relationship between the whole and its parts is circular. This forms the basis of the concept of the 'hermeneutic circle'. If we develop an idea further we can say that we can understand part of the object to be interpreted only as part of the whole context. Moreover, the whole is not given to the interpreting subject as accomplished, but is constituted only by interpreting the parts. The researcher in this study compiled several conference and journal articles as means of creating her interpretation of the different themes.

Analysis of the parts making up the whole deepened the understanding of the whole and made it easier for the researcher to interpret the phenomenon in its context. The methodological intention was critical, reflective interpretation, which is as free as possible of our own prejudices, and differentiates the interpretation from our everyday understanding in our normal environment.

According to the hermeneutics of Gadamer two parallel concepts shed light on the processes of understanding: understanding as a dialogue of questions and answers and as an assimilation of horizons. Tontti (2005) argues that if the dialogue works, we are continuously adapting our pre-understanding and testing our prejudices by holding ourselves open to the otherness that arises from our focus on interpretation. Thus, in understanding the horizon the interpreter is assimilating the horizon of the focus of the interpretation. He defined dialogue as an ideal conversation in which understanding proceeds through questions and answers. This is where Gummesson (2001) bases his thesis of curiosity, courage, reflection and dialogue, which he considers are the main guidelines driving the research process.

Ricouer (Tontti, 2005) represents the view according to which hermeneutics could be developed in a way that would benefit practical research in several areas. When a significant human action is interpreted and explained in human sciences, the result is always a temporally constructed imitation of the focus of the research. The research text, too, is constructed necessarily and definitively into a story with a plot line. When writing a scientific text, the imitation, explaining and interpreting of the focus is based on making it plotted. This is because it is argued that human action can only be understood when the interpreter rewrites it as a plotted and temporally proceeding story, reflecting Aristotle's concept of storytelling as having a beginning, a middle and an end.

According to Varto (2005, 39), Nietzsche (1844–1900) brought the concept of deconstruction into the history of hermeneutic research. Hence, we are actors who, at the same time, interpret the canon and create new significances for it. Kupiainen (2005, 90) asserts that interpretation does not begin from nothingness, but is based on what is already understood. It starts from an

understanding and lives on it. It thus evolves in the circle of hermeneutic understanding, a circle that becomes wider and wider, like a spiral. This is how the interpretation has evolved in this study. The setting is particularly suited to organizational research if the phenomenon is not widely studied.

Balmer (2001) identifies three different paradigms that explain the *raison d'être* of a business identity: the functional, the interpretive and the post-modern. According to the functional approach the business identity is a social fact that can be observed, formulated and managed. In this research the starting point of the network identity's *raison d'être* could be called functional as the researcher aimed to study the structures and processes of coordinated cooperation as a social fact. The interpretative approach was more prominent in the empirical research on the inner values and core essence of the processes, for example in the respondent perceptions of the building of brand identity.

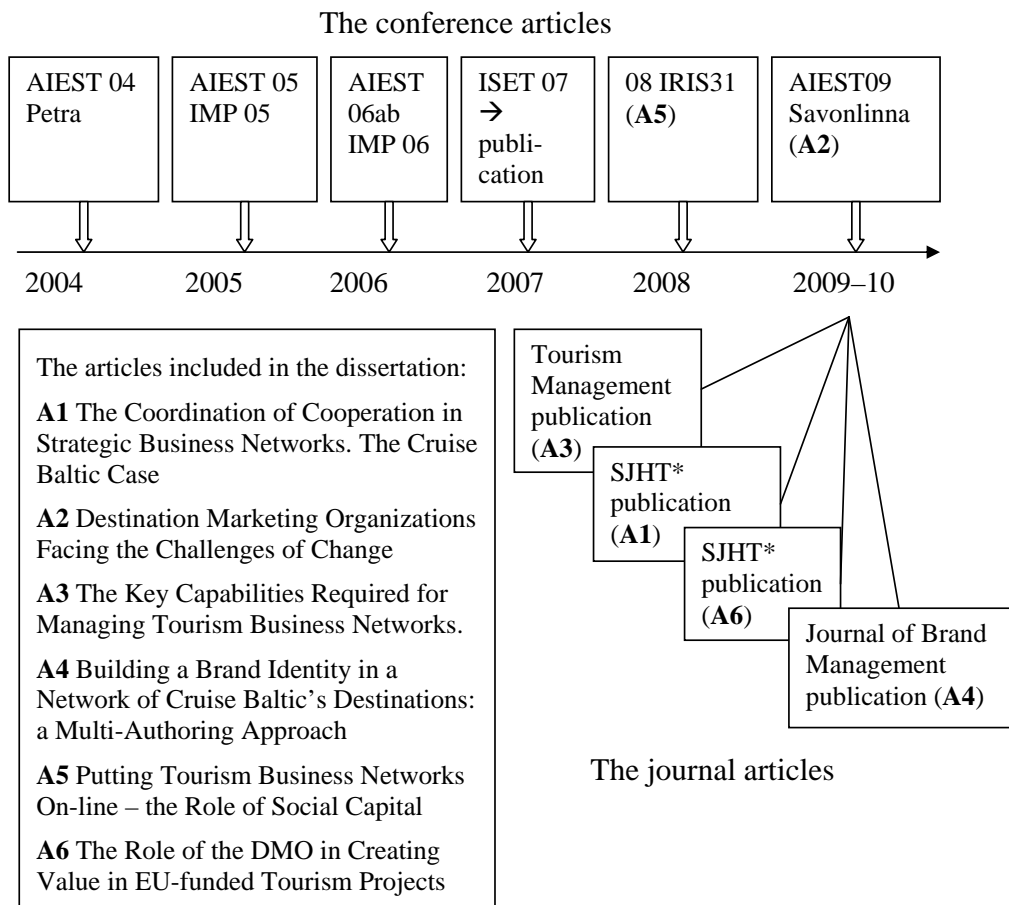
Having gathered the primary data the researcher was able to deepen her understanding of the phenomenon by following the tourism branch in general and the development of the local DMO in particular. She reflected on the dialogues in the earlier interviews during the rest of the research process.

3.6 The hermeneutic circle of the research process

The hermeneutic circle of the research process began a long time before the concrete phase was underway. I followed the development of Turku Touring from the end of the 1990s when I began my career as a university teacher. My interest in the local destination-marketing organization was twofold. Firstly, my course in *Marketing in tourism and cultural services* needed empirical evidence from the surrounding reality. The second reason was that I became interested in theories of networking and coordination as early as in 1999 when I took the Kataja course on *Advances in the interaction and network approaches*. The course participants were asked to write a draft for an article and my choice was to describe *The Role and the Position of Turku Touring in the Network of the Tourism Business in the Turku Area*. I developed the theme and presented the conference paper at the IMP conference in Bath in the year 2000.

I first explored the research themes in the conference articles (Figure 5) published throughout the entire process from 2004 to 2010. The first of these, *The Challenge of coordinating connectedness amongst the different stakeholders in dispersed networks: the case of Finnish Tourism Enterprises* was published in the IMP conference proceedings in 2005. The challenges tourism companies were facing were seen in the form of the twin dynamics of globalization and e-commerce. Cooperation and networking were considered

an instrument of choice for small, medium- and micro-sized (SMMTEs) tourism enterprises in managing dis-economies. In this, both the strengthening of the network's identity and synergetic electronic communication were perceived as steps towards effective and efficient coordination. The Aiest conference paper published in 2005, *Towards a higher encounter satisfaction and value creation: Coordinating service provider performance of SMMTEs* analyzed the roles of both the coordinator and the entrepreneurs in bringing about the network relationships required for building the Mail Road brand identity and the assumed increase in value creation.



*Scandinavian Journal of Hospitality and Tourism

Figure 5 The conference and journal articles published during the research process

Coordinating the Co-evolution of Brand Identity – The Cruise Baltic Project Case was published in 2006 in the IMP conference proceedings. The paper focused on the coordination of cooperation within a tourism network in order to enhance the value-creation process. The pursuit of a brand strategy for the cruise sector in the Baltic region was taken as a case in point. The conference article *Cooperation of small enterprises in a web-based tourism network – case of the Old Mail Road in Finland, Åland and Sweden* was also published in 2006, in the Aiest conference proceedings. The focus was on the www presence of the small tourism enterprises involved in the Mail Road case study.

The case analysis revealed a fundamental need for an overall architecture for e-commerce. The coordinator of a multilayered and complex network has to be able to create a responsive community with its own identity. The second Aiest conference article published in 2006 was entitled *Integrating marketing efficiency through co-innovation process – tools for managing the Destination Marketing Organization*. It focused on how DMOs in the network society are under severe pressure to decide whether and how to project the local identity within the context of rapidly expanding global image flows. This implies coordinating web-based network cooperation, wherein the mental and technical structures play a dominant role and must be connected to both social and material structures in order to attain effective and efficient DMO marketing. It was determined that by integrating their activities and resources in the co-innovation process the actors in the tourism business networks would be able to manage and coordinate their destination marketing.

Having explored the themes of coordinated cooperation in the conference articles described above I then analyzed them in a more constructive way. The published journal and conference articles (A1 to A6) facilitated the analysis of cooperation in tourism business networks and the need for coordination. This analysis culminated in the proposed theory for the coordination of cooperation in this context.

Working on the conference articles on the one hand and the journal articles on the other as part of the hermeneutic research process contributed to my understanding of the relevant themes, the evolving structures and the underlying processes in the coordination of cooperation in tourism business networks.

3.7 The value, logic and trustworthiness of the research

Marshall and Rossman (1989, 144–145) emphasize the need to develop a sound rationale for what is done in qualitative research. These ‘canons’ could

be phrased as questions to which all research must respond (Lincoln and Cuba, 1985):

1. How truthful are the particular findings of the study? By what criteria can we judge them? In other words, it is a question of credibility.
2. How applicable are these findings to another setting or group of people? This concerns transferability.
3. How can we be reasonably sure that the findings would be replicated if the study were conducted with the same participants in the same context? This refers to the defendability of the study.
4. How can we be sure that the findings are reflective of the subjects and the inquiry itself rather than the product of the researcher's biases or prejudices? This is about confirmability.

Researchers who are able to give answers to these questions establish the truth value of the study. This reflects Silverman's (2000) claim that *validity* is another word for truth. He (p. 175) refers to Hammersley³⁶ (1990, 57) when defining the concepts of validity and reliability in qualitative research. According to Hammersley (1990, 57; Silverman, 2000, 175), validity means "truth: interpreted as the extent to which an account accurately represents the social phenomena to which it refers". Reliability "refers to the degree of consistency with which instances are assigned to the same category by different observers or by the same observer on different occasions" (Silverman, 2000, 175; Hammersley³⁷, 1992, 67). Kirk and Miller (1986, 20) define reliability as "the degree to which the finding is independent of accidental circumstances of the research".

Peräkylä (1998) discusses reliability and validity in research based on tapes and transcripts. He emphasizes that although the discussion focuses on a specific type of qualitative research (conversation analysis), the basic issues are relevant in the context of any qualitative method. In a similar vein, tapes and transcripts comprise the 'raw material' for this research. Therefore, as Peräkylä (1998) notes, their quality has implications in terms of reliability. According to Silverman (2001), the need for a low inference descriptor in the reporting of interviews can be satisfied by tape-recording all face-to-face interviews, carefully transcribing these tapes according to the demands of reliable analysis, and including long extracts from the data in the research report: this should include the interview questions.

The four constructs that reflect the assumptions of a qualitative paradigm (Lincoln and Cuba, 1985; Marshall and Rossman, 1989) were listed above.

³⁶ Hammersley, M. (1990) *Reading Ethnographic Research: a Critical Guide*, London: Longmans.

³⁷ Hammersley, M. (1992) What's wrong with Ethnography? *Methodological Explorations*. London: Routledge.

The first is *credibility*, in which the goal is to demonstrate that the research was conducted so as to ensure that the subject was accurately identified and described. *This was achieved in this study* in the identification of the case networks as tourism business networks, and the accounts of the respondents are documented in the various sub-studies and articles.

The second construct is *transferability*, or the generalizing of the findings to another research setting. Marshall and Rossman (1989) argue that transferability or generalizability may be problematic in a qualitative study. To counteract this the researcher could refer back to the original theoretical framework to show how concepts and models guided the data collection and analysis. An additional strategic choice that could make generalizations more feasible involves triangulating multiple sources of data. Studies in which multiple cases are used, multiple respondents are surveyed, and more than one data-gathering technique is applied are potentially more applicable to other settings. This reflects the views of Silverman (2001), who lists three ways of obtaining generalizability in qualitative research: combining qualitative data with quantitative measures of populations, purposive sampling guided by time and resources and theoretical sampling. I chose multiple cases and multiple respondents, and varied the data-gathering techniques in order to strengthen the usefulness of the study in other settings.

In terms of generalizing in theory development, as in this example of a theory-building case study, Yin (1989, 38) makes a distinction between ‘analytical’ and ‘statistical’ generalization. Cases are not ‘sampling units’ and should not be chosen for this reason. I chose several cases in order to paint as relevant a picture of the reality as possible. As Yin (1989, 38) notes, multiple cases “should be considered like multiple experiments or multiple surveys”. Under these circumstances the method of generalization is “analytic generalization, in which a previously developed theory is used as a template with which to compare the empirical results in the case study”. It is applicable in case studies involving one or several cases. The empirical results of the present study could therefore be compared with previously developed theory on intra-organizational coordination. According to Yin (1989, 53), the replication logic for multiple case studies is analogous to that applied in multiple experiments.

The concept of coordinating cooperation has not been addressed in network theory or in tourism business research, which means that the empirical results of this study cannot be compared analytically with these theories: in other words it is a question of creating a new theory. In this case it is justified to include ‘theoretical generalization’ (Payne & Williams, 2005, 299) in the discussion. Using a grounded-theory approach, as I did, calls for thorough iterative retesting of progressive interpretations against other theoretical

settings. The results of this study could be retested in business networks other than in the context of tourism. This, however, is a task that is beyond the scope of this research. Furthermore, as Payne and Williams (2005, 299) emphasize, the focus of the interpretations generated in a study based on grounded theory is on the initial study rather than on generalization. This applies to the present study, as well. Transferring the whole research setting to other contexts would be laborious and time-demanding, but it seems justifiable to assume that some parts of the research are more transferable than others. For example, the processes of building a brand identity and establishing a common e-presence are probably not as context-bound as the role of a DMO in enhancing marketing efficiency in destination networks, for example.

The third construct is *dependability*, referring to the researcher's attempts to account for changing settings in the phenomenon under study, such as changes in the design fuelled by an increasingly refined understanding of the setting. This represents a set of assumptions very different from those shaping the concept of reliability. A positivist philosophy of reliability assumes an unchanging universe in which inquiry could, quite logically, be replicated. This assumption of an unchanging social world is in direct contrast to the qualitative/interpretive assumption that it is always changing, and the concept of replication is itself problematic. Marshall and Rossman (1989) argue that qualitative researchers can respond to the demand for replicability by keeping thorough notes that record the rationale behind the design decisions. Furthermore, if all the collected data is stored in a well-organized form, it is easily available for potential reanalysis. In this case the researcher was obliged to describe the study design in several conference and journal articles. Several double blind reviews also contributed to the careful reporting of the decisions.

The final construct, *confirmability*, captures the traditional concept of objectivity. In focusing on whether the findings of a study could be confirmed in another, Lincoln and Guba (1985) remove evaluation from some inherent characteristic of the researcher and place it squarely in the data. Marshall and Rossman (1989) suggest ways in which a researcher can control for bias in interpretation. One possibility is to have a research partner or someone to play 'devil's advocate' and critically question the analysis. In this case the sub-studies were presented at several workshops and seminars, and were thus subjected to critical comments. I was also able to check and recheck the data, and to test my ideas when presenting rival proposals in conference papers and also in the process of submitting the articles to journal reviewers. I also transcribed all the interviews and utilized the quotations in several published articles. The respondents read the quotations and the researcher's interpretation of them before Article 4 was published. The analysis in Article 6 was, as well, checked by the key informants before it was published.

4 SUMMARIES OF THE ORIGINAL ARTICLES

This chapter summarises the six original articles, which together form the aggregated whole of the research. Each one sheds light on the research questions and contributed to the interpretation process.

Sub-chapters 4.1 to 4.6 briefly describe the key themes in the separate articles, the data used and the main results. The summaries conclude with an assessment of the role of the particular article and its contribution in addressing the main research question of the whole study (illustrated earlier in Table 3).

4.1 Article 1: The Coordination of Cooperation in Strategic Business Networks – the Cruise Baltic Case

The results reported in Article 1 (A1) shed light on the context of coordination referred to in sub-question 1, and on its multidimensional character, including the geographic levels of cooperation. The article takes an initial look at the structures, hence addressing sub-question 3 to some extent.

The key theme is the coordination of cooperation in strategic tourism business networks. The literature on destination management emphasizes the need for cooperation among service providers and other actors in the tourism business. By coordinating the cooperation and integrating their resources in a strategic network the actors are able to achieve competitive advantage (Jarillo, 1988).

The data drawn on in the article includes the narrative accounts of 22 actors in the case-study network, Cruise Baltic. The research could be characterized as an explorative case study in which the aim was to address the research questions through the examination of one empirical case network. The chosen network was in the cruise sector, in the Baltic Sea region, consisting of ten different countries and 26 different city destinations. The network actors were asked how they felt about the cooperation, how it had started, and also how they evaluated the need for coordination. Secondary data, including newsletters, conference and workshop presentation material, and Cruise Baltic website information, were also used to complete the picture.

The pivotal content of the article consisted, firstly, of an analysis of the need for coordination in business networks. The means were then discussed.

Thirdly, the role of the geographical levels was analyzed and finally the structuring of the coordination was touched upon.

The analysis in A1 shows that coordinative activities and the different ways and means of coordination enhance network development. Intentionality, the setting of the goals and the following of their achievement are emphasized in a strategic network such as Cruise Baltic. The actors experience the value they achieve when cooperating with the other network members.

4.2 Article 2: Destination-Marketing Organizations Facing the Challenges of Change

The aim in Article 2 (A2) was to highlight the contextual issues of coordinated cooperation by analyzing a tourism destination as a network and thus addressing sub-question 1. The structures of coordinated cooperation were also discussed and analyzed.

The key theme was change in an industrial network, in this case tourism. The Industrial Network Approach (INA) thus offered a relevant standpoint with its ARA model (Håkansson & Johanson, 1992), the main aim of which is to facilitate the integrated analysis of stability and development in an industry. Firms and organizations are not considered independent entities acting on their own in the market. On the contrary, in order to develop their activities they have to interact with other firms and organizations. This system of interdependent organizations forms an industrial network.

The purpose of the article was to study the role of the DMOs in enhancing the cooperation and networking among the actors of the networks in the changing environment, as well as the role of DMOs in managing the change. In order to clarify the main research question two sub-questions were posed focusing on the structures of coordinated cooperation.

The data for A2 consisted of the 24 interviews with the key actors in the respective destinations, the area of Turku in South West Finland, the island and autonomous province of Åland and the area of Roslagen in Sweden. The respondents told their stories through the recall of critical incidents that turned out to be disruptive changes, or incidents that turned out to constitute a step towards sustainable growth. The respondents were also asked whether and how the coordination of cooperation in the network had enhanced this process of change.

The central focus in A2 was on the role of DMOs in coordinating the cooperation and networking among the actors in the destination networks in order to manage the environmental change. The analysis showed the structural differences between the DMOs. One of them had the organizational form of an

enterprise, which together with its close contacts with the National Expertise Programme turned out to be its strength. It was therefore in a better position than the other two to create new resources and influence the material and technical structure of the cooperation.

Value creation as the outcome of coordinated cooperation was most effectively materialized in the second of the DMOs, in which the tourism enterprises formed a homogeneous group and so cooperation was easy. This DMO was better placed than the others to intensify the communication among the network actors and thus to influence the social structure of the coordinated cooperation.

An obvious strength in the third of the case destinations was the DMO's ability to market the region under an umbrella brand. By strengthening the affinity among the actors it was able to influence the mental structure of the coordinated cooperation.

In sum, therefore, in one of the destinations the ability to face the challenges brought about by change was based, for the most part, on the technical structure of the coordinated cooperation. The obvious strength of the second destination was its social capital, which enhanced its preparedness for e-applications, and in the third one its strength in terms of coping with the challenges of environmental change was in the mental structure of the cooperation.

4.3 Article 3: The Key Capabilities Required for Managing Tourism Business Networks

The contribution of Article 3 (A3) relates to sub-question 2 in terms of analyzing the prerequisites of effective coordination. It also sheds light on the value-creation process as an outcome, thus addressing sub-question 4.

The overall purpose was to identify the key capabilities that local tourism businesses must develop in order to face future global competition. The Value System Continuum (Möller and Svahn, 2003; Möller and Törrönen, 2003; Svahn, 2004) was tested in order to establish whether or not the model could offer insights in terms of determining the key managerial capabilities that tourism business networks must mobilize in order to gain competitive advantage in turbulent environmental conditions. These capabilities are also related to the roles of the coordinators in the network, which Mintzberg (1973, 167) classifies as "interpersonal roles deriving from the coordinator's (or manager's) authority and status, informational roles deriving from the interpersonal roles and the access they provide to information, and the

decisional roles, which derive from the coordinator's (manager's) authority and information.”

The article reported an empirical investigation that allowed the researchers to conclude with a set of propositions. This empirical procedure was necessary as a means of identifying the key capabilities required, if any, for managing tourism business networks in conditions of discontinuous change.

The empirical investigation focused on the organizational realities that come about as a product of the subjective enactments or social constructions of individual actors. Subsequently, four propositions were formulated based on the evidence drawn from the perceptions and narratives of the network coordinators, and thereby ‘grounded’ in research (Dul & Hak, 2008, 159).

The findings from two of the comparative case studies contributed to identifying the key capabilities as the critical success factors of effective and efficient cooperation. The continuous coordination of cooperation may result in relational value production in the form of a brand-identity-building process.

The article describes the value-creation process that evolves over the life cycle of a tourism business network. In order to initiate and to maintain cooperation the coordinator needs to have the management skills to develop and carry out informational, interpersonal and/or decisional roles.

The case analysis identified the coordination of cooperative activities in tourism business networks as a prerequisite for (1) enhancing the value-creation process and (2) building the brand-identity process across the network. The more determined the actors were about what value activities they were expecting from the network cooperation the less demanding was its coordination, other things being equal. Building the brand identity and negotiating the minimum standard requirements could also be mentioned as examples of an outcome pursued through a business network.

4.4 Article 4: Building a Brand Identity in a Network of Cruise Baltic Destinations: a Multi-authoring Approach

Article 4 (A4) addresses sub-question 3, analyzing the mental structures and processes in the coordinated cooperation. It also addresses sub-question 4 concerning value-creation process as an outcome of the coordinated cooperation.

It builds on the INA and IMP approach in considering the building of a joint brand identity the outcome of ‘interconnected’ processes, as identified by Ford et al. (2003).

The purpose of the article was to examine the process of building a brand identity in the cruise sector based in the Baltic Sea region. The stakeholders in

this multicultural case network are involved in developing a group of destinations as a corporate brand. Analysis of the gaps between the aspired-to and the current stages of brand identity allows resources to be steered accordingly. Educational resources, in particular, are important in this context, and coordination plays a crucial role in targeting the resources on strategic goals.

Qualitative methodology in the form of interviews was used for collecting the empirical data, the aim being to define the critical phases in the process of building a brand identity. The researcher interviewed all of the 22 respondents representing each of the countries in the network of destinations.

In terms of content A4 identified the distinguishable phases in the evolutionary process of building the network brand identity in the Baltic cruise industry. The role of coordination in steering the value-creation process towards a vision and a cohesive network, and in building, jointly, the authentic brand identity of the network of destinations, was also examined.

The research results show that the evolutionary process of building a brand identity could be described in terms of temporal phases on the one hand and of different levels of cooperation between the actors on the other. Three episodes are distinguishable in the process - the initial, the integrative and the identification phases - and three levels of cooperation - the functional, the relational and the symbolic. Basic contacts and interactions between actors are established and maintained on the functional level. The initiating phase demands strong coordinative activities among the key players in the network. During the integrative phase the actors begin to see the strategic and operative advantages of a joint promotion approach that an independent approach would lack. Finally, they become settled in routine ways of dealing with one another. In turn, this helps them to 'bond' on the symbolic level. Accordingly, slowly but surely they begin to act on the same wavelength and, subsequently, identify themselves as a node in a destination network.

4.5 Article 5: Putting Tourism Business Networks On-line – the Role of Social Capital

Article 5 (A5) addresses sub-question 2 in terms of analyzing the prerequisites of the coordinated cooperation. It also addresses sub-question 3 concerning the material structures and processes.

The purpose was to discuss the role of social capital in enhancing the implementation of an e-co-destiny in one geographical area defined as a destination.

The narrative interviews with the respondents shed light on the building of social capital in the network of SMMTEs in the destination of Åland. The interview data was gathered from five respondents representing both the private and public sectors of the tourism industry in Åland. According to Elliott (2005), the key features of a narrative are that it has a temporal dimension, it is meaningful, it is inherently social and it is produced for a special audience, which at the most basic level is a conversational partner.

The main content of the article concerned the connection between social capital and preparedness for e-commerce applications. The dimensions of social capital were discussed, firstly as a stock of shared resources, secondly as advantageous for individuals and groups belonging to a social structure, and finally as a prerequisite for an e-co-destiny. The term 'e-co-destiny' was introduced, meaning the cooperative implementation of different degrees of e-commerce applications in the context of tourism business networks in one geographical area defined as a destination.

The study contributes to eTourism research in establishing a connection between the strength of an organization's social capital and its e-presence. The structural, cognitive and relational dimensions of social capital characterized both cooperation and competition among the SMMTEs in Åland. The analysis was based on the 'operationalization' of social capital and its dimensions, which were explored through the visible traces of their occurrence and the quantification of their manifestation in the empirical data.

4.6 Article 6: The Role of the DMO in Creating Value in EU-funded Tourism Projects

Article 6 (A6) addresses sub-question 3 in clarifying the technical structures and processes of the coordinated cooperation, and sub-question 4 in shedding light on the value-creation process as the outcome of the coordination.

The purpose was to study the role of DMOs in value creation when working with independent stakeholders representing both public- and private-sector tourist-industry networks. All concerned had agreed to cooperate for a common purpose in the form of a project partly funded by the EU. The research objective was to investigate issues of globalization and supranational EU policies vis-à-vis the national, regional and local tourism-development realities in the cooperation projects of several EU countries. The focus was on the role of the destination-marketing organization in coordinating the cooperation in the EU-funded tourism business projects. The relevant questions concerned who would take the lead in this new situation, who the decision makers were, and what kind of social innovation was needed to

enhance the competitiveness of the destination. Innovation is perceived nowadays not as internally focused new-product development but as the joint creation of value between a producer and a consumer, and in producer networks, thus implying a new form of integrated marketing efficiency.

The empirical case network investigated in A6 consisted of the local destination-marketing organization and the different EU-funded projects, which were connected to the DMO in various ways. Qualitative methods, in the form of interviews, were used in gathering the empirical data in order to shed light on the complexity of the networks and the role of time and process.

In terms of content, A6 focused on the value of networking in the tourist industry. It also addressed the question of how cooperation coordinated by a DMO creates value for actors in a network, and assessed the influence of EU funding on the value-creation process.

According to the findings, DMOs taking active roles in project management could enhance the value-creation process through integrated marketing efficiency. In order to fulfil the needs of entrepreneurs, an effective follow-up process is necessary. Finally, in creating value through network learning it is essential to map the educational needs of the actors so that all participants will benefit.

5 COOPERATION IN TOURISM BUSINESS NETWORKS – THE NEED FOR COORDINATION

5.1 Structuring the analysis

This research followed the process of inductive theory through case studies (Eisenhardt 1989, 532). As Eisenhardt (p. 539) states, analyzing data is at the heart of building theory from case studies. Within-case analysis helps in managing massive amounts of data, as in this research. The selection of certain means of coordinated cooperation for deeper analysis helped the researcher to cope with the large volume of data and to conduct within-cases analyses from it. Given the logic of theory building it was not feasible to set out the framework of the study at the beginning of this report. It is presented as a result of the study in the conclusions of this chapter, thereby giving a structure to the data analysis.

The four sub-questions covering the research process as a whole were specified in Chapter 2, the objective being to find answers to the main research question concerning the coordination of cooperation in tourism business networks. Chapters 5.2 to 5.5 below address each of the sub-questions. The analyses are based on the results reported in articles A1 to A6, and contribute to the theory building.

Chapter 5.2 covers the first sub-question concerning the context of coordination. The analysis includes the geographical levels of coordinated cooperation, and the destination is seen as a tourism business network consisting of representatives of both the public and the private sector. The second sub-question concerning the prerequisites for coordinated cooperation is analyzed in Chapter 5.3, which focuses on the managerial capabilities required in the context of tourism business networks. The role of social capital in enhancing the e-presence of the actors is also examined. Chapter 5.4 addresses the third sub-question concerning the process-like evolution of the structures of the coordinated cooperation, the focus being on building the brand identity, integrating the marketing efficiency and managing the e-presence. Chapter 5.5 analyses the fourth sub-question concerning value creation as the outcome of coordinated cooperation in terms of enabling high-level learning and strengthening the market position of the actors in the

network. Chapter 5.6 concludes the analysis and presents the main findings of the research in the form of an empirically grounded framework.

5.2 The context of coordinated cooperation

The different geographical levels and the combination of public- and private-sector participation in the tourism business networks affected the context of the coordinated cooperation. The analysis in A1 revealed its contextual complexity, which came up not only in its varying structures, analyzed more closely in Chapter 5.4, but also in the different geographical levels. Although the emphasis in the Cruise Baltic network was on the regional level, the cooperation also affected the coordination of cooperation on both the national and the local level. The coordinator of the Cruise Baltic project saw synergy in how cooperation and networking on the regional level made it easier for the destinations to form networks on the local level. The position and roles of the network members were non-hierarchical.

The aim in cognitive theories is not to present norms of how effective coordination should come about, but to determine how the different factors are connected. For example, in the case of a multi-unit international corporation the coordination task belongs to the managers of the different units (Tuominen 1981). In the network context this task has to be undertaken by the person who is named or nominated as the coordinator. It is important for the manager or director in the network to have the authority to ensure that subordinates (in the enterprises) and partners (in the networks) would abide by the agreements.

Lorenzen and Foss (2003) discuss cognitive coordination in the context of industrial clusters. One indication could be that entrepreneurs in a district have formed positive beliefs about each other, which lowers transaction costs and facilitates trade and specialization. According to the classic, intra-organizational theories coordination is the business of the manager and he or she brings it about by making plans and rules (Fayol, 1990; Petit, 1975; Tuominen, 1981). This type of coordination has the features of a hierarchy. In theories of participation, on the other hand, the emphasis is on the tendency to activate a readiness for coordination in the role of the manager. It is also assumed that the manager will coordinate in a way that emphasizes group work. This seemed to be a common way of working the Cruise Baltic project, and was it expected that subordinates would participate in the decision-making. This changed the task and power structure and resulted in horizontal coordination.

According to theories of participation that the contact persons in an organization should be specialized in coordination. In the case of Cruise Baltic

all of the three directors were recruited from Scandinavian Airlines. Two of them made special efforts to build up cooperation among the participants, which required many meetings in the early stages. The third one was employed as the project director, and his main task was to sell Cruise Baltic as a product. His emphasis and strength as a manager was on the selling task.

The findings in A1 also revealed the operative and strategic nature of the coordination in the Cruise Baltic project. On the operative (secretariat) level it organized meetings three times a year, provided facilities and planned for the Work Package meetings. On the strategic side (Project Director) it was more a question of leading the network, taking initiatives and making sure that things were getting done, and also thinking ahead – being a visionary.

Article 2 focuses on the destination as a network of public- and private-sector stakeholders. Several researchers have highlighted the complexity involved in the strategic planning and marketing of tourism destinations on account of the interdependence of the multiple stakeholders and their fragmented control over resources. Two decades ago Kendell stated that marketing in tourism must be more competitive, and recommended that the activities of the planners, developers and marketers should be coordinated (Kendell, 1987). Buckley and Witt (1989) also recognised the value of cooperation between the public and private sectors in tourism development in terms of considerable job generation. Holder (1992), in turn, placed value on regional cooperation between the public and private sectors. More recently Wang (2008) studied the roles of the DMO in collaborative destination marketing. Wang's typology was developed further in Article 2 in order to identify the aspects of the DMO role that enhanced the process of strategic networking among the actors.

The DMO could take the role of coordinator or catalyst, as Seaton and Bennett (2004, 350) put it in stating that the destination is the catalyst that sets all the other industries in the tourism sector in motion. According to Tuominen (1981), it is obvious that the environment affects coordination primarily through the management system. Buzzel and Ortmeier (1996) concluded in their study of successful partnerships that the role of management was critical: top management had to support changes in the systems, the organizational structure and the culture. Inter-functional teamwork and new incentive and compensation schemes were considered important.

The analysis of three DMOs in Article 2 showed that each of them had different strengths in terms of the structures of the coordinated cooperation. The material and technical structure was stronger in one of them, which meant that it was able to create new resources for the network actors. The obvious strength of another was the social structure, which made it possible to intensify the communication among the network actors. In the third case the

DMO's strength was its mental approach, which was connected to its ability to strengthen the affinity of the actors.

5.3 The prerequisites of coordinated cooperation

The discussion in this section relates to sub-question 2. On the theoretical level it is based on the classic organizational view of coordination as a fundamental management function. This refers to the question posed in Article 3: What are the required specific managerial talents that could be regarded as the critical success factors in coordinating cooperation?

Coordination of cooperation is defined in this study as *the process of arranging inter-organizational, formal and informal activities and connecting actor resources in a way that balances divergent concerns of network actors*. Moreover, the coordination of cooperation is an activity that goes on not only in single firms or organizations but also in a wider context, such as among the actors in the tourism business networks studied. Tuominen (1981) builds on organizational theories in defining coordination in an enterprise as a task carried out by high- or medium-level directors, who make decisions regarding strategies, plans and rules, and provide ad hoc solutions. It seems that the coordinator of a network has a role that is comparable to that of a director in an enterprise.

The discussion in Article 3 concerned *the key capabilities required for managing tourism business networks*, i.e. for the successful coordination of cooperation. The following findings emerged: first, the coordinator seemed to play a key role in the network; secondly, the actors perceived a need for more intensive coordinated activities; and thirdly, the identity reflected in the stories needed to evolve further, ultimately to result in measurably stronger ties, and in trust amongst the actors and in the leadership of the coordinator. All in all, *the ability to develop and implement informational, interpersonal and/or decisional roles* that require specific managerial talents could be regarded as one of the critical success factors in coordinating cooperation. The informational role in the case of the Mail Road, for example, meant that the coordinator had access to knowledge about customer needs and regional coordinators. The interpersonal aspect was connected to the coordinator's role as a 'matchmaker' bringing the actors together. Both of these roles were relevant to the coordinator's decisional role in the product-development process.

The findings further showed that *the ability to orchestrate* a network, in a way that strengthens the actors' commitment to a collective brand identity, could be seen as one of the critical factors in the effective and efficient

coordination of cooperation. Meaningful and authentic local brands are needed to counter the twin dynamics of global brands and e-commerce. The accounts of the entrepreneurs and the 'local' network offerings in the Mail Road and Green Heart networks produced significant content that could be leveraged through brand-identity positioning, storytelling and promotional activities. It seems that the entrepreneurs in the case networks were well aware of the meaning of a cohesive brand identity: a brand ideology was present and featured in their activities even before the cooperative project started.

It was further reported in Article 3 that the *ability to create joint knowledge and absorptive capacity* facilitated high-level learning, reciprocity, receptive capacity and dialogic transparency. These could be regarded as the critical success factors in coordinating cooperation in an effective and efficient way. According to Komppula (2004, 174), commitment to cooperation is the key to effective networking in the tourism industry, and is dependent on the development of 'knowledge', 'feeling' and 'will'. Möller and Svahn (2003) also argue that knowledge sharing is essential for the functioning of business networks, and influences the cooperation and outcomes that firms are able to achieve.

The analysis also identified *strong partnering capability as the critical success factor ensuring the continuation of the value-creation process*. The network actors should be able to value continued cooperation in non-financial terms in the form of building a brand identity and thus achieving brand equity. This would potentially generate financial benefits in the future. As Ravald and Grönroos (1996) found, the problem is to find an alternative to providing superior value that will improve the performance of companies in a network, as well as spark the interest of the customer.

Article 5 concerns *the role of social capital* in enhancing the preparedness of different forms of e-applications among small, micro and medium-sized tourism enterprises. Inkpen and Tsang (2005) examined how the social-capital dimensions of networks affected the transfer of knowledge between the members. In their view the idea behind social capital is that networks of relationships are a valuable resource for both the individuals and the organizations involved (Inkpen & Tsang, 2005, 151). The aim in this study was to find out how the social-capital dimensions of the tourism business network affected the adoption of e-commerce. Geographically the study focused on the island grouping of Åland, which belongs to Finland but forms an autonomous region. Tourism is one of its main industries, whereas in 'continental' Finland, although growing slightly, it remains a minor business sector.

The study showed that a cooperative way of working was very natural for people in Åland and a considerable number of tourism business networks were

identified on the structural dimension of social capital. One of the most significant visible traces on the cognitive dimension was the need for more intensive networking among the actors, especially with regard to the common platform of the whole destination: building a more advanced e-booking system could be regarded as a strategic competitive advantage. The relational dimension, operationalized as joint motives, appeared to have a strengthening effect.

The results reported in Article 5 complement the literature on regional and industrial districts in stressing how pre-existing social relations among individuals in a region foster and support the development of more formal business relationships among organizations. Moreover, Article 1 describes how the leading partners in the Cruise Baltic project had enjoyed dyadic cooperation and set out, as their visionary goal, to integrate the Baltic Region's cruise tourism industry into a sustainable growth strategy. The pioneers were able to see the change in the environment and the possibility of diversifying the cruise project in the region so as to attract potential target customers, namely American cruise passengers.

5.4 Structures and processes of coordinated cooperation

5.4.1 Mental, material and technical structures and processes

This sub-chapter describes how the structures of coordinated cooperation are evolving as processes, in response to sub-question 3. The structures that are recognized as significant include the brand identity representing the mental structure, a common e-presence representing the material structure, and the DMOs representing the technical structure. The corresponding processes are the efforts to develop the respective structures: in other words building the brand identity is the mental process, managing the e-presence is the material process, and integrating the marketing efficiency and increasing the learning among the actors is the technical process in these tourism business networks.

It was concluded in Article 1 that the mental and social structures form a solid basis for cooperation in tourism business networks. The social structure is represented in the various forms of meetings indicating personal as well as inter-organizational relationships between the network actors. The coordination processes related to the social structure are manifested in the role of social capital as the prerequisite of the e-presence, which is analyzed in Chapter 5.3. This intensifies cooperation amongst the actors.

Table 10 below shows the selected coordinating mental, material and technical structures and processes studied in this research. The mental

structures refer to the common values of the actors, which are represented in the brand identity. The corresponding mental process is that of building a network brand identity. The mental structures and processes are more closely analyzed in Chapter 5.4.2 with reference to Article 4 (*Building a Brand Identity in a Network of Cruise Baltic's Destinations: a Multi-Authoring Approach*).

Table 10 The structures and processes of coordinated cooperation

<i>Structures of coordinated cooperation</i>	<i>Selected coordinating structure studied in this research</i>	<i>Coordination processes related to the structure</i>
Mental structure	Brand identity	Building a network brand identity
Material structure	Common e-presence	Managing the e-presence
Technical structure	DMOs	Integrating the marketing efficiency and enhancing learning (in a way that motivates the actors in the network to cooperate)

The coordinating structure representing the material structure is the common e-presence of the actors in the network. The corresponding material process is that of managing the e-presence and strengthening electronic communication. The analysis in article 5 revealed the role of social capital in strengthening electronic communication in the development of a co-destiny. This analysis is discussed in Chapter 5.4.3.

The DMOs are the coordinating representing the technical structure. The corresponding technical process is the integration of the actors' resources and the factors behind it. The relevant questions concern what makes the actors in the network cooperate, and what is the role of the DMO in integrating the marketing efficiency. The technical structure and the coordination processes related to it are discussed in Chapter 5.4.4. The analysis refers to Article 6 (*The Role of the DMO in Creating Value in EU funded Tourism Projects*).

The results related to the structures and processes of coordinated cooperation (network brand identity, a common e-presence and DMOs) are discussed in more detail in the following sub-sections.

5.4.2 Building network brand identity

The mental structure of coordinated cooperation rests on the common values of the actors (see Table 10 above). These values are manifested in the brand, which could be seen as a cluster of values emanating from different network members and actors. Brand identity could be defined in terms of the following questions: What is the clear vision and meaning of the community, in other words the network? What makes it different? What needs does it fulfil? What is its lasting nature? What makes people aware of it? What are its core values? (Kapferer, 2000).

Article 4 discusses the process nature of building a brand identity, involving several phases and levels of cooperation. In the case of Cruise Baltic the process began several years before the project was launched when some of the key network actors saw signs of change in the business environment and began to prepare for them. The key players and initiators had a strong belief in the need to develop the cruise product from a mono-destination into a multi-destination offering, with the capacity to respond to the heterogeneous choice making of potential customers, increase visit frequencies, and lengthen visit times.

Figure 6 illustrates the evolutionary process of building the brand identity in the network of destinations. The scales of cooperation are referred to as 'functional', 'relational' and 'symbolic'. The figure also shows the initiative, integrative and identification phases of coordinated cooperation. In the case of Cruise Baltic, the basic level of building the brand identity was reached when the actors in the different destinations considered it more favourable to work together in the network than to continue to promote their destinations individually.

The basic level of coordinated cooperation in the tourism business network could be called the Functional level, in line with the arguments presented by Gnoth (2002) and Park, Jaworski & MacInnis (1986). During the following integrative phase the actors were able to detect common features in what the cooperating destinations supplied. Coordination was very important in this as in the initiating phase.

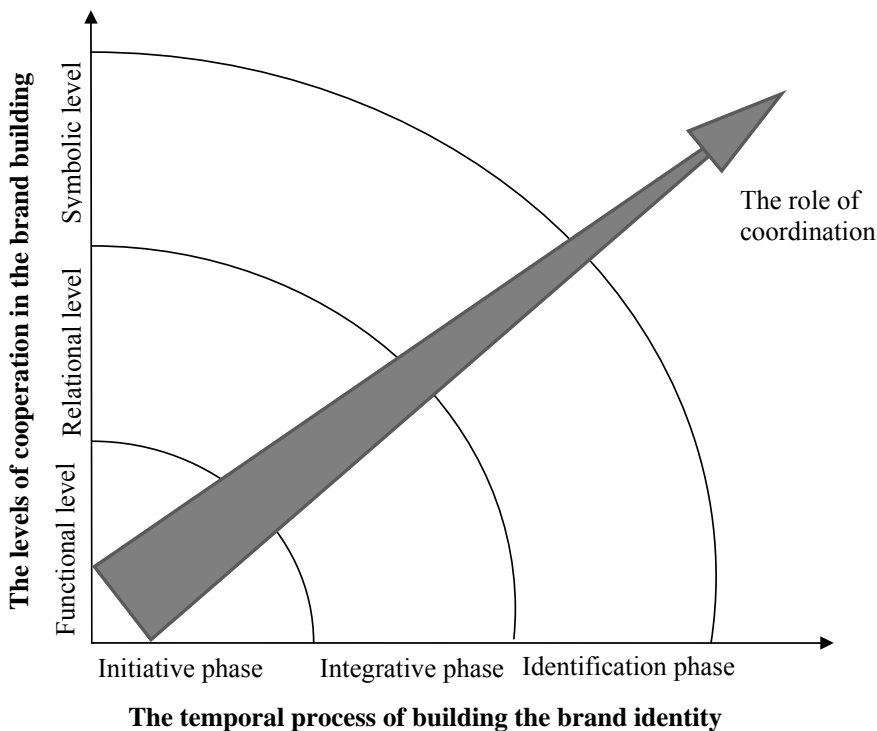


Figure 6 The evolutionary process of building the brand identity in the network of destinations

As the informants from the Cruise Baltic project emphasized, the personal meetings, the telephone conferences and the use of the extranet were the means of building up feelings of affinity, which according to van Riel and Balmer (1997) is the glue that holds the brand identity together. The network participants were at different stages of building their own respective local networks. In their view, belonging to the Cruise Baltic network supported the development of their local network.

The identification phase of the brand-building process was reached when the destination brand was communicated as the core brand that covered the whole region. The actors were then able to identify their own destinations as part of the regional brand identity, and had to be aware of what their respective destinations could offer to the whole network. At this level of cooperation in the brand-building process the actors had to identify with the joint network, and to accept the importance of differentiating the joint Cruise Baltic brand identity from their own national identity.

The symbolic level (Gnoth, 2002) of cooperation in the brand-building process corresponds to the identification phase of the temporal process.

According to Gnoth (2002), it denotes emerging awareness among successful businesses of tourists' symbolic involvement. The participants distinguished the identity of their own destination from that of the whole region, but also saw it as part of the whole. The different destinations formed a union. Most importantly, when the brand-building process reached the symbolic level it was not so easy for competitors to copy it.

When the integrative phase in the process of building the brand identity was reached the role of coordination remained important in terms of supporting the partners in achieving a relational level of cooperation. In the case of Cruise Baltic the secretariat and the first two project managers created the framework for continued success in the identification phase and thereby reaching the symbolic level of cooperation. This required the partners to commit to the cooperation, which the Cruise Baltic network participants appeared to do. Coordination was also needed during this phase, but it was more important for the partners to feel an affinity. The strength of the cooperation came from within the participants more than from any external coordination. The actors seemed to be united in their opinion that the joint brand identity represented them, and they saw it as separate from the identities of the destinations in question.

On the mental level of coordinating cooperation, such as in building a brand identity, it is important for all network actors to identify with the brand values. In the case of Cruise Baltic the members had coordinated their resource allocation decisions in processes of negotiation in order to promote a common brand. The actors gained competitive advantage by building the network and by making it strategically important to those involved.

5.4.3 Managing the common e-presence

The focus in this sub-chapter is on managing the common e-presence as the material process of coordinated cooperation in tourism business networks. It covers different kinds of e-applications and information systems. The analysis is based on the results reported in Article 5 (*Putting Tourism Business Networks On-line – the Role of Social Capital*). Ebers (1999) links analyses of inter-organizational networks to the main body of organizational research, developing propositions concerning how and why networking may be employed as an institutional solution. In this study the implementation of a common e-presence was the institutional solution for achieving coordination among organizations. It seems that e-commerce is a major source of hope for the tourism industry, although micro, small and medium-sized tourism enterprises are still at the early stages in its application (Lemmetäinen &

Suomi, 2006). A small size remains a competitive disadvantage given the lack of resources for establishing an Internet presence. Building networks is a survival strategy, but that is not without its difficulties. It is relevant to ask whether another survival strategy would be to start the process of building an e-presence.

Figure 7 illustrates the social and the material structures in the form of a bicycle wheel: social capital as a prerequisite for the coordinated cooperation is the air that the network participants pump into the tyre, whereas the tyre itself is the material structure. These two are connected in a fundamental way, in other words the tyre and the material structure that holds the air in it, but are of no use without the air. Similarly, the cooperation of the stakeholders in the context of the tourism business forms the social capital that 'fills' the material component, the common web site, for instance. The common e-presence gives a framework to the cooperation: it harnesses the input of the social capital. The different e-applications also facilitate communication of the common identity, expressed in the network brand, for instance.

As Buhalis and Law (2008) state, plenty of organizations fail to appreciate the benefits of co-opetition (see e.g., Bengtsson & Kock, 2000) and co-destiny. This and other issues must be resolved before the tourism industry can take full advantage of e-commerce. The dimensions of social capital were discussed in this study firstly as a stock of shared resources, secondly as an advantage for individuals and groups due to their belonging to a social structure, and finally as a prerequisite for co-destiny through the joint building of a more advanced e-booking system in the search for competitive advantage.

5.4.4 DMO roles in integrating marketing efficiency

The role of the DMO as a means of coordination and as a technical structure of coordinated cooperation is relevant in analyses of the factors that make actors in the tourism business network cooperate. Article 5 *focuses on* the different roles of the DMO.

According to Håkansson and Johanson's (1992, 129–135) ARA model, industrial networks consist of actors, resources and activities. The main aim of the model is to facilitate integrated analysis of stability and development in an industry. Lemmetyinen, Go and Brooker (2006) present a modified form of the ARA model incorporating the integrated efficiency of the actors, their activities and the resources of various networks in the context of destination marketing. The basic categories of variables are actors, activities and resources, which are related to each other in the overall network structure. Actors are defined as those who perform activities and/or control resources.

Resources are the means they use when they perform the activities. Through these circular definitions networks of activities and resources are related to each other. The results of the study revealed that the roles of the DMO could be classified as enhancing the integration of the marketing efficiency of small, medium and micro-sized tourism enterprises on the one hand, and as enhancing network learning on the other.

Taking an active role as a funding agent, for example, enhanced the process of integrating marketing efficiency. The DMO's (Actor) role as the partner and team builder could be characterized as that of a 'matchmaker' bringing project partners together: the closer the cooperation among the partners, the better are the opportunities for network learning. Partnership and teamwork (= activities) between public and private sectors enable the transfer of expertise, know-how and other resources, which improve the competitiveness of small and micro-sized enterprises.

The role of the network-management organization was connected to integrated marketing efficiency in terms of enhancing regional development: effective management results in the efficient combination of the resources of heterogeneous stakeholders. Understanding how collective inter-organizational relationships and partnerships are formed and managed, and how they evolve over time is a critical factor for a project's competitiveness. The DMO as the information provider is connected to integrated marketing efficiency in the sense that it provides a platform (resource) from which heterogeneous members of EU-funded projects or networks are able to 'meet visitors' expectations. In so doing it enhances the value creation of small and micro-sized enterprises for example, which often lack knowledge and know-how about IT technology. This role could also be connected to information and knowledge sharing from one project to another, which again enhances network learning. At its most extensive the DMO's role as the information provider in EU-funded projects covers the responsibility for doing research in the field (activities), thereby identifying the need for cooperation and networking and consequently for potential EU funding.

The role of the DMO as the community or project brand builder is also connected to integrated marketing efficiency. The partners who share the vision of a common brand have to be committed to cooperation. The DMO leading the brand building process has to make the participants identify with and committed to the agreed development.

The DMO's role as convener, facilitator and liaison in community (project) tourism activities reflects the broader themes and discussions that connect actors in EU-funded projects. For example, minimum quality requirements affect activities and services at the local network level in Cruise Baltic, and aspects of sustainable development and environmental protection have to be

considered in the Yachting in the Archipelago project. This role also covers representing the interests of specific sectors such as cruise tourism and boat tourism in regional and national strategy plans, thereby facilitating the more effective integration of marketing and setting the prerequisites for sector-specific information sharing and learning.

The role of the catalyst of a collaborative initiative includes intensifying the relationships between the public and private sectors, thereby facilitating high-level learning. At its best, collaboration leads to a balance between cooperation and competition, and to a reduction in uncertainty regarding the loss of customers amongst the network participants.

Figure 7 illustrates the structures of coordinating cooperation in tourism business networks in the form of a bicycle wheel. The spokes represent the technical structure, the social capital is the air in the tyre, which is pumped in by the network actors, and the components of the wheel represent the material structure. The air is a prerequisite for coordinated cooperation: without it the material structure would not work. The technical structure, the spokes, holds the wheel together. The mental structure is the movement towards the common vision, which is negotiated by the network actors.

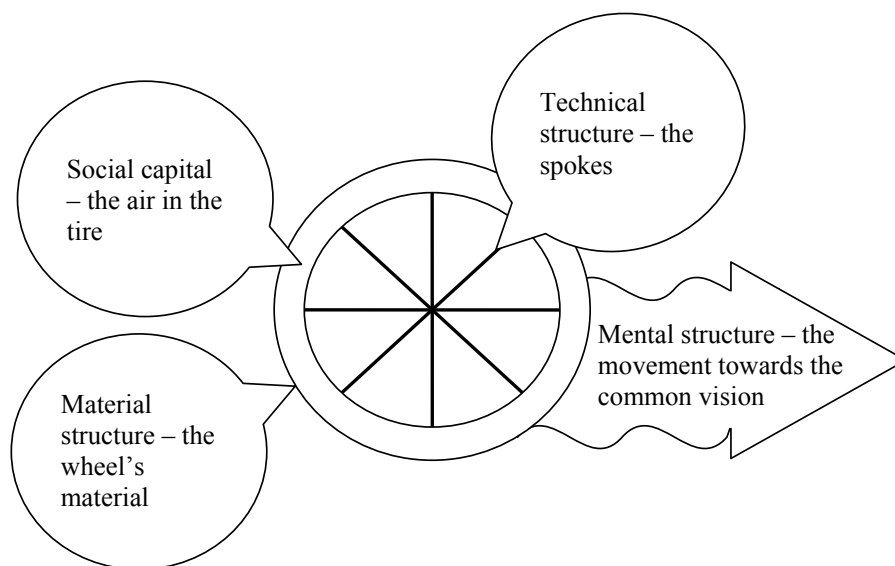


Figure 7 The structures of coordinated cooperation

The DMO is an advocate of the tourism industry in that “it conveys the message of importance of tourism, and its impact on the area and on the local economy, as well as the advantages of tourism to the local economy” (Wang, 2008, 199). The role is activated in different sectors represented by the projects. For example, the focus in Cruise Baltic is on the cruise sector, and in

Yachting in the Archipelago it is on boat tourism. The DMO assumes the role of organizing marketing campaigns targeted at the project-specific tourism sector. At its most extensive this gives customers a positive experience through the flow of continuous, excellent communication.

The destination-marketing organization could be considered a technical structure forming a management system. The different roles of the DMO shed light on its position as the coordinator and the leader of the network and as the decision maker. In the case of EU-funded projects the stakeholders gain extra resources. This creates opportunities for the more effective coordination of cooperation in the destination area. A critical question concerns the role of EU funding, which is supposed to produce stable structures, on the technical level in this case. Nevertheless the experience gathered from EU projects can, in optimal situations, be included in the regular activities of the DMO.

5.5 Value creation as an outcome of coordinated cooperation

The characteristics of the value-creation processes as an outcome of coordinated cooperation are analyzed in this sub-chapter with reference to sub-question 4. The enabling of high-level learning among the network actors and the strengthening their market position are discussed as outcomes of coordinated cooperation in tourism business networks.

5.5.1 Enabling high-level learning among network actors

As reported in Article 6, the actors in the participating networks valued stable cooperation and coordination. They also saw cooperation as a potential learning resource. The key question is, however, how to make profitable use of the knowledge and experiences gained from earlier projects. The DMO plays a significant coordinating role in this, as well as in enhancing the value-creation process in provider performance. Intensifying the communication between actors makes them more open to coordinated cooperation.

Brand identity is seen in this study as a mental structure of coordinated cooperation, and its building up as a mental process (see Chapter 5.4.2). It is evident from the analysis in Article 4 that it also creates value for the actors in tourism business networks. The coordination of service-provider performance entails moving the value-creation process towards a common vision and cohesiveness, and jointly establishing an authentic brand identity (on the Internet, too). This would provide the necessary focal point for determining the network's strengths and weaknesses, and initiating actions that will ensure

its continuity. Before moving towards a common vision or identity it is necessary to be aware of the current state of affairs. Analyzing the gaps between the desired and the current stage of the brand identity in a tourism network allows resources to be targeted accordingly. Educational resources are essential, and coordination is crucial in their allocation.

This study adopts a collaborative approach to destination marketing in the context of tourism business networks. Cooperation promotes better learning opportunities than individual project participants would find on their own. The different roles of a DMO in coordinating the cooperation and creating value for the network actors are discussed, as is the way in which EU funding affects the value-creation process.

Networks are particularly suited to circumstances in which there is a need for efficient, reliable information. The most useful information is rarely that which flows down the formal chain of command or that can be inferred from shifting price signals. It is rather obtained from someone known from past experience to be reliable: people generally trust information that comes from someone they know well. Networks are also suited to the exchange of commodities the value of which is not easily measured. Their open-ended, relational features and the relative absence of explicit quid-pro-quo behaviour greatly enhance the ability to transmit and learn new knowledge and skills (Powell, 1991).

The respondents, in the Cruise Baltic project found the cooperation in the international network rewarding. The respondents said that they learned from cooperating with their counterparts in other countries. They were, in the end, willing to share their own experiences and knowledge for the benefit of the whole network.

The participants in the project found that networking had a great influence on the development of the local cruise networks. The former project manager saw no other possibility for the prosperity of the region than to work together. They also acknowledged the considerable economic advantage of joint marketing.

As reported in Article 6, network learning could be defined as learning as a group. It is manifested in changing network-level properties such as shared practices and processes (Knight & Pye, 2005, 369). Networking enhances learning because the group discussion is potentially multidimensional and multifaceted compared with the interaction in a dyad, for example (Håkansson, Havila & Pedersen, 1999, 450). Interaction among actors in a network provides a context for learning (Saxena, 2005, 277). Inter-organizational (joint) learning could be viewed as the collective acquisition of knowledge among a set of organizations (Jones, Chonko & Roberts, 2003, 339). Furthermore, Inkpen and Tsang (2005, 146–165) identify structural

(network ties, configurations and stability), cognitive (shared goals and a shared culture) and relational (trust) dimensions affecting the transfer of knowledge between network members.

Johnston and Lawrence (1993, 193) identify the 'value-adding partnership (VAP)' as a set of independent companies working closely together to manage the flow of goods and services along the entire value chain. VAPs may emerge as the result of computerized links between companies, or they may exist before the technical links have been established. In any case they depend largely on the attitudes and practices of the participating managers. Computers simply make it easier to communicate, share information, and respond quickly to shifts in demand. They facilitate VAPs but cannot create them.

As Ulaga and Eggert (2005, 98) state, despite the fact that the concept of relationship value has attracted more and more attention, there is no generally accepted conceptualization in the marketing literature. Ford and McDowell (1999, 429), however, clarified the different aspects of value in business relationships in an analysis of their effects on different levels, such as the relationship and the network level. For an actor in a (tourism) network, all relationships are valuable in that they generate sales, but some are more valuable than others. Still, financial dependence alone may not mean that a company values one relationship over others: relationships of low financial significance may be highly valued for reasons of knowledge transfer, reputation or network access, for example. It is most important for actors in a network to know what elements of the relationship confer value and the extent of that value (Ford & McDowell, 1999, 430–431). Forsström (2005) defines the concept of value in a partnership in terms of the benefits the partners derive from it related to the sacrifice needed. Both partners have to feel that they get more out of the partnership than they have to sacrifice in order to get it to function in an effective way.

In terms of the creation of value for stakeholders there are two dimensions, the financial and the non-financial (see e.g., Haksever, Chaganti, & Cook, 2004). Financial benefits include those with an obvious short-term monetary impact on the stakeholders, and possibly also long-term effects, whereas non-financial benefits are those that do not even have a short-term financial impact (Haksever et al., 2004). This argumentation coincides with the results of this study. The actors in the EU projects saw the non-financial value of the cooperation, although they basically found financial value in the form of EU funding. In the case of Cruise Baltic the actors were committed to the coordinated cooperation regardless of whether they continued to receive EU support.

As reported in Article 3, the actors in the Mail Road and Green Heart networks basically gained financial value in the form of EU funding. Later on

they might value the cooperation as such and be able to see its non-financial benefits. However, as reported in a study conducted by Kim and Kim (2005), brand equity may also bring financial value in the long run. They investigated the relationship between brand equity and firm performance in luxury hotels and chain restaurants, and found evidence supporting their hypothesis that brand equity could be expressed numerically in financial terms.

5.5.2 Strengthening the market position of the network actors

Market positions are strengthened through erecting barriers to copying/and or entry and thereby putting up defences against competition. This is effectively achieved through differentiating the company's offerings from those of competitors and potential competitors. Where differentiation is built on non-copyable grounds (on account of distinctive skills, competences and marketing assets, for example), aggressors will find it more difficult to overrun the position defended (Hooley, Piercy & Nicouland, 2008).

As reported in Article 1 and Article 4, the coordination of cooperation strengthened the market position of the destinations in the regional network in several ways. The actors were able to differentiate the cruise product in agreeing on the common themes that represent the whole network and which are based on the agreed values of the common brand. They also negotiated the minimum quality standard to which everyone in the network was committed. On the symbolic level the brand is difficult for competitive regional networks to copy. This strengthens the market position of the whole region and of individual destinations. Cruise ships would perhaps not visit the smallest destinations, but when they are part of the offering, of the product, it is a different matter.

By combining common marketing assets the network actors ensure that the destination is promoted more widely. It also enhances its visibility when the potential customers, the cruise industry in this case, are aware of who is the spokesman for the whole network. The hiring of the top-level directors from Scandinavian Airlines guaranteed that marketing competences that were difficult to rival.

As reported in Article 6, the destinations at the local level were able to provide common platforms for the tourism companies in the area. They were also able to take a leading role in the EU projects and ensure that the knowledge obtained from one was transferred to another, thereby strengthening the market position of the individual companies. Being part of the common web site gave these companies access to more potential visitors than they would have had on their own sites. Social capital as a prerequisite of

coordinated cooperation enhances networking and e-presence preparedness, and thus affects the strengthening of the market position of the individual network actors.

An analysis of the value-creating network-development process in the context of tourism business networks would identify the critical success and value-adding factors in the provider's performance. Several questions arise. Why and how are the actors motivated to cooperate in the network? What is the value the actors obtain from the inter-organizational relationships? How does stakeholder cooperation foster the staged authenticity, which in turn results in deeper experiences and customer satisfaction? These relevant questions are embedded in the research problem addressed in this study concerning the coordination of cooperation in tourism business networks. The analysis of coordinated cooperation as social, mental, technical and material structures and processes has enhanced understanding of the phenomenon by dividing it into minor problem areas addressed in the sub-questions. Knowledge acquisition could provide an answer to the question: "Are we doing the right things?" With regard to the second basic question is, "Are we doing the right things right?" the role of the coordination in enhancing the value-creation process is very important. Intensifying the communication would increase the attraction of coordinated cooperation to members of the tourism network. The level of motivation would increase if high-level learning could be facilitated.

Ford et al. (1998, 205) noted the tendency in the 1990s to develop more collaborative supplier-distributor relationships that take the motivations of the counterparts as the point of departure instead of relying on manipulation. They also build on trust between the parties involved rather than on power-fuelled tension. This means that the actor bonds in these relationships are changing. The new bonds and the trust on which they are based are prerequisites for improving distribution performance. They form the basis for the more efficient coordination of activities and the more effective combination of resources. Looking at distribution from a network perspective, Ford et al. (1998, 224) state that more effective distribution networks are unlikely to be built in an adversarial atmosphere.

Hitherto, destination-marketing organizations (DMO) have focused on coordination with regard to the image of "the locale whose form, function and meaning are self-contained within the boundaries of physical contiguity" (Castells, 1996b, 423). In the network society the DMO is under severe pressure to decide whether and how to project the local identity in the rapidly expanding global flows of images. This implies the need to coordinate web-based network collaboration, wherein the mental and technical structures play

a more dominant role and must be connected to both social and material structures in order to achieve effective and efficient DMO marketing.

Hence, in the context of this study stakeholders are faced with a shift from social relations within a co-located physical tourist place to e-tourism communication (Go & van Fenema, 2003). Those issues dramatically raise the level of complexity and dynamism of the business environment in which they are active. In theoretical terms the challenge lies in identifying the type of network coordination that contributes to the strategic transformation from a policy focused solely on 'place' to one that is oriented to leveraging converging 'multi-voiced' space: this includes the mental and technical structures and processes connected with social capital, and the material structures and processes aimed at achieving synergistic effects.

Therefore, the actors in tourism business networks, and particularly entrepreneurs, must adapt the scope of their service operations to include e-tourism service delivery. Furthermore, the DMO, while retaining a sense of hierarchical structure and some formalized procedures in order to maintain efficiency and quality, must adjust its leadership role and overall strategic direction and foster the development of platforms of knowledge and skills. (Crossan & Sorrenti, 1997) The network thus needs to remain flexible.

In the light of the results of the sub-studies comprising this research it seems that coordinative activities and different forms and means of coordination strengthen the market position of network actors. The narrative accounts of the participating network members shed light on the reasons why it seemed to be necessary to coordinate cooperation. It became clear that the key actors had prepared for their future cooperation in one way or another a long time before the network was formed. In the case of the Cruise Baltic project another of the push factors was the aim of the EU to fund projects that could have a positive influence on regional development as part of the continuing process of political regionalization within the Baltic Sea region.

5.6 Summary of findings

This sub-chapter concludes the analysis of the study. The main findings are presented in Figure 8. This is thus the empirically grounded framework of the study, which as mentioned earlier was not created until the conclusion of the theory-building part. Figure 8 gives a holistic view of the phenomenon, i.e. the coordination of cooperation in tourism business networks. Given the explorative and inductive nature of the study the focus in this summary is on the resulting rather than the pre-existing understanding.

The following remarks relate to sub-question 1: *How does the context of tourism business networks characterize the coordination of cooperation among the actors?* First, the coordinated cooperation in tourism business networks is characterized by contextual complexity: cooperation on the regional level may affect cooperation on both the national and the local level. Secondly, the coordination of cooperation in tourism business networks is characterized by the symbiotic relationship between the public and the private sector, neither of which can ignore the importance of the other in promoting tourism. Thirdly, destination management organizations (DMOs) as the coordinators of tourism business networks differ considerably in structure, and this may affect the character of cooperation in the different destinations.

The following prerequisites were identified in response to sub-question 2: *What are the prerequisites for the coordination of cooperation in tourism business networks?* First, the coordinator of the cooperation has to be able to take the lead, and thus be a visionary and have the required managerial capabilities. Secondly, he or she must be able to orchestrate the network in a way that commits the actors to the cooperation. Thirdly, the capability of both creating and transferring knowledge is elementary. Fourthly, the ability to create partnerships that enhance the continuing success of the network cooperation could be mentioned. Finally, social capital was found to enhance the cooperation among the actors in tourism business networks.

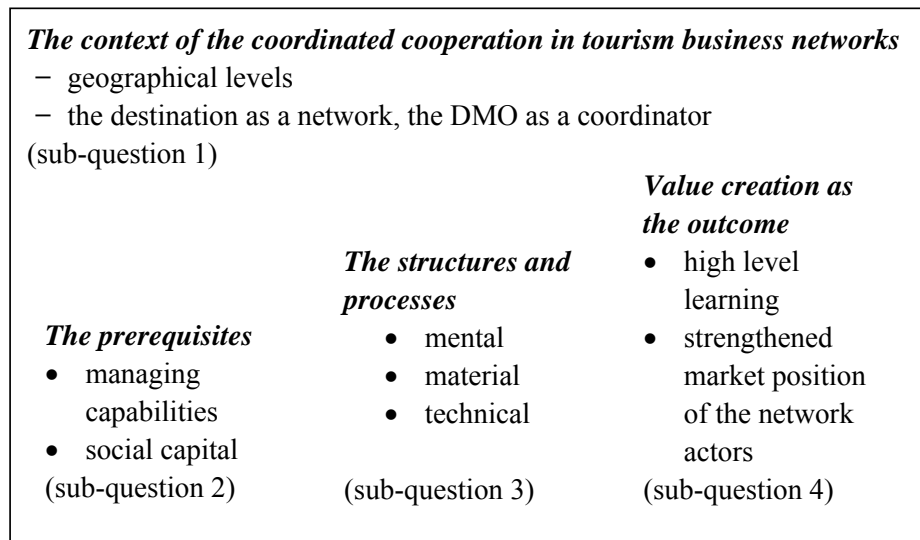


Figure 8 The empirically grounded framework depicting the main findings of the study

Sub-question 3 was as follows: *How do the structures of coordinated cooperation evolve as processes in tourism business networks?* I have chosen one structure representing each of the mental, material and technical structures and processes. Brand identity exemplifies the mental structure, a common e-presence the material structure, and DMOs the technical structure. The corresponding mental process was building the brand identity, the corresponding material process was managing the e-presence, and the corresponding technical process was integrating the marketing efficiency with the DMO as a coordinator.

With regard to the mental process it is important that all the actors share common values: if values are the starting point in the coordinated cooperation the actors are able gain competitive advantage by making the network strategically important to the participants. Managing the common e-presence is categorized as a material process, mostly because it can offer resources to the network actors that they could not afford on their own. The cooperative building of a more advanced e-booking system also fosters competitive advantage.

The structural role of the DMO in tourism business networks is inevitable. It is another question whether this role should be redefined in order to increase the joint marketing efficiency, which is categorized in this study as a technical process of coordinated cooperation. Today most actors in tourism business networks face the reality with the help of, often EU-funded, projects. In many cases these projects are managed separately, without coordination. According to the findings of this study, a DMO taking a leading and coordinating role in similar projects enhances knowledge transfer from one project to another, and thus the production of stable structures on behalf of the funding agents.

Two characteristics of value creation process were identified in response to sub-question 4: *What are the characteristics of the value creation processes as an outcome of coordinated cooperation?* Firstly, the actors in the networks saw cooperation as a potential learning resource and secondly, coordinative activities and different forms and means of coordinated cooperation strengthened the market position of network actors. The intensified communication between actors - thus affecting the social structure of coordinated cooperation - made them more open to coordinated cooperation. This enhanced their abilities to transmit and learn new knowledge and skills. Partnerships and teams between public and private sectors enabled the sharing of expertise, know-how and other resources, which improved the competitiveness of small and micro sized enterprises - thus affecting the material and technical structure of the coordinated cooperation. Finally, feeling affinity – and thus affecting the mental structure of coordinated cooperation - entailed the value-creation process of the actors towards a

common vision and cohesiveness and made it possible to jointly establishing a brand identity.

6 CONCLUSIONS

6.1 Summary and empirical conclusions

This research focused on the coordination of cooperation in tourism business networks. In terms of positioning it takes a process-oriented approach to network development, in contrast to the social-network approach that is most commonly used in the tourism context. The latter approach has been criticized because the structural forms of the analysis inadequately illustrate how the structures are created.

This study builds on the concept of ‘interaction’ as used by the Industrial Marketing and Purchasing (IMP group). According to this school of thought firms and organizations are not independent entities acting on their own in the market. In order to develop their activities they have to interact with other firms and organizations. This system of interdependent organizations forms an industrial network. Activity coordination involves both mutual adaptation and learning, which create new circumstances for future activities within the network. Networks are commonly viewed as dynamic and constantly changing, and thus a dynamic approach is required in order to arrive at an understanding of how the relationships evolve over time.

Earlier studies have examined the concept of coordination in both in the intra-organizational and the inter-organizational context. In the case of the former Tuominen (1981) made an effort to find a holistic theory of coordination based on deductive reasoning and complemented with inductive knowledge gained from concrete situational factors. In the inter-organizational context the studies have focused on coordination and cooperation in vertical marketing systems (Hyvönen, 1983), the coordination of action in mergers and acquisitions (Larsson, 1990) and cognitive coordination in industrial clusters (Lorenzen & Foss, 2003).

However, research focusing on coordination is scarce in the context of networks. Although the term coordination is often mentioned, and its importance is acknowledged, its role in managing the network has not been explicitly addressed as a research question. The aim of this study was to narrow the gap. It addresses the explicit research question of how cooperation is coordinated in tourism business networks. Given its inductive approach to the question it could be defined as a theory-building case study based on qualitative data.

Given the focus on tourism business networks, the destination is seen as a network consisting of public- and private-sector actors. Several researchers have noted the complexity involved in the strategic planning and marketing of tourism destinations due to the interdependence between the multiple stakeholders and fragmented control over resources. It has been concluded that tourism marketing must be more competitive, and that the activities of planners, developers and marketers should be coordinated as well. Furthermore, cooperation between the public and private sectors in tourism development has been found to result in considerable job generation. More recent studies have focused on the roles of the DMO in collaborative destination marketing.

The analysis in this study concerned the reasons why the network actors in the various tourism business networks saw the need for coordination and how they arranged. Complexity in the form of exogenous factors such as the effect of the geographical level of cooperation, and endogenous or structural factors such as the internal organization of the coordination, was also analyzed. It seems that coordinative activities and different forms and means of coordination enhance the development of strategic business networks.

In methodological approach this was a multiple, longitudinal case study. Narrative interviews were used as the primary data-collection method, supported with participative observation, information letters, workshop and conference presentation material, and web-site analysis. Seven network cases were chosen to represent tourism business networks – DMOs Turku Touring, Åland (Visit Åland) and Roslagen (in Sweden), the Mail Road, Cruise Baltic, Yachting in the Archipelago and Green Heart. Interviews were conducted with key persons (DMO directors, network coordinators and actors, entrepreneurs, representatives of the cultural sector in Åland). The research is an aggregation of several smaller studies, which are reported in the attached articles. Each of the articles contributes to shedding light on the overall research problem, and at the same represented an independent study with its own research questions and preliminary propositions. However, the data-gathering process was common to all the sub-studies. Methodological issues, including the logic and the value of qualitative research, are discussed in Chapter 3.

The researcher applied the critical-incident technique in exploring the key processes in the actor accounts. She took an open, less structured approach in not quantifying the importance of the incident, which was allowed to emerge during the respondents' accounts. For example, when investigating the brand-building process she probed for incidents by asking more precise questions on how the respondents perceived the different stages and the identity of their respective destinations compared to that of the whole region. Having analyzed

the data she was able to propose a structured form of theorizing about coordination of cooperation in the context of tourism business networks.

The starting point for the empirical analysis was the research question concerning *how cooperation in tourism business networks is coordinated*. The empirical results of the study related to the four sub-questions: (1) *How does the context of tourism business networks characterize the coordination of cooperation among the actors?* (2) *What are the prerequisites for the coordination of cooperation in tourism business networks?* (3) *How do the structures of coordinated cooperation evolve as processes in tourism business networks?* (4) *What are the characteristics of value creation processes as an outcome of coordinated cooperation?*

Issues arising in shedding light on the context of coordinated cooperation included the different geographical levels and the combination of public- and private-sector network participation. Cooperation on the regional level was found to affect the coordination of cooperation on both national and local levels. The critical roles of the coordination in terms of managing the challenges of change in the operational environment were, firstly, to create new resources and thereby affect the material and technical structure of the cooperation, secondly to intensify the communication between the network actors, thereby affecting the social structure, and finally to strengthen the affinity of the actors thereby affecting the mental structure.

With regard to the prerequisites of coordinated cooperation the study indicates that both managerial capabilities and the ability to orchestrate a network in a way that strengthens the actors' commitment to a collective brand identity are critical success factors. The findings further showed that the ability to create joint knowledge and absorptive capacity facilitates high-level learning, reciprocity, receptive capacity and dialogic transparency. These could also be regarded as critical success factors in coordinating the cooperation in an effective and efficient way. Moreover, the analysis identified a strong partnering capability as a critical success factor in ensuring the continuation of the value-creation process. There was also a connection between the role of social capital and the preparedness for e-presence among the actors in the tourism business networks under study.

Analysis of the coordination of cooperation in terms of the underlying structures that foster network processes gave the following results. Firstly, the mental process of building a brand identity could be described in terms of temporal phases on the one hand, and according to the different levels of cooperation between the actors on the other. Three episodes were distinguishable in the process, the initial, the integrative and the identification phases, and three levels of cooperation - the functional, the relational and the symbolic. Basic contacts and interactions were established and maintained on

the functional level. The initiating phase demanded strong coordinative activities among the key players. During the integrative phase the actors began to see the strategic and operative advantages of a joint promotion approach that an independent approach would lack. Finally, they became settled in routine ways of dealing with one another. In turn, this helped them to 'bond' on the symbolic level, particularly as manifested through the joint building of a multi-authored destination brand. Accordingly, although slowly, the actors began to act as if they were on the same wavelength, and subsequently began to identify themselves as one node among many in the tourism business network.

Secondly, the destination management/marketing organization (DMO) was seen as a technical structure in coordinating the cooperation among the network actors. Consequently, the role of a DMO in this and in enhancing the value-creation process was also examined. The case analysis of the three EU-funded projects studied identified various levels of coordination activities. In the first case, in which the DMO had a minor role, the cooperation among the actors diminished when the project ended and remained on the level of providing basic information regarding the needs and strengths of the participating entrepreneurs. In the second case, in which the role of the DMO was more active, a network of interactive and learning destinations was generated. The coordination role of the DMO was crucial in the third case, and the knowledge and experience from the project were transferred to similar projects. By taking an active role in the project management the DMO was able to enhance the value-creation process through integrative marketing efficiency.

Finally, the e-presence of the network was regarded as part of the material structure of the coordinated cooperation. The common e-applications were examined in terms of underlying material process building. It seems that social capital enhances the preparedness for a common e-presence and could be seen as a prerequisite for the implementation of an e-co-destiny. An e-presence is a visible form of coordinated cooperation in the context of tourism business networks.

In terms of value creation as an outcome of coordinated cooperation it appears from the results that the actors in the participating networks valued stable cooperation and coordination. They also saw cooperation as a potential resource of learning. The key question, however, concerns how to use the knowledge and experiences from earlier projects for the benefit of any new projects. In this the coordination of a DMO would play a significant role. In a similar vein, the role of a DMO as a coordinator in enhancing the value-creation process in provider performance is very important.

The findings indicate that cooperation in networks produces better learning opportunities than individual project participants could organize on their own. This is in line with Powell's (1991) assertion that networks are particularly suited to circumstances in which there is a need for efficient, reliable information. The most useful information is rarely that which flows down the formal chain of command in an organization, or that could be inferred from shifting price signals. It is rather that which is obtained from someone who is known from the past and has been found to be reliable. This goes with the idea that you trust information that comes from someone you know well. Therefore, networks are especially useful for the exchange of commodities the value of which is not easily measured. Their open-ended, relational features and relative absence of explicit quid-pro-quo behaviour greatly enhance the transmission and learning of new knowledge and skills.

6.2 Theoretical conclusions

As a theory-building case study this research contributes to tourism research on the one hand, mainly in the genre of destination marketing or management and network development, and to network research on the other, more specifically to the work of the IMP group.

Frances et al. (1991, 1–20; Powell, 1991, 265–276; Easton, 1992, 23–24; Dubois and Araujo, 2006, 23; Gadde and Araujo, 2006, 6), see networks, as well as markets and hierarchies, as mechanisms of coordination as such. Although coordination is often connected with networks (Easton & Lundgren, 1992, 106; Axelsson & Johanson, 1992, 231), its role in managing them has not been explicitly raised as a research question. Lundgren (1992, 152–159), however, sought to define the concept of coordination, contending that the coordination of activities within a network involves both mutual adaptation and learning.

In the case of tourism research, Tremblay (1998; Tinchley and Lynch, 2001; De Araujo and Bramwell, 2002) have emphasized the coordination of activities, but they do not define the concept of coordination or explore the means. Beritelli, Bieger and Laesser (2007; Dredge, 2006) have emphasized the role of management in tourist destinations, but they stop short of explicitly recommending coordination among network members. Von Friedrichs Grängsjö and Gummesson (2006) have perceived the need for agreement in order to make coordinated actions possible, but they assign a minor role to coordination in their examination. Go and Williams (1994) found an emerging pattern towards an integrated rather than a coordinated network strategy in tourism. March and Wilkinson (2009, 456), as well as Pavlovich (2003), focus

on how relationships between organizations can act as self-organizing mechanisms for a destination. However, their research does not cover coordinating networks.

As discussed earlier, the concept of coordinating cooperation has not been used in previous research on networks or tourism, and this justifies the inclusion of ‘theoretical generalization’ (Payne & Williams, 2005, 299) in the discussion. Although transferring the whole research setting to other contexts would be laborious and time demanding, it could be assumed that some parts are more transferable than others. For example, studying the processes of building a brand identity or a common e-presence is relevant in other contexts.

The theoretical roots of coordination lie in the intra-organizational context, in which it is traditionally one of the main management functions (Tuominen, 1981; Fayol, 1990). Its importance is highlighted in economics, sociology and, especially, organizational development (Larsson, 1990). The empirical results of this study, which was conducted in the context of an inter-organizational network, could consequently, in terms of ‘analytical generalization’, be compared with previously developed theory on intra-organizational coordination.

It is worth mentioning here that the main theme of the 44th national conference of the American Marketing Association (AMA) in 1961 was ‘Effective marketing coordination’. This shows that coordination as a concept has had a place in marketing science for nearly fifty years.

Through inductive exploration in the context of tourism this study contributes to building a theory concerning the coordination of cooperation in business networks. The context-specific findings are characterized by the complexity of tourism business networks, the symbiotic relationship between the public and private sector in the field, and the different geographical levels that are simultaneously present. Therefore the coordination of cooperation on one level may have an effect on other levels.

The identified prerequisites for the coordination of cooperation in tourism business networks included managing and orchestrating capabilities as well as the ability to both create and transfer knowledge. Moreover, the ability to create partnerships was found to enhance the continuing success of the network. Also, role of social capital was found important.

The theory of coordinating cooperation in tourism business networks incorporates mental, material and technical structures and processes. On the mental level the common values of the actors set the pace, on the material level the coordinated cooperation may offer resources that are otherwise unavailable, and on the technical level a novel reorganization of resources makes the cooperation more effective.

In terms of value creation both the high-level learning among the network actors and a strengthened market position were identified as outcomes of the coordinated cooperation.

The contribution of the study to network theory was to reveal different forms of coordination that enhance network development. As mentioned earlier, neither coordination nor the coordination of cooperation has been raised as an explicit question in earlier theoretical research on networks.

The contribution to tourism research was to offer a dynamic perspective on the development of tourism business networks, unlike earlier network-based studies that, for the most part, focus on the structure. Both structures and processes were investigated by means of INA.

Through the adoption of the strategic network approach this research offered a current and fresh perspective on destination management and marketing. Furthermore, it pinpointed the need for coordinative activities on the different levels and dimensions of cooperation. The complexity of the coordinated cooperation was evident not only on the different geographical levels but also in its varying structures, which were present simultaneously. A further contribution was to shed light on the network-building activities in the destinations.

The study identified the various roles of the DMOs in coordinating the cooperation in tourism business networks. The focus in this multiple-case approach was on the change and development process in three destination-marketing organizations. The findings revealed what kind of social innovation is needed in enhancing the competitiveness of a destination. The relevant questions concerned (1) who was going to take the initiating role in the new competitive situation, and (2) who were the decision makers. This is connected to the issue of identifying the critical success factors and key capabilities that local and regional tourism coordinators should develop in order to be able to compete in future global markets. Thus the study contributed to the research on destination marketing and management.

The study also contributed to the literature on networking and branding in analyzing the brand-building process in a network and how it integrated the views of the network members on the supply side. Generally speaking, there has been a dearth of research on how this process evolves, and therefore two questions were raised: What are the views of the network suppliers on building a brand identity? How might these views be integrated so as to contribute to developing a more coherent brand-building process? The theoretical contribution here is in the form of insights into the role of the destination network in building a brand identity.

The branding of tourism destinations is a relatively recent phenomenon and is not well represented in the literature. The findings of this study thus

contribute to the discussion on brand-identity formation in the realm of transnational tourism in the business-network context.

A further contribution is to the discussion on the value continuum as well as to tourism research in illustrating how a value-creation process in a tourism business evolves over the life cycle of the network. Earlier descriptive studies have shown that cooperation in networks provides small firms with better opportunities for higher-level learning than they could organize on their own. According to this process-oriented research, cooperation in international networks is perceived as rewarding: the participants learned from working with their counterparts in other countries. Ultimately, they were willing to share their own experiences and knowledge for the benefit of the whole network.

Finally, the contribution of the study to the research on eTourism is in analyzing the role of social-capital components in enhancing the preparedness among small, micro- and medium-sized tourism enterprises to adopt different forms of e-applications in their networks.

6.3 Managerial implications

The main managerial implication the study offers industry stakeholders relates to the holistic view of an efficient and effective coordinating mechanism. The analysis of the case network as a strategic business network provides a methodological tool for analyzing the state of a network. It thus helps in identifying the gaps between the desired and the current state of actor perceptions of the goals of coordinated cooperation, which facilitates the channelling of resources accordingly.

Industry stakeholders could benefit from the best practices and the roles of the DMOs in balancing the interests of various stakeholders and in enhancing the strategic planning and marketing of tourism destinations, which the study revealed. Managers and public-sector actors in the field should also be able to exploit the identification of the critical success factors and the key capabilities that tourism businesses should develop in tackling the global competition.

On a more pragmatic level, the research findings offer insights that managers could use in building the network's brand identity. The results revealed how the brand-building process had succeeded. In the light of the data, it seemed that the participants were able to see the value of the common-brand ideology, and to negotiate ways forward in a way that everyone accepted. Complementing the traditional face-to-face meetings were more technically advanced methods of communication such as telephone meetings and the extranet.

The study also sheds light on the roles of DMOs in EU-funded tourism projects. On the most basic level EU funding facilitates the acquisition of basic information regarding the needs and the strengths of the participating entrepreneurs. If no organization takes on the role of network management the cooperation will not develop further. On the second level, which is characterized by a strong commitment to cooperation, the active role of the DMO virtually ensures the continuation of coordination. In other words, the influence of EU funding may generate networks that interactively share information and learning. On the third level of coordinated cooperation the active and leading role of the DMO enables knowledge and experiences from one project to be transferred to similar projects involved in the same, or another sector of the tourism industry. In order to fulfil the needs of the entrepreneurs, an effective follow up process is necessary. It is also essential to map the educational needs of the network actors.

Both tourism entrepreneurs and public-sector actors could utilize the results of the study regarding social capital as a prerequisite for e-co-destiny, which was considered in the context of building, cooperatively, a more advanced e-booking system and thus achieving competitive advantage.

In terms of policy implications for public actors, the study, as an aggregated whole, increases knowledge about destination stakeholders, and about the interactive and dynamic nature of destination marketing and management on local, regional and international levels. The network approach offers insights into interaction processes aimed at innovative activities on the entrepreneur (micro), network (meso) and global (macro) levels. The study also enhances understanding of the importance of managing web-based network cooperation, which includes using the web both in internal interactions and also externally as a media and distribution channel for the purposes of interacting with both tourists and suppliers.

The results emphasize the considerable opportunities the web offers in terms of facilitating interaction within a network. For example, the members use it as a way of distributing knowledge. When everybody can communicate with each other there are considerable synergic advantages. The Internet offers the most effective way of spreading such knowledge, and e-mail makes communication faster, cheaper and more efficient. The network approach taken in the study highlights how the Internet offers a fast highway of knowledge and knowledge diffusion amongst the network nodes. Access to common sources of network data via virtual information desks helps individual tourism-business stakeholders to plan and implement their activities in a more effective and efficient way (e.g., reducing transaction costs) and simultaneously supports their common network goals.

The study also offers insights concerning the activities required to ensure continuity in tourism business networks. The question of managing and coordinating a network is a fundamental problem. Somebody has to provide the leadership and set the goals, albeit in cooperation with other actors. The study evidenced the need for coordinative activities in order to enable the leading the actors to achieve the strategic brand-building goals in the direction envisioned.

From a business perspective the study focuses on the various interactions within the tourism business network that bring about the transformation of destination marketing management in a global context. It was found that dialogue between stakeholders on the regional level also gives partners the experience and the know-how to manage a value-creation process on the local level.

6.4 Research limitations and avenues for further study

The analysis in this research report is based mainly on the interviews conducted in different tourism business networks, but the web-page analysis was also a major source of data. In addition, the researcher had access to an extensive amount of secondary data in the form of information letters, conference workshops, seminars and meetings. The information from these latter sources is not documented in a strict, scientific manner. Moreover, the participant observation in the form of following the tourism business over several years is not documented, either. The researcher was able to follow the development of the local DMO by participating in two steering groups it set up. Although not documented, the information gathered from these sources had an effect on the interpretation process.

The data gathered in the interviews mirrors the interpretation of the researcher in terms of how the respondents perceived the coordinated cooperation in the case networks. The cases are not compared with each other, but the data gathered from each of them enriches the overall picture. This reflects the thinking of Halinen and Törnroos (2005), who state that each network case is unique and therefore it is difficult to compare them.

This study was explorative in nature and identified several themes related to the coordination of cooperation in tourism business networks. It would be worth taking up these themes in future studies in order to shed further light on the concept of coordination in networks. Major areas for further study include 1) the building of a network brand identity, which has only been investigated in the context of the cruise sector, but not among DMOs or in the other networks, and 2) the influence of social capital on participants' preparedness

for e-applications, which has been studied in the destination of Åland, but not in other destinations or in the other case networks.

Consequently, several themes related to coordination that were studied in an explorative fashion in this research provide subjects for future research on brand identity building, for example. Given the significant role of brand building in coordinating cooperation in tourism business networks, it would be useful to carry out a more systematic audit that would expose the network's brand personality on all relevant dimensions.

In order to enrich the analysis of a network brand as a means of coordinated cooperation, future research should focus on its inner values. In this endeavour the laddering technique may be useful. As van Rekom (1997) suggests, managers who are concerned about their network brand image cannot ignore their organization's identity because the brand image is based on the signals emitted from the organization.

Another research gap that could be narrowed in order to enhance understanding of coordination in the network context concerns the measuring of brand equity. Furthermore, the relationship between brand equity and the structures and processes of coordinated cooperation could constitute a major stream of network research. Finally, in order to shed further light on network coordination future research could compare the dimensions and the building of social capital in several destinations.

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APPENDIX 1

LISTS OF INTERVIEWS AND OTHER DATA GATHERING METHODS

Table 11 List of interviews and other data gathering methods in the case of Mail Road

<i>Position</i>	<i>Case</i>	<i>Date</i>	<i>The method</i>
Project Coordinator	The Mail Road in Finland	7.9.2004	Narrative interview
Manor Owner	The Mail Road in Finland	9.9.2004	Narrative interview
Restaurant Owner Project Coordinator	The Mail Road in Finland	13.9.2004	Narrative interview
Trawler Owner	The Mail Road in Finland	13.9.2004	Narrative interview
	The Mail Road in Finland	1.3.2005	Participating in the meetings of the actors
	The whole Mail Road	22.3.2005	Participating in the meetings of the coordinators
	The Mail Road in Finland	1.–31.3.2006	Web site analysis of the Finnish enterprises
Project Coordinator	The whole Mail Road	13.4.2006	Telephone interview concerning the Mail Road web site
	The Mail Road in Finland	12.6.2006	Participating in a journey along the Mail Road organized by the local magazine, Rannikkoseutu
Hotel Owner	The Mail Road in Sweden	18.8.2006	Narrative interview
Restaurant Owner	The Mail Road in Sweden	19.8.2006	NarrativeInterview
Restaurant Owner	The Mail Road in Sweden	19.8.2006	Narrative interview
Project Coordinator	The Mail Road in Sweden	12.12.2006	Narrative interview

Bed & Breakfast Owner	The Mail Road in Sweden	13.12.2006	Narrative interview
Project Coordinator	The Mail Road in Åland	14.12.2006	Narrative interview
Bed & Breakfast Owner	The Mail Road in Åland	26.10.2007	Narrative interview
Hotel Owner	The Mail Road in Åland	7.12.2007	Narrative interview
DMO representative	The Mail Road in Sweden	20.11.2008	Narrative interview

Table 12 List of interviews and other data gathering methods in the case of Cruise Baltic

<i>Position</i>	<i>Case</i>	<i>Date</i>	<i>Method</i>
Project manager	CB Turku	10.11. 2005	Narrative interview
Port represent. Project manager	CB Stockholm	28.12. 2005	Narrative interviews
Project manager	CB Riga	7.4.2006	Narrative interview
Secretariat representatives	CB Copenhagen	11.4.2006	Narrative interviews
	CB	9.10. 2006	Participating at BCP's workshop BTC in Vilnius
Project director	CB	9.10.2006	Narrative interview
Project manager	CB Turku	29.8.2007	Narrative interview
Project manager	CB Helsingborg/ Helsingör	24.10. 2007	Narrative interview
Project manager	CB Copenhagen	25.10.2007	Narrative interview
Project manager	CB Oslo	1.11.2007	Narrative interview
Town represent.	CB Tallinn	7.11.2007	Narrative interview
Port represent.	CB Rostock	21.11.2007	Narrative interview
Project represent.	CB St. Petersburg	29.11.2007	Narrative interview

Port represent.	CB Klaipeda	13.12.2007	Narrative interview
DMO represent.	CB Klaipeda	13.12. 2007	Narrative interview
Town represent.	CB Klaipeda	14.12.2007	Narrative interview
Town and port represent.	CB Gdynia	19.12.2007	Narrative interviews
Project director	CB	24.4.2008	Narrative interview
Project manager	CB Stockholm	18.12. 2008	Narrative interview

In Table 13 below the list of interviews and other data gathering methods in the case of Yachting in the Archipelago are presented.

Table 13 List of interviews and other data gathering methods in the case of Yachting in the Archipelago

<i>Position</i>	<i>Case</i>	<i>Date</i>	<i>Method</i>
Project manager	Yachting in the Archipelago	18.3.2008	Discussion about the start of the project
Project manager	Yachting in the Archipelago	26.8.2008	Telephone interview about the roles of the local DMO in different EU projects
Wineyard Owner	Yachting in the Archipelago	18.2.2009	Telephone interview
Hotel Owner	Yachting in the Archipelago	20.2.2009	Telephone interview
Reservation Office	Yachting in the Archipelago	20.2.2009	Telephone interview
Guest Harbour	Yachting in the Archipelago	23.2.2009	Telephone interview
Guest Harbour	Yachting in the Archipelago	23.2.2009	Telephone interview

In Table 14 below the interviews of the key respondents in DMOs and other organizations are listed.

Table 14 Interviews of the key respondents in DMOs and other organizations

<i>Position</i>	<i>Case</i>	<i>Date</i>	<i>The method</i>
CEO	Green Heart	28.11.2005	Narrative interview
Hotel represent.	Scandinavian Islands in Åland	8.12.2007	Narrative interview
Director	DMO in Åland	21.12.2007	Narrative interview
Director	DMO in Roslagen, Sverige	20.11.2008	Narrative interview
Director	DMO in Turku, South-West Finland	9.2.2009	Narrative interview

APPENDIX 2

THE THEMES OF THE INTERVIEWS

The themes of the interviews:

1. Identification and definition of the network (verkoston identifointi ja määrittely)

Question examples (a, b, c):

- a. How did (the identified and defined network start from your viewpoint?
- b. Who are the other actors?
2. The development of the network
 - a. When did the network start?
 - b. The future of the network? Is there a future without EU funding?
3. The benefits the actors receive from being a part of the network
 - a. How does the development of the network develop the destination?
 - b. Product development? Brand identity?
 - c. Network identity?
4. The role of the coordinator and EU funding
 - a. Matchmaker?
5. The means of the coordination
 - a. What are the intentional efforts for building network brand identity?
 - b. What are the intentional efforts for the building of the common web site?

THE ARTICLES

- A1 The Coordination of the Cooperation in Strategic Business Network - the Cruise Baltic Case
- A2 Destination-Marketing Organizations Facing the Challenges of Change
- A3 The Key Capabilities Required for Managing Tourism Business Networks
- A4 Building a Brand Identity in a Network of Cruise Baltic's Destinations: a Multi-authoring Approach
- A5 Putting Tourism Business Networks On-line – the Role of Social Capital
- A6 The Role of the DMO in Creating Value in EU funded Tourism Projects.

Article 1

The Coordination of Cooperation
in Strategic Tourism Business Networks – Cruise Baltic Case

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The Coordination of Cooperation in Strategic Business Networks – the Cruise Baltic Case

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ABSTRACT *The purpose of this study was to analyze the coordination of cooperation in strategic business networks in the tourism industry. The various facets of the coordination are explored in an intensive single case study on Cruise Baltic. The data includes the narrative accounts of 22 actors in the case network, a strategic network promoting cruise tourism in the Baltic Sea region. The study reveals different forms of coordination which enhance network development. Through the adoption of the strategic network approach it offers a current and fresh perspective on destination management and marketing. Furthermore, it pinpoints the need for coordinative activities on the different levels and dimensions of cooperation.*

KEY WORDS: Cooperation, coordination, tourism business, networks, strategic networks

Introduction

Several researchers have emphasized the importance of cooperation and effective networking in the tourism business (Bramwell & Sharman, 1999; Buckley & Witt, 1989; Buhalis, 2000; de Araujo & Bramwell, 2002; Holder, 1992; Jamal & Getz, 1995; Kendell, 1987). The network approach is highly relevant to studies of tourism destinations, which are constructed from multiple supplier activities crossing many business and sector types (Pavlovich, 2003). Regional development projects and the criteria for EU subsidies have made networking and cooperation the key words in tourism (Kompula, 2000).

Business networks have been defined in various ways in the literature. The industrial-network approach defines the network as “a structure where a number of nodes are related to each other by specific threads” (Ford, Gadde, Håkansson, & Snehota, 2003, p. 18). The emphasis in this paper is on more strategic, intentionally constructed networks, so-called strategic networks that are “stable inter-organizational ties, which are strategically important to participating organizations” (Möller,

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Rajala, & Svahn, 2005, p. 1275 referring to Amit & Zott, 2001 and Gulati, Nohria & Zaheer, 2000). Campbell and Wilson also take a strategic perspective, and propose a descriptive model of the value-creating networks in which the purpose of the cooperation between independent actors along a value-added chain is to create strategic advantage for the entire group. This orientation implies that actors recognize and define the boundaries of their networks to encompass the linkages that help them capture value (Campbell & Wilson, 1996). They also point out that managing the relationships in the network is a critical core capability for the coordinator or, as they call it, "the network captain". Similarly, being a good network member is essential to the growth of the network and will determine its success.

Möller et al. (2005) define airline alliances such as One World and Star Alliance as strategic business networks. These alliances were formed in order to gain more competitive advantage and market coverage. A competitive edge can also be achieved by merging the overlapping products and services of local enterprises. It is necessary to develop local networks in the tourism business in order to build up coherent experience, accommodation and restaurant services around different kinds of tourist attractions. The question of how the working in strategic networks could be efficiently coordinated is one that would greatly enhance our understanding of network actors' behavior and management. In tourism, networks can only be realized through the coordination of marketing strategies between both public and private sectors (Meethan, 1998).

By coordinating the cooperation and integrating their resources in a strategic network the actors are able to achieve competitive advantage (Jarillo, 1988). This theoretical argument leads to the purpose of this paper which is to analyze the coordination of cooperation in a strategic business network in the tourism industry. The study addressed the following research questions:

- (1) Why is the coordination of cooperation necessary in business networks in the tourism industry?
- (2) How and by what means is cooperation in these business networks coordinated?
- (3) What is the role of the geographical levels in the coordination of the cooperation?
- (4) How is the coordinated cooperation structured?

The business-network focus in this study is on the regional level of cooperation in tourism. The research could be characterized as an explorative case study in which the aim is to shed light on the research questions through the examination of one empirical case network. The chosen network is in the cruise sector. The setting is the Baltic Sea region, which incorporates ten different countries and 26 different local city destinations.

The article is structured in the following way. First, the coordination of cooperation among the actors in tourism business networks is discussed based on research on destination marketing and management. Second, the methodology of the study and the case example, the Cruise Baltic project, is presented. The coordination of cooperation in the Cruise Baltic is then discussed in the context of the research questions – the reasons why the network actors have seen the need for coordination and how they have arranged it. Complexity in the form of exogenous factors such as how the geographical level of cooperation influences it, and endogenous or structural factors

such as the internal organization of the coordination, is also analyzed. The paper ends with a discussion of the theoretical and practical implications, the limitations of the study, and some ideas for future research.

Cooperation in Business Networks – the Need for Coordination

The stream of research on destination management emphasizes the need for cooperation among service providers and other actors in the tourism business. Developing partnerships between the public and private sectors is a necessary step towards achieving the strategic goals of all stakeholders in destination marketing (Buhalis, 2000). Moreover, the planning of tourism development requires careful coordination and cooperation among all decision makers (Font & Ahjem, 1999; Marino, 2001). The destination must be considered as a whole – a system with inputs and outputs – and within it is a community with residents, services, and businesses (Tinsley & Lynch, 2001). Crotts, Aziz and Raschid (1998) argue that the evolution and management of relationships in the tourism business are critical factors that both large and small actors frequently fail to understand. Tremblay suggests that firms should intensify their activities through webs of cooperative and competitive linkages (Tremblay, 1998), while Godfrey (1998) emphasizes the need to coordinate and integrate the relationships of the local stakeholders.

The first research question in this study (RQ1), concerning why the coordination of cooperation in tourism business networks is necessary, is discussed in the context of inter-organizational networks, in line with the work of Ebers (1999). He links the analysis of such networks to the main body of organizational research, thereby developing propositions concerning why and how networking could constitute an institutional solution for achieving coordination. The main resource- and activity-related argument for the formation of the networks rests on the proposition that coordination benefits come through network-specific resource and activity links with other organizations. From a business-to-business-relationship perspective, cooperative behavior includes the coordination tasks undertaken in order to develop and maintain the relationship according to common and compatible goals. Hardy, Lawrence, and Grant (2005) also emphasize that, at best, cooperative, inter-organizational action produces innovative, synergistic solutions, and balances divergent stakeholder concerns.

In the literature the concept of coordination focuses on the connection between the interests of the actors in the network on the one hand, and on these actors' resources and activities on the other. The second research question addressed in this study (RQ2), concerning how and by what means the cooperation between the actors is coordinated, is relevant in analyzing the connection between the actors and their resources and activities. The concept of coordination in the industrial-network approach refers to the organizing of functions and flows, in other words the activities and relationships that increase the effectiveness of the activity cycle (Lundgren, 1992). The links are defined as economic-exchange relationships: the co-ordination of activities will produce changes in the resource structure associated with the activity cycle, and thus form the foundation for further development within it. Opportunities to combine resources in new ways in order to increase efficiency will emerge at the intersection between activities and activity cycles (Lundgren, 1992).

According to Davis (1972, p. 6): “Coordination refers to effective time and sequence in performing activities, while cooperation indicates the willingness of persons to move together toward the objective”. Managing business networks in tourism presupposes an understanding of networks, their structures, processes and evolution. Finding an answer to the third research question concerning the role of geographical levels in the coordination of cooperation (RQ3) will deepen our understanding of strategic network management in this respect. The key managerial challenges, according to Möller and Halinen (1999), lie in the development of valid views of relevant networks and the opportunities inherent in them. The identification of strategic-development opportunities is one of the key issues.

Researchers contributing to the literature on destination management and marketing in the tourist industry describe and analyze cooperation in business networks on several different levels. The reasons why stakeholders form networks and the goals they set vary. One of the tasks for the cooperation may be the development of the tourism industry on one geographical level, such as the regional level. Alternatively, networks could be built in order to plan and/or promote local or regional tourism products. All in all, the literature review shows that tourism is dependent on the effective cooperation of all stakeholders on various levels (Carey, Gountas & Gilbert, 1997; Crouch & Ritchie, 1999; de Araujo & Bramwell, 2002; Dredge, 2006; Pavlovich, 2003; Saxena, 2005; Tremblay, 1998).

Finally, the focus in the fourth research question (RQ4: How is the coordinated cooperation structured?) is in line with how Redding (2005), in constructing his analysis of a business system in inter-organizational networks, refers to coordination as patterns of connection, of bringing things together that have become stable and comprehensible. Araujo and Easton (1996) see inter-organizational networks emerging as purposeful social systems aimed at coordinating a range of disparate resources in order to deliver particular types of services. Quinn and Dutton (2005), again, define coordination as the process of arranging activities that people use to create, adapt, and re-create organizations.

A major challenge in developing cooperation among the different stakeholders in the network is that it requires the convergence and execution of interactions with the available resources, meaning that the stakeholders must have knowledge of the resources and be able to handle and combine them (Go & Williams, 1993; Knoke & Kuklinski, 1991; Riege & Perry, 2000). Such resources include social, technical and material structures (Cunha, Cunha & Kamoche, 1999; Go & van Fenema, 2003), to which the latter added mental structures or spaces:

- (1) Social structures incorporate culture, leadership, motivation, group and individual dynamics, and behavior;
- (2) Technical structures incorporate the hierarchy, the division of labor, rules and procedures;
- (3) Material structures represent a general category in that they incorporate all the resources that lie beyond the individual and the organizational system. Examples of material structures include information systems, financial resources, buildings and other tangible assets, and the physical attractions at a tourist destination; and

- (4) Mental structures or spaces represent the perceived destination image, which is relevant because “image making is power making” in the network society (Castells, 1996).

In sum, the functions of the cooperation in tourism networks vary from planning the industry on different geographical levels including the local, the regional and the national to developing and marketing tourism services jointly. The business actors may form partnerships between the private and public sectors, or enter into strategic alliances. What makes the networks strategic is that they are intentionally formed and contain a finite set of actors – at least three (Möller et al., 2005). For the network effort to be successful there must be a logical relationship among the activities carried out by the actors, which means that the cooperation needs to be coordinated. Coordination is crucial in the reproduction of a tourist’s experience (Croes, 2006; Streeten, 1993).

Case-based Network Research – the Methodological Approach

Halinen and Törnroos (2005) identified some key problems in the research on business networks: setting the boundaries, mastering the network complexity and understanding the role of time and process. As far as setting the boundaries in this study was concerned, one case network was chosen: the Cruise Baltic project. Within the network 22 informants were chosen to give their accounts of Cruise Baltic as a strategic business network. These accounts were analyzed against the theoretical discussion on coordinating cooperation in tourism networks. Taking part in the project are Finland, Sweden, Denmark, Germany, Poland, Estonia, Latvia, Lithuania, Russia, and Norway.

The interviews were carried out as follows over a period of three years: (i) in Turku, October 2005 with Informant 1 (I1); (ii) in Stockholm, December 2005 with I2 and I3; (iii) in Copenhagen, April 2006 with I4 and I5; (iv) in Riga, April 2006 with I6; (v) in Vilnius, October 2006 with I7, the project director at that time; (vi) in Turku, September 2007 with I8; (vii) in Helsingborg, October 2007 with I9; (viii) in Copenhagen, October 2007 with I10; (ix) in Oslo, November 2007 with I11; (x) in Tallinn, November 2007 with I12; (xi) in Rostock, November 2007 with I13; (xii) in St. Petersburg, November 2007 with I14; (xiii) in Klaipeda, December 2007 with I15, I16 and I17; (xiv) in Gdynia, December 2007 with I18 and I19; (xv) in Mariehamn, December 2007 with I20; (xvi) in Helsinki, April 2008 with I21, the current project director of Cruise Baltic; and (xvii) in Stockholm, December 2008 with I22.

As Halinen and Törnroos (2005) state, the primary guideline to be used in the definition of network boundaries is the content of the research problem. In the case of the Cruise Baltic project with its 44 partners and 26 destinations in ten different countries the researcher made the choice and interviewed at least one person representing each of the participating countries.

At the beginning of the empirical data gathering, in October 2005, Turku was the first choice for informants, which was quite natural because the interest of the author was in following the development of Turku as a destination. The person in charge of the Cruise Baltic project at that time in Turku Touring recommended Stockholm and

Copenhagen as further sources of key informants because of their leading positions in the development of the region's cruise sector even before the project was launched. The interviews with the Swedish representatives of the project took place in Stockholm in December 2005. One of these informants was among the four key actors who, at the end of the 1990s initiated the discussions on extending the cooperation to the whole of the Baltic Sea region and therefore it was important to receive her account of the development of Cruise Baltic. It was also considered important to interview the representatives of the project's secretariat in Copenhagen, which happened in April 2006. The sixth informant, who was also interviewed in April 2006, was the representative of Riga in Latvia. In October 2006 the opportunity arose to interview the Danish director of the project in Vilnius when she gave a workshop at a tourism conference there.

The second interview phase started in September 2007, and as in the first phase it seemed reasonable to begin in Turku and to allow the person responsible for the project at the local level to talk about her perceptions of the development of Cruise Baltic as a strategic network. It was interesting to receive her account because she had been involved in Cruise Baltic cooperation since the project started in 2004, and even before that. The interviews continued in October 2007 when the representatives of Helsingborg/Helsingör and Copenhagen were asked to give their perceptions in the narrative interviews. The representative in Copenhagen was also among the four initiators of the cooperation and it was especially interesting to find out her views on its development. In November 2007 the researcher interviewed the respective informants in Oslo in Norway, Tallinn in Estonia, Rostock in Germany and St. Petersburg in Russia, followed in December 2007 by interviews in Klaipeda in Lithuania, Gdynia in Poland, and Mariehamn in Åland. In April 2008 she had the opportunity to interview the current director of Cruise Baltic at the TTRA (Tourism and Travel Research Association) conference in Helsinki, Finland, at which he gave a presentation on Cruise Baltic, "Promoting the Baltic Sea Region as an integrated cruise destination". Finally, in December 2008 the circle was completed when the author revisited Stockholm in order to interview the current representative of the local network.

In-depth interviews were conducted with the key actors, as described above, in order to master the network complexity. In line with the in-depth-interview method, the network actors were asked how they felt about the cooperation, how it had started, and also how they evaluated the need for coordination.

The questions the researcher posed to the interviewees were always the same to a certain degree. She always started by asking how the cooperation in the network had started from the viewpoint of each of the informants, and how the informant perceived the relationships with the other members of the network, especially with the coordinators. She also encouraged the informants to talk about the means of coordination and whether or not they perceived it and the management of the network as successful. In the course of the discussion she was able to pose extra questions when she became aware of the informants' special interest in explaining the means of coordinating the cooperation in the network, for example. All the interviews were tape-recorded and transcribed. They were mainly conducted in English, but three were carried out in Swedish and two in Finnish.

As Halinen and Törnroos (2005, p. 1290) put it: “Mastering complexity is essentially a matter of description, a matter of how to communicate the value of the data and the ideas arising from it”. Figures are also used in this study to illustrate the complexity of the different structures and geographical layers of the cooperation (see Figure 1).

The first interviews for this study were conducted in autumn 2005 when the project had been active for approximately one year. The second round took place in spring 2006, in the middle of its three-year run, and some more were held in autumn 2006 when there was still a year to go. Half of the interviews had been conducted by the end of the first three-year period, and the last ones after this in autumn 2007 and in spring and autumn 2008 when the project was at a new stage. Taking the interviews over a period of three years helped the researcher to follow the network process on the longitudinal level, and also to consider the dynamics: as Halinen and Törnroos (2005, p. 1290) put it: “Network processes are embedded in their context and can only be studied within it.”

A narrative approach was taken in the interviews (Riessman, 2004), meaning that the informants were encouraged to tell their stories as participants in the network, and to talk about their relationships with the other actors. This kind of qualitative approach is considered crucial in finding out how actors experience the development of a network and its coordination. The following quotation from one of the informants, in which she talks about the cooperation in the network and the role of branding, is presented as an example of a narrative.

Yes, we have a very good brand. It has been from the very beginning, since we had the discussions; I’ve even been at additional meetings where we chose the PR agencies, and things. And I think it’s a very good brand. I also remember the meetings where we had real discussions (about branding)...I think we’ve done quite a lot of work over these three years. You must realize that in the beginning it was nothing, really. We had to create the brand, we had to link the brochures, we had to make the films, and it really wasn’t an easy job, especially when you have to influence the way people think, for instance. When you start to make...of course, everyone says that we know how to market a destination, but when it comes to the crunch then all the destinations want things: Oh we want this and that, and it’s impossible to do in that way. So it took quite a time. But I think that in the end we managed to make quite a good product, you know, of it. And well, that’s why we decided that we wanted to continue. It’s not a project any more. It’s now Cruise Baltic, it’s not a project. Of course we hope to apply for more EU funding, but even if we don’t get any it already functions. It’s well known and well, we can continue with the work. (I19)

The above narrative account refers to the 3-year period from when the network started. It describes how much input from the actors the cooperation within the network demanded, and how the discussions and meetings among the partners fostered successful cooperation despite the doubts among some actors about the benefits of joint marketing and branding. Still, at the end of the period the partners were committed to the cooperation, and intended to continue regardless of whether they

received further EU funding. This narrative could be defined as one with a beginning, a middle, and an end (Riessman 1993, referring to Aristotle's *Poetics*). The interviews featured several narratives of this type, in which the informants "imposed order on the flow of experience to make sense of events and actions in their lives": in Riessman's (1993, p. 2) view this is the purpose of a narrative interview.

Using narrative interviews in the way described above is in line with how an increasingly influential number of organizational theorists take the primacy and autonomy of individuals as actors as their starting point. Organizational realities are thus very much a product of the subjective enactments or social constructions of individual actors: they do not exist independently of our perceptions. As Chia (2003) points out, this is why organizational studies should focus not on the larger units but on individual meanings and intentions, interpretations, and sense-making, in order to throw fresh light on the reality of organizational life. Narratives and storytelling provide a rich tapestry of inputs for this type of theorizing, for as Czarniawska (1998) and Weick (1995) state, it is impossible to understand human intentions if you ignore the context in which they make sense.

The first interviews provided information about a goal-oriented project and gave the author the idea of using strategic-network theory. This stage culminated in an interview with the current project director, who emphasized the role of strategy. It was between the stages of data gathering that the author decided to adopt strategic networks as the theoretical framework of the study. Consequently, the second-stage interviews confirmed intentional aspects such as the goal-orientation and strategy-based actions of the informants in developing the cooperation amongst the project members. Finally, with all of the informants' narratives at her disposal the researcher was able to form her interpretation of the means by which the cooperation in the network was coordinated.

The interviewer/listener was able to base her knowledge of the network performance not only on the information she had gathered in previous interviews but also on information from secondary data, including newsletters, conference- and workshop-presentation material, and Cruise Baltic website information. She was therefore able to form a complete picture of how the network was performing over the three years. Although all of the narratives gave an overall view of the development of the network, some specific quotations are included in this article in order to represent the informants' perceptions and to shed light on the discussion of the respective research questions. The criteria for choosing the quotations were that they were representative and that they were illustrative enough and gave voice to as many of the informants as possible.

Gummeson (2001) suggests that interaction and communication play a crucial role in the research process. He sees methodology and theory in research, as in life in general, "as networks of relationships within which interaction takes place" (Gummeson, 2001, p. 39), and searches for "a systemic whole with individual and complex patterns" rather than simple causality. In the current research the interaction with the field was constant and materialized through the author's long-term interest in the activities of the regional destination marketing organization (DMO), which was founded as an enterprise at the end of the 1990s. The Cruise Baltic project, as one of the projects the regional DMO took part in, aroused the author's interest in particular

because in this case when the network actors came from several countries representing varying cultures the effective coordination of cooperation seemed to be especially important for its success and survival.

The Coordination of Cooperation in the Cruise Baltic Project

Cruise Baltic started as a collaborative development project aimed at providing an integrated and sustainable growth strategy for the Baltic Region's cruise-tourism industry. The leading partner is the Danish tourist organization, Wonderful Copenhagen. The network of the participating destinations, towns and ports is coordinated by the director and secretariat, located in Copenhagen.

The participating members represent the 10 countries that surround the Baltic Sea, of which some are represented by several destinations, thus totaling 26 destinations and 44 partners. The Baltic cruise industry has grown over 50% since 2000. The aim of the project is to jointly improve the destinations' facilities and to coordinate the international marketing of the Baltic cruise product. The three-year project began in September 2004 and was partly financed by the EU. It ended in autumn 2007 and reached its goal of achieving an average 20% increase in cruise-ship passengers visiting the region (www.cruisebaltic.com). The Cruise Baltic participants have decided to continue their cooperation whether or not they receive funding from the EU. All the partners have agreed to finance further cooperative activities.

Cruise Baltic is seen in this study as a strategic business network in which the actors have a unified goal that has been adopted by all the key actors, and through which several value activities such as product development and marketing are carried out (cf. Möller et al., 2005). Jarillo (1988), again, conceptualizes networks as an organizational mode based on coordination through adaptation. The word strategic was added in line with his description of strategic networks "as long-term, purposeful arrangements among distinct but related for-profit organizations that allow those organizations to gain or sustain competitive advantage vis-à-vis their competitors outside the network" (Jarillo, 1988, p. 32).

One of the members describes their goal-oriented action thus:

The participants seemed to have a good understanding of what the goal of the network was. It meant that they had to match the standards of the cruise liners, so the experienced ports helped the new ports to fulfill these expectations. (I11.)

As far as this project is concerned, discussions on cooperation began as early as at the end of the 1990s when Stockholm and Copenhagen, as the big cruise-sector destinations, realized that in order to be successful and to grow, the Baltic Sea cruise product had to be developed to encompass several destinations from which cruise passengers could choose. In line with Jarillo (1988) they saw that the critical component that makes a relationship take the shape of a "strategic network" is the high degree of perceived opportunity for joint value creation between the organizations (Jarillo, 1988).

One of the members saw the situation thus:

Those in charge of Cruise Copenhagen and some other key people from the biggest ports, Copenhagen and Stockholm, were saying that we should do something for the whole area, work together. (I4.)

From a generic perspective Cruise Baltic is part of a continuing process of political regionalization within the Baltic Sea Region, a process that has persisted following the period of East–West confrontation – post-1989. The region was formed as the result of mutual interest and networking among the states and sub-regions surrounding the Baltic Sea.

It could thus be concluded that the earlier good (personal) contacts between the leading partners was the catalyzing factor for the cooperation between the 10 countries concerned. The pioneers were able to see the possibility of diversifying the cruise project in the region so as to attract potential target customers, American cruise passengers. In the case of the Cruise Baltic project one of the push factors was the aim of the EU to fund projects that could have a positive influence on regional development. The leading partners were already strongly established in the cruise business, and they were able to make the start smoother for the newcomers: Stockholm and Copenhagen subsidized the pre-project costs by giving time and employee resources without charging the other members. The Russian partner was also involved in the arrangements before the project started.

Ebers (1999) discusses what motivates organizational decision makers to forge inter-organizational relationships and networking, noting that the literature on regional and industrial districts focuses on the relational level of analysis. It stresses how pre-existing social relations among individuals in the region foster and support the development of more formal business relationships among organizations. This is how the representative of one of the leading partners put it:

We have been in contact with people in the major destinations in the different areas and in other kinds of cooperative organizations, had meetings; this is how the contacts were created originally. (I2)

The focus in the following analysis is on establishing why it is necessary to coordinate cooperation in tourism networks. The explicit question of how and by what means the cooperation is coordinated is also addressed, and the role of the geographical levels is analyzed. Finally the question of the kind of structures that exist in the coordinated cooperation is discussed.

Why is Coordination Necessary in Tourism Networks?

The director of the Cruise Baltic network saw no other solution to the problem of destinations in the Baltic Sea Region than to begin to work together. A very practical reason for the cooperation is to do with service experience – the fact that one cruise takes in several, from five to six, destinations.

I don't see any other solution. And I think there has been a kind of paradigm shift in a way, because everybody should understand that we need to work

together. And you know that all these destinations are so used to competing with each other, so it's a totally different way of thinking that no, we have to work together. (I7)

The network is thus seen as superior, as Jarillo (1988) puts it, over the long term in terms of the profits that could be generated by going alone (or by establishing short-term, changing relationships). This is what the Cruise Baltic network informants emphasize – the economic benefit alone is significant when the destinations promote the region as an entity rather than individually focusing on their own attractions. As one of the members put it:

All the partners understand the idea of the project. It's clear that it's better all round to be part of the project than to promote the port independently. It's only for the bigger ports that it might be an idea to promote their destinations independently. All the others benefit from the joint promotion. And this is also what the customers, the cruise industry, are expecting from us, one region promoting the destinations. (I14)

According to Jarillo (1993), efficiency and effectiveness are basic conditions for the existence of networks. The coordinated cooperation gives the members of the Cruise Baltic project the feeling that they are benefiting the whole region, that together they will have “a bigger cake and a bigger slice of the cake for everyone”.

One of the persons initiating the cooperation analyzed the situation from the competitive perspective:

Considering that the goal was to increase the total number of cruise calls in the Baltic, we had to come up with more destinations, or at least be sure that the existing destinations could handle enough cruise liners and keep up the service level. If not all the ports deliver a satisfactory product it will damage the whole region. (I2)

What the participating destinations get depends on their level in the business: cooperation gives more knowledge and know-how to newcomers in terms of building local networks, for example, which is one of the minimum quality requirements for all of the destinations.

How and by What Means is Cooperation in Tourism Networks Coordinated?

The role of the coordination in the Cruise Baltic project could be considered both operative and strategic. It is operative (secretariat) in the sense of organizing meetings three times a year, offering secretariat facilities, and planning for the Work Package meetings. On the strategic side (project director) it is more a question of leading the network, taking initiatives and making sure that things are getting done, and thinking ahead – being a visionary.

Ebers (1999) states that inter-organizational networking relationships differ from market relationships in that transactions among the actors involve bilateral rather than

unilateral coordination of plans and activities. Actors coordinate their resource-allocation decisions in *processes of negotiation*. Negotiation as a means of coordination has been characteristic of the Cruise Baltic project. An example of this is the achievement of product diversity, which is nowadays considered one of its strengths. Before the project was launched, the two biggest destinations, Stockholm and Copenhagen, had a network of their own and were able to provide a high-quality cruise product by themselves. The challenge in the globalizing cruise market was how to diversify the product and to enlarge it to encompass several destinations around the Baltic Sea. It was not enough for Stockholm and Copenhagen to achieve the standards expected by the passengers of the cruise liners, and the other ports and destinations were expected to provide services above a specified minimum level. This meant that the actors in the network had to be able to negotiate and to agree on that level. As one of the interviewees said:

In some respects I think it (the Cruise Baltic project) has had an effect. Because we have...for a port, we also have to meet the standards, minimum quality requirements, so I think it helped. (I16)

The partners in the destination region, the Cruise Baltic project members, had to be able to negotiate the conditions that would assure an acceptable level of service experience for the end customer. The coordinator with her vision had an important role in these negotiations.

The role of the negotiations, and of the coordinator in them, was also exemplified in how the product development was related to different themes in order to give the customers a rich choice of potential experiences. The coordinator has to be aware of the plans of the different theme groups in order to be able to put together the product portfolio of the whole network. The groups are nevertheless encouraged to be creative and to show initiative. Moreover, though coordinated networking organizations can *achieve competitive advantage because they can gain access to desired resources that are complementary to their own; they can thus realize economies of scale and scope in different ways* (Ebers, 1999). One of the partners described the process of choosing the common themes to represent the region:

Organizing the cruise project into the different themes was something new in the cruise industry. It was a kind of stimulus and driving force to create the demand for more cruises. (I15)

One important coordination task is to *make the project visible*, to get new partners into the network and to give it media exposure. One way of doing this is to go to cruise fairs, the most important of which include the annual fair in Miami and the fair in Hamburg held every other year. As the coordinator put it:

We do a lot to make ourselves visible and we want all the relevant destinations to be included in the project. This will only make us stronger. The project director has been going to a lot of conferences and sea-trade conventions for the cruise business. (I4)

Both I4 and I5 emphasized the objectivity of the project coordinator in Copenhagen towards each of the different destinations and the 10 different countries. I4 as the active coordinator is making a big effort in representing the Baltic Sea region as a whole. The project secretariat has to be neutral and objective. The press releases, for example, must always be project-related. The members of the network should feel safe and have faith in the coordination, and give the coordinators the freedom to decide. The network is also democratic in that all the members can be active and give their input, listen to customers and make suggestions for new activities. The fact that they are, despite being partners, also competitors, is something the coordinator must be very aware of. As one of the members described it:

We know that we are competitors, but we have such a huge arena with such strong competition. We're very much stronger if we do cooperate. (I9)

Working in groups represents means of coordination at the regional level and seems to be an efficient way of working and preparing suggestions that are discussed and decided upon at the *annual meetings*. In the interviews the actors conveyed their satisfaction with the coordination efforts of both the secretariat and the project directors. The meetings are well organized and based on the carefully planned agendas. As one of the participants put it:

We've always worked very efficiently during the meetings. We've discussed things in small groups and then we've come together and come up with a lot of proposals. (I8)

It is not an easy task to coordinate cooperation between ten different countries and the 26 destinations or ports and cities in them. All of the countries represent different historical and political cultures, and have different laws, different positions as new or old EU members, different languages and different ways of doing things. The Baltic Sea region is now one of the world's fastest growing cruise destinations. The trend is for cruise companies to merge and they need to differentiate their products. The region has a great deal to offer, from a rich and varied cultural history to modern city life and natural beauty. This offers possibilities for the development of new cruise products, including new destinations and thematic cruises.

Jarillo (1993) explains that the difference between cooperation and competition could be compared to the difference between a zero-sum game and a non-zero-sum game. In economic terms one can approach a relationship as a zero-sum game or not. Before the Cruise Baltic project started the situation in the cruise sector was that the single destinations were competing with each other. The project coordinator thinks that there has been a kind of paradigm shift in the cruise sector, and that the destinations in the region, which used to compete, are now cooperating. By joining forces the single destinations are now able to offer several themes from which their customers, both the cruise liners and the final customers, are free to choose. This has created value for the customer. The network actors are also committed to offering a certain service-quality standard, which again creates value not only for the service providers but also for the customers. Through the use of brand-building, common themes,

quality standards and other means of coordination Cruise Baltic was able to build up the network and make it strategically important for the participating actors. The coordination activities were positive and beneficial to the parties involved.

How do the Geographical Levels Affect the Coordination of Cooperation?

The common goals and strategies established on the *regional level* of cooperation in the Baltic Sea cruise business were very strong negotiation tools for each local-level actor. This is the situation depicted in Figure 1 below. Cooperation on the regional level was aimed at achieving competitive advantage for the whole region. As one of the actors put it:

Because we did want a joint brand. The whole region was to be perceived as one destination. Because that's really how it is for the cruise lines, one destination. (I10)

It seems that the Cruise Baltic actors began to see the Baltic Sea region as a whole as a cruise destination competing with other geographical areas such as the Mediterranean and the Atlantic. One of the network members described the process:

But after a few meetings we realized that we had to find out what connected us, what was similar, what was special for the Baltic, compared to the Mediterranean and Atlantic regions, which compete with us for cruises. (I13)

The cooperation also, at least to some extent, changed the partners' attitudes towards each other, and although the destinations in other ports and in different countries were still considered competitors, it was all "in a very friendly way", as one of the partners put it:

Actually, the region competes with the rest of the world. (I17)

The reasons why the cities and ports in the different countries are committed to this form of regional cooperation may vary, but one of the actors said that it was evident that they all realized that the benefits outweighed the possible disadvantages:

My perception from talking to people at different destinations is that they clearly feel that they will reap bigger benefits as a region, but obviously they also think that there is benefit for themselves, because otherwise they wouldn't be part of it. (I5)

At an early stage of the cooperation the actors had to convince their respective city and port authorities on the *local level* about the need for cooperation on the regional level:

We in the local marketing organization supported the idea of cooperation from the very beginning and recommended the town council and its leader to join the network as a full member. (I8)

The benefits of the cooperation varied, but it was obvious that the newcomers learned from the more experienced partners:

The learning aspect is very important. And we have asked the Cruise Baltic director to come and talk about its success at our general meeting (of the local network). So there's always something to learn, even if this is a regional network and I run a local network. (I11)

Given the agreement to provide a certain service quality on the regional level, the local actors are also obliged to demand the same quality from the local providers. This is how one of actors described the effects of the regional coordination on the local level:

One thing for sure is that having the basis, such a successful project, it has helped us very much, a lot, in creating the local cruise network, because we can always refer to the fact that this has to be done in this project and all of the other towns and cities in the region are doing the same thing. When I speak with the local stakeholders, I can explain that it's good to think systematically. And I give the whole presentation of the (Cruise Baltic) project. What it looks like, what it contains. Everyone is really impressed and that's nothing that you do in a day or two, it's hard work and we're really serious about it. (I9)

There were also some *national-level* effects on how the port administration was organized in an individual destination:

I see a difference in the development in the networks, the local networks, but that has been very much to do with, not so much the fact that they are newcomers, but more that some ports are owned privately, some of them are the state's, so they have different kinds of organizations behind them. (I7)

It seems that the perceived similarities on the regional level helped the actors from the individual countries:

It's easy to see that the representatives from different countries have similar or the same opinions and ideas about the strengths and weaknesses in the Baltic Sea region and also in the respective countries and destinations. This is why it has been much easier for the different countries to be part of this cooperation. (I2)

Some of the participants also thought that belonging to the Cruise Baltic network enhanced their country's reputation in the cruise business:

Of course it has enhanced our reputation, we are like other countries, when a big cruise liner from America becomes aware of our country; this is because of the project. (I6)

Campbell and Wilson (1996) emphasize the role of the coordinator or captain in controlling the network and managing its value-creating capabilities in a way that

creates synergy between the key players. The coordinator of the Baltic Sea project saw synergy in how the cooperation and networking on the regional level made it easier for the destinations to form networks on the local level.

The coordination of the cooperation, again, seemed to make sense because the common strategy, the goals and sub-goals, helped the actors to pool their resources in a way that gave value not only to the customers but also to each of them.

The Structure of the Coordinated Cooperation

Figure 1 shows the complexity of the coordinated cooperation. The arrow in the figure is meant to illustrate the dynamics of the network cooperation, and also represents it in a goal-oriented and coordinated form.

The structural dimensions and the geographical levels are present at the same time. Similarly, the coordination covers all the levels and all the structures of the cooperative activities at the same time, which is illustrated in the varying sizes of the arrow. The mental and social structures of the cooperation form a solid basis. The mental structure refers to the common values of the actors, which are represented in the perceived brand identity of the network, for example. The social structure, again, is represented in the various forms of meetings, both face-to-face and virtual, in which the partners are involved. It expresses the personal as well as the inter-organizational relationships between the network actors. While the mental and social structures form the core and the basis of the cooperation the technical and material structures make it possible in concrete terms and are positioned to the head of the arrow. The technical structure is presented in terms of how the cooperative work is implemented in the working groups and theme seminars, and also in how the coordinative tasks are organized. In the case of the Cruise Baltic project the EU funding represents the material

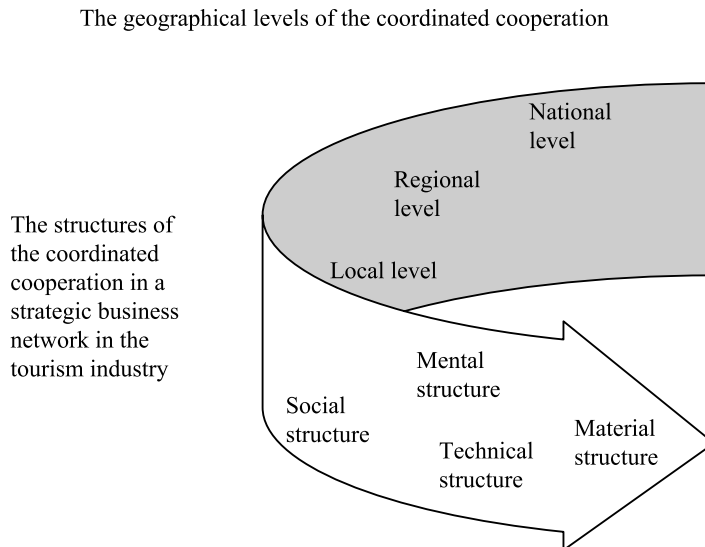


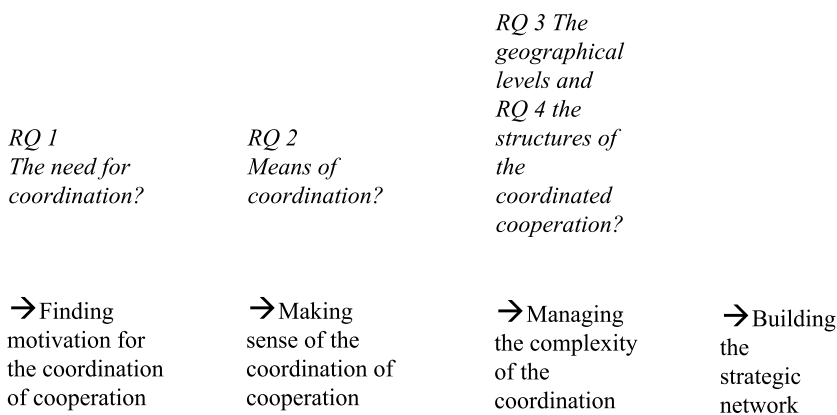
Figure 1. The complexity of the coordinated cooperation.

structure of the cooperation, which has made the project feasible. The web-site presence and the use of the extranet also represent the material structure.

Conclusions

Several researchers in the area of tourism marketing and management have emphasized the importance of cooperation among actors in destinations that have increasingly been integrated into global tourism networks. The coordination of the cooperation is a research question that is more seldom raised in this context, however. This study has aimed to fill that gap by analyzing the coordination of cooperation in strategic business networks in tourism industry. The four sub-questions are addressed in an empirical analysis of the Cruise Baltic project. The 22 case-study informants were interviewed and encouraged to engage in narrative discussion with the interviewer. The themes of interest in the discussions included the motives driving the coordination of cooperation in the network. The informants were also asked to say how and by what means the cooperation was coordinated. The role of the geographical level of the cooperation was also discussed.

It seems that coordinative activities and different forms and means of coordination enhance the development of strategic business networks. Figure 2 illustrates the three key processes of this coordinated cooperation as far as the actors are concerned: finding the motivation, making sense of the coordination, and managing its complexity. These processes were identified as essential in the building of the strategic network, the Cruise Baltic project.



The stages of coordination built into the strategic network in the tourism business

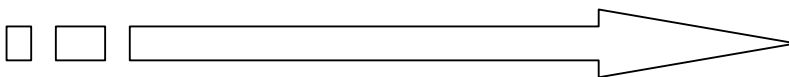


Figure 2. The research questions of the study and the stages of coordination in the strategic network.

The analysis is helpful in that it emphasizes facts that are relevant in terms of catalyzing cooperation among actors and, more importantly, the facts that show why coordination is so important and how it occurs.

The narrative accounts of the participating network members shed light on the reason why it seemed necessary to coordinate the cooperation. It turned out that the key actors had planned their future cooperation to some extent a long time before the network was formed.

The leading partners in the Cruise Baltic project had enjoyed dyadic cooperation and they set as their visionary goal to integrate the Baltic Region's cruise tourism industry into a sustainable growth strategy. The pioneers were able to see the possibility of diversifying the cruise project in the region so as to attract potential target customers, American cruise passengers. The literature on regional and industrial districts stresses how pre-existing social relations among individuals in a region foster and support the development of more formal business relationships among organizations. In the case of the Cruise Baltic project another of the push factors was the EU aim to fund projects that would have a positive effect on regional development, and would contribute to the process of political regionalization.

The coordination of the cooperation has strengthened the informants' perceptions of affinity: they seemed to be united in their opinion that the joint brand identity represented them and saw it as separate from the identities of the separate destinations. The network management used the negotiation of brand values, which all the participants could adopt, as a coordination mechanism. The members agreed on the common themes to be used in promoting the whole region, and on the level of service each of the destinations had to maintain. In other words, they coordinated their resource-allocation decisions in processes of negotiation in order to gain competitive advantage, to build the network, and to make it strategically important for the participants.

The participants valued the expertise of the project coordinators and realized that this coordinated style of leadership was appropriate. They accepted the annual and other virtual and face-to-face meetings, extranet and telephone conferences, as well as the group work, as the proper means of coordinating their cooperation. In this project this meant that the actors could rely on the fact that the goals that were set together, democratically, would be achieved through carrying out the agreed activities and using the allocated resources.

The fact that the participants of the Cruise Baltic network represent ten different countries and cultures affected the coordination of the cooperation. The emphasis was on the regional level, but success on this level also seemed to strengthen their negotiation power on both the local and national levels. Indeed, the success of the regional cooperation, in the opinion of some participants, made the reputation of their own country as a cruise target more credible. In some cases, however, national laws and ownership regulations restricted the building of a local cruise network and made it far more complicated than in some other countries.

The complexity of the coordinated cooperation came up not only on the different geographical levels but also in its varying structures, which as illustrated in Figure 1 were present simultaneously. The mental structures enabled means and processes of coordination such as building the brand identity, whereas the social structures were

represented in all communication amongst the partners. The technical and material structures, again, made the coordination of cooperation possible in concrete terms. With its strategic-business-network approach this study contributes to the research on destination marketing and management by exploring and shedding light on what the activities are and how they help in building networks.

The managerial contribution of the paper is that it offers industry stakeholders a holistic view of an efficient and effective coordinating mechanism, in other words the network and the coordinating means and processes that go with it. The analysis of the case network as a strategic business network provides a methodological tool for analyzing the state of a network. It also helps in terms of identifying the gaps between the desired and the current state of actor perceptions of the goals of coordinated cooperation, and channeling resources accordingly.

The coordination of cooperation in a tourism business network entails various tasks, including building a vision, achieving cohesiveness, increasing common knowledge and, finally, giving the network an authentic identity. The last of these provides a focal perspective from which it is possible to pinpoint its strengths and weaknesses, and to undertake the actions needed to ensure its continuity. This is an important means of coordination that should be studied further in the investigation of a multiple-destination identity that has to be represented by one brand. The accounts of the actors emphasize the importance of building a joint brand identity. As a limitation of the current study and a further research opportunity, there is still a need for a more systematic audit that will expose the network's brand personality on all relevant dimensions. Further research would help in building up a "complete picture" of the Cruise Baltic network brand.

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Article 2

Destination Marketing Organizations Facing the Challenges of Change

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Destination-Marketing Organizations Facing the Challenges of Change

Arja Lemmetyinen

Abstract

Purpose: The aim in this paper is to study the role of destination-marketing organizations (DMOs) in coordinating cooperation and networking among the actors in the destination networks in order to manage environmental changes.

Design/methodology/approach: The chosen comparative case method is combined with a qualitative approach leaning on the narratives of the key actors and the critical-incident technique.

Findings: The analysis highlights the differences between the three case DMOs in the structure of their coordinated cooperation. In terms of material and technical structures Turku Touring in South West Finland has an obvious strength compared to the other two on account of its organizational form and its close contact with the National Expertise Programme. On the level of the social structure the benefit is most evident in the county and islands of Åland where the tourism enterprises form a homogeneous group that cooperate more easily than the more heterogeneous group in the Turku area, for example. The obvious strength of the Roslagen area in Sweden lies in the mental structure, in other words the ability to market the region under an umbrella brand.

Research limitations: One limitation of the study is the difficulty in comparing the cases. In future, the process of building an online brand identity as way of enhancing the competitive advantage of a destination would be of research interest.

Practical implications: The value of the paper lies in the managerial implications for DMOs and the overall picture of the ways of managing change.

Originality/value: The concept of change is discussed from the industrial-network perspective through the application of contemporary destination-management and marketing research.

Keywords: change, cooperation, coordination, DMO, structures of coordinated cooperation, tourism business networks

1. Introduction

The focus in this article is on destination-marketing organizations taking the role of catalyst, (see Seaton 2004, 350). Furthermore, the fact that the postmodern consumer is taking over the process and becoming a “prosumer” requires a major change in the role, structure and skills of these organizations (King 2002, 105). Lemmetyinen and Brooker (2007) found that entrepreneurial effort as well as the coordination of entrepreneurial cooperation has functioned as catalyzing factors in the process leading towards sustainable growth. The cooperation in the case network started because of the coordinators’ initiatives and “matchmaking” efforts in gathering the actors together.

Buzzel and Ortmeier (1996) concluded in their study of successful partnerships that the role of management is critical. Top management must support the changes in the systems and in the organizational structure and culture. The most important task, however, is to effect change in the basic culture of the parties: in this the DMO’s role in leading the actors in the process of change is relevant.

Lemmetyinen (forthcoming) discusses the structures of coordinated cooperation in tourism business networks. The mental structure refers to the common values of the actors, which are represented in the perceived brand identity of the destination. The social structure is represented in the various forms of communication between the members of the destination. The technical structure concerns the organization of the coordinative tasks, whereas the material structure refers to the monetary funding, for example, which makes the cooperation possible in concrete terms.

The focus in this article is on the role of DMOs in managing the environmental changes that face the network actors in the destinations. The role typology developed by Wang (2008) is used in order to classify these roles in a way that differentiates the social, mental, technical and material structures of coordinated cooperation. The underlying proposition is that the contribution of DMOs in coordinating the cooperation in tourism business networks is to strengthen the market position of the different actors. Three DMOs are compared in order to highlight their role in enhancing cooperation and networking and thus managing change in a destination context. In order to clarify the main research question the following sub-questions are posed:

1. What kinds of structures are evident in the cooperation coordinated by the DMOs?
2. How do the structures of coordinated cooperation differ in the three case DMOs?

In the following the concept of change is discussed from the perspective of the industrial network approach.

2. Change as a Theoretical Phenomenon

The key concept addressed in this article is change in industrial networks, in tourism in this case. The Industrial Network Approach (INA) focusing on the interactional relationships of network actors therefore provides a relevant theoretical standpoint. Håkansson and Johansson's (1992, 129-135) ARA model of industrial networks comprises the actors, resources and activities constituting a network. The main purpose of the model is to facilitate an integrated analysis of stability and development in an industry. Lemmetyinen, Go and Brooker (2006) presented a modified form of the ARA model incorporating the integrated efficiency of the actors, their activities and the resources of various networks, as applied in the context of destination marketing. A major challenge for the actors cooperating in a tourism business network is that it requires the coordination and execution of interactions using the available resources. It also means that stakeholders must have knowledge of such resources and be able to handle them and combine them (Cunha, Cunha and Kamoche 1999; Go and Fenema 2003).

Halinen and Törnroos (1998) focus on the role of embeddedness in understanding the process of business-network evolution: networks are commonly viewed as dynamic and as constantly changing. Östhol, Svensson and Halkier (2002, 31), however, emphasize that the common strategy agreed upon by collaborative partners may result in new priorities and combinations of resources, i.e. coordination dynamics of a new kind. Sainaghi (2006), again, proposes a dynamic model of destination management. It is necessary to take a dynamic approach to studying relationships (in a network) in order to arrive at an understanding of how a relationship evolves over time (Ravald and Grönroos, 1996). In order to manage the network the actors must learn to manage the interactions that take place within their relationships, both internally and externally (Ritter, Wilkinson, and Johnston, 2004). A web of network relationships forms the foundation for the effective and efficient flow of information, experience, knowledge and ideas (Morton, Brookes, Smart, Backhouse, & Burns, 2004).

The structure and skill base of many DMOs will need to undergo significant development in order to accommodate dramatic changes (prosumer) and to benefit from new opportunities. Organizations that have supported traditional functions of destination advertising such as publicity and promotion, information servicing, and distribution-channel development and servicing, which in turn have provided one-directional mass communication, will need to reconstruct from the bottom up (King 2002, 108). Russell and Faulkner (2004) emphasize the central role that entrepre-

neurs play in the evolvement of destinations. Nonlinearity, change and turbulence are associated with entrepreneurial activity. However, firms seldom survive and prosper solely through their own efforts, and their individual performance depends upon the activities of the other actors in the network (Batt and Purchase, 2004). According to the theory, change is a key feature of any industrial network (Brito, 2001).

Pavlovich (2003) focuses on relationships and how they change. Schianetz, Kavanagh and Lockington (2007), again, advocate system-dynamics modelling for both strategic planning and the promotion of organizational learning in tourism destinations. The relevant questions concern who is going to take the lead and the initiating role in this new situation, who the decision makers are, and what kind of social innovation is needed in enhancing the competitiveness of the destination. Wang (2008) studied the roles of DMOs in collaborative destination marketing, and introduced the following general themes as interpretations of them: funding agent, partner and team builder, network-management organization, information provider, community brand builder, convener, facilitator and liaison of community tourism activities, catalyst of the collaborative initiative, advocate of the tourism industry, and organizer of destination-marketing campaigns. These roles are categorized in this paper so as to serve the research purpose of this study: the role of DMOs in enhancing cooperation and networking among the actors and thus managing change in a destination context.

3. Methodology

Through the comparative case study and in-depth interviews the researcher attempts to identify the organizational realities that come about as a product of the subjective enactments or social constructions of individual actors. The empirical procedure is a necessary means of identifying the tools that are required for managing tourism business networks in conditions of environmental change.

Comparative network studies extend this idea to include the likelihood that such social networks will differ equally in structure and process as between countries, and will be especially important when the links are cross-cultural. In this research, for example, the case networks consisted of partners from different countries and geographical and cultural areas.

The problem of time is relevant when the network approach is used to explain the changes that have occurred in particular networks (Halinen and Törnroos, 2005). The focus in this study is on change processes, which has to be considered in the choice of methodological tools. This is why the researcher chose to use longitudinal methods and tools of process research such as the critical-incident technique.

Table 1 below lists the interviews conducted with the key actors in the respective destinations, the area of Turku in South West Finland, the islands and county of Åland, and the area of Roslagen in Sweden. The DMO director in Turku (I1) was interviewed in February 2009, the DMO director in Åland (I2) in December 2007, and the DMO director in Norrtälje (I3) in November 2008.

Interviews	The area of Turku in South West Finland	The county and islands of Åland	The area of Roslagen in Sweden
DMO leaders	Turku Tourism Director (I1), February 2009	Director of The Åland Tourism Board (I2), December 2007	Director of The Roslagen Tourism Board (I3), November 2008
Other DMO representatives	I4, autumn 2007 I5, March and August 2008		I6, November 2008
Entrepreneurs	I7, September 2004 I8, September 2004 I9, September 2004 I10, September 2004	I11, December 2006 I12, October 2007 I13, December 2007 I14, December 2007	I15, August 2006 I16, August 2006, I17, August 2006, I18, December 2006
Other public-sector representatives	I19, June 2009 I20, September 2004	I21, December 2008 I22, December 2008, I23, December 2008	I24, December 2006

Table 1: Interviews with the key actors in the destinations

Other DMO representatives in Turku (I4 and I5) were interviewed in September 2007, and March and August 2008, and the Norrtälje representative (I6) in November 2008.

4. Case Descriptions

4.1 Case 1, Turku Touring in South West Finland

Turku Touring (www.turkutouring.fi) is a marketing and sales organization that covers regional tourism for the entire province. It provides expert advice on tourism in South West Finland, which adds value to the tourist industry for residents and for visitors to the region. In terms of organizational structure it is a company and the major local tourist-industry actors are among its principal shareholders. However, only the tourism director was recruited directly by the company: the rest of the personnel are in the employ of Turku City Council. This serves as an example of how the destination-marketing organization is a mixture of private- and public-sector management systems. Adding to the complexity is the fact that the DMO acts as a local contact and coordinator for several EU-funded projects.

A major partner of the DMO in Turku is the Centre of Expertise Program (OSKE), which is a fixed-term special government programme aimed at focusing regional resources and activities on development areas of key national importance. The operational structure of the programme was reformed for the term 2007–2013 as a

cluster-based model, the overriding objective of which is to increase regional specialization and to strengthen cooperation between centres of expertise. Turku Touring is responsible for the Tourism and Experience Management Competence Cluster, which aims at combining tourism with creative industries such as design, digital-content production, and entertainment and cultural production.

(http://www.oske.net/en/competence_clusters/tourism_and_experience_management/)

4.2 Case 2, The Åland Tourism Board in Mariehamn

The Åland Tourism Board (ÅTF) – Destination Åland's own marketing department - is Åland's official tourism organization with over 300 members. Its main objectives are to market Åland as a travel destination, and together with the local tourism industry to develop Åland tourism.

The local companies run the major ferry routes between Finland, Sweden and Estonia, for example. Tourism in total accounted for 34.8 per cent of Åland's GDP in 2003 (Ålands landskapsregering, 2004). Several of the tourism firms are involved in various EU-funded projects, such as Scandinavian Islands (<http://www.scandinavianislands.com>), Skärgårdsleden, The Archipelago Route (<http://www.skargardsleden.com>) and Postvägen, The Mail Road (www.postvagen.com). Most of them have also joined the local Tourism Board, Ålands Turistförening (<http://www.visitaland.com/en>), which is promoting its online-presence under the logo visitaland (Visit Åland). Åland has also joined the partly EU-funded Baltic Cruise project (<http://www.cruisebaltic.com>).

4.3 Case 3, Roslagen Tourism Board in Norrtälje

Roslagen is an area covering the municipalities of Vaxholm, Österåker, Norrtälje and Östhammar. The Roslagen web site of (www.roslagen.se) gives a picturesque image:

“In Roslagen you can find small town with typical Swedish wooden houses. Towns that draw tourists with art, design, museums, taverns, shops and cafés. Go and see Vaxholm, the capital of the archipelago and the gateway to Roslagen from Stockholm. Go shopping in Åkersberga, the southern Roslagens modern centre at Åkers kanal. Discover Norrtälje, Roslagens wellknown capital, with its idyllic little town with authentic houses with a medieval road network. Don't miss Öregrund and Östhammar, the picturesque summer towns in the northern part of Roslagen, each with its unique history and special charm.”

The cooperation between the municipalities in Roslagen began in 1999, the goal being to strengthen, develop and market Roslagen as a destination. One indication of success in this endeavour is that the surrounding archipelago with its 13,000 islands has been made easy for tourists to reach.

5. The Roles of the DMO in Enhancing Networking Among the Actors and thus Managing the Change

In the following the role of the DMO in managing the change is discussed with regard to each of the cases. Wang's (2008) typology of coordinated cooperation is analyzed as a three-phase framework in accordance with the discussion in the theoretical part of this paper. The analysis starts from the capability of the DMO to create new resources for the actors in the tourism networks: this role is connected to the material and technical structures. The second phase covers the tools and instruments required to intensify the communication in the destination networks, a role that is connected to the social structure. Finally, the focus turns to the role of strengthening the affinity among the network actors as a mental structure of the coordinated cooperation.

5.1 Creating New Resources for the Destination Actors

The ability to create new material and technical resources in the case destinations corresponds to the role of Funding Agent in Wang's (2008) typology. Turku Touring in South West Finland takes an active role in this respect, especially now that the national Expertise Program has become an integrated part of the organization. By taking the role of Funding Agent the DMO is able to affect future major projects funded by the EU, for example, in terms of planning the content and the goals.

Table 2 compares the capability of the three case DMOs in creating new resources and thus affecting the material and technical structures of the cooperation in the destination networks. The relevant roles of the local tourism system (Wang 2008) are presented as the dimensions of this capability.

The role of the DMO in the local tourism system (Wang 2008)	Turku Touring South West Finland	Visit Åland Mariehamn, Åland	Norrtälje Turistförening, Roslagen
1. Funding agent	Takes an active role in different, mostly EU-funded projects	Takes no active role.	Takes no active role
2. Network-management organization	Takes the role of network manager in EU projects, and in the partnerships with the municipalities.	Takes the role of manager of the network on the common web site.	Official agreement of the municipalities in the area.

Table 2: Creating new resources / affecting the material and technical structures of the cooperation

Turku Touring takes the role of network manager in the different EU projects, as well as in its partnerships with the municipalities in the area. The Tourism Board in Åland takes this role in organizing the communication on the common web site. All the participating municipalities in the Roslagen destination network have committed themselves to the cooperation by signing an official agreement. This is where the DMOs could take a key role in managing the change because, as Buhalis (2000) states, the enhancement of local cooperation by developing partnerships between the public and private sectors, for example, is a necessary step for all stakeholders in achieving their strategic goals in destination marketing.

5.2 Intensifying the Communication in the Destination Networks

Table 3 below summarizes the tools and instruments used to intensify the communication in the destination networks. As in Table 2 above, the relevant roles in the local tourism system (Wang 2008) are seen as the dimensions of communication. Bramwell and Sharman (1999) also discussed whether or not specific forms of cooperation in local tourism reduce the power imbalances between various stakeholders and thus make the communication easier.

All of the case DMOs assume the role of information provider with regard to the production and distribution of brochures and supplements. They all also manage press relations and present the official tourism information on their web sites. The catalyst role is regarded as one of the ways of intensifying the communication in the destination networks and thus balancing the interests of various stakeholders. By strategizing and coordinating their activities through a web of cooperative and competitive linkages (joint marketing, packaging), fashioned by the capabilities they possess, the actors in the tourism network will be able to supply customer-

based services. This role is most evidently taken by the DMO in Roslagen, in the form of supporting the cooperation between the entrepreneurs in the field, and in the areas of Turku and Åland in the externally financed projects such as those funded by the EU. Again, all three DMOs assume the role of advocate of the tourism industry, representing the branch for the authorities in the area. This could be regarded as a classic role for the DMO.

The role of the DMO in the local tourism system (Wang 2008)	Turku Touring South West Finland	Åland Tourism Board (ÅTB) Mariehamn, Åland	Norrtälje Tourism Board (NTB), Roslagen, Sweden
3. Information provider	The official tourism portal: www.turkutouring.fi Press cooperation, e-letters to stakeholders.	The official tourism portal: www.visitaland.com Press cooperation	The common portal: www.roslagen.se . Press cooperation.
4. Catalyst for the collaborative initiative	TT acts as a catalyst of collaborative initiatives in the EU and provincial development projects.	Has united all the participants of the tourism business networks on a common web site, which serves as a pre-stage for a more advanced e-booking system.	Supports the cooperation between the entrepreneurs in the field.
5. Advocate of the tourism industry	Turku Touring takes this role.	ÅTB takes this role.	NTB takes this role
6. Organizer of destination-marketing campaigns	Turku Touring takes this role.	ÅTB takes this role.	NTB takes this role

Table 3: Intensifying the communication among the actors / affecting the social structure

The three case DMOs all act as organizers of destination-marketing campaigns, and contribute to intensifying the communication between the actors of the destination networks, which is a traditional role of public-sector-funded tourist organizations. There is, however, a slight difference between the actors in the different destinations in terms of homogeneity: entrepreneurs in the tourism sector in Åland form a more homogenous group than those in South West Finland in particular, which increases the social capital. According to Lemmetyinen and Suomi (2008), social capital could be seen firstly as a stock of shared resources, secondly as an advantage to the individuals concerned, and finally as a prerequisite for a more advanced e-booking system.

5.3 Strengthening the Affinity Among the Actors in the Destination Network

Table 4 below refers to the ability to develop affinity among actors as a mental structure of the coordinated cooperation in the destination networks. As in Tables 1 and 2 above, the role of the DMO in the local tourism system is seen as a dimension of the value-creation process.

The role of the DMO in the local tourism system (Wang 2008)	Turku Touring South West Finland	Åland Tourism Board (ÅTB) Mariehamn, Åland	Norrköping Tourism Board (NTB), Roslagen, Sweden
7. Community brand builder	The archipelago combined with a city culture	Profiles the Åland destination as a whole	Markets the area under the umbrella brand.
8. Partner and team builder	Takes this role in the Expertise Programme as well as in several EU-funded and provincial development projects.	Gathers all the entrepreneurs in the tourism sector on one web platform.	Acts as an active partner and team builder among the municipalities and the entrepreneurs in the area.
9. Convener, facilitator and liaison of community tourism activities	Takes this role in the chamber of commerce and other stakeholder networks in the field.	Stimulates the member companies to develop their products	Encourages newcomers in the business to participate.

Table 4: Strengthening the affinity among the actors /affecting the mental structure

The role as community brand builder is perhaps the most developed, at least on the Roslagen website, where the whole area is clearly marketed under the umbrella brand. The Åland area is perhaps more homogeneous and also smaller than the Turku area, which makes it easier to market and profile by taking into consideration the member companies' interests. The common brand building is more complex in the area of Turku, which is vast and consists of heterogeneous tourism business sectors and enterprises. The work of building the brand identity is nevertheless underway, based on the close connection between the archipelago and the city culture.

The role of partner and team builder (Wang 2008, Table 2) in the context of the destination networks seems to be taken by all of the three case DMOs. Turku Touring is active in the national Expertise Program as well as in several EU-funded projects (Cruise Baltic, Yachting in the Archipelago, Scandinavian Islands). The DMOs in the other two tourism boards are also active in this context, contrary to their more passive role as funding agents. Visit Åland is a partner and team builder

in cruise networks, for example, and brings together all the tourism-sector entrepreneurs on one common web platform (www.visitaland.com). Moreover, the regional coordinator of the Roslagen destination network is an active partner and team builder among the municipalities in the area, and there is strong cooperation with the entrepreneurs in the field.

In its convener, facilitator and liaison role Turku Touring has actively sought the city of Turku's participation in the various network projects. In the case of Cruise Baltic, for example, the DMO has strengthened the cooperation between the harbour and the visitors. TT has also brought together the non-profit and other public organizations that are included in the project, and is represented in the chamber of commerce. Åland Tourism Board has stimulated product development among the member companies of the project networks in order to increase the quality and quantity of new projects within the branch, and Norrtälje Tourism Board is actively asking newcomers to the business to participate in projects. All these activities enhance the value-creation processes as an outcome of the cooperation coordinated by the DMO.

5.4 Contributing to Strengthening the Market Position of the Actors in the Tourism Business Networks

Figure 1 below illustrates the different structures of the coordinated cooperation in the tourism business networks. The mental and social structures form a solid basis. The DMOs can affect the mental structure by strengthening the affinity of the actors, giving them the feeling that they belong to a community with common goals. The social structure, again, is affected through intensifying the communication between the actors. Whereas the mental and social structures form the core and the basis of the coordinated cooperation, the technical and material structures make it possible in concrete terms by creating new resources.

Figure 1 portrays an ideal situation in which the DMO is able to affect all the structures of coordinated cooperation in a maximal way. It is proposed that in this kind of situation the coordination contributes in strengthening the market position of the different actors in the tourism business network.

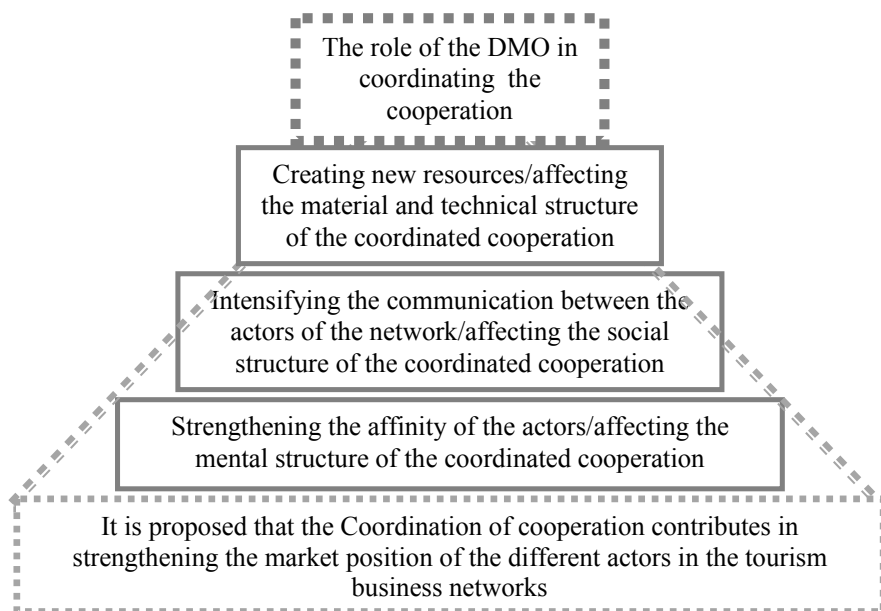


Figure 1: The structures and roles of the coordinated cooperation in the context of tourism business networks

It appears from the case comparison that each of the three DMOs had their own strengths in terms of their ability to affect the different structures of the coordinated cooperation. Turku Touring was strong in affecting the material and technical structure, playing a major role in creating new resources for the actors and thereby strengthening their market position. The obvious strength of the Åland DMO was in affecting the social structure, clearly intensifying the communication between the network actors and thereby consolidating their market position. Finally, in the case of Roslagen it was its ability to affect the mental structures of the coordinated cooperation. The DMO played an important role in strengthening the affinity among the actors, which helped in strengthening their market position in the network. Appendix 1 gives statistical data on the number of overnight stays in the three destinations during the decade 1998–2008.

6. Conclusions

There were clear differences among the DMOs in managing the change. In terms of their roles in coordinating the cooperation, Turku Touring was active in creating new resources for the actors in the destination networks. This concerns the material structure in terms of seeking funding from different EU-financed projects, for example. It is important to keep the same main partner in the projects in order to ensure that the knowledge is transferred from one project to another. On the technical

level the obvious strength in South West Finland is the connection to the Centre of Expertise programme, and especially the Tourism and Experience Management Competence Cluster. This connection has also enabled TT to intensify its cooperation with the universities in the region.

The EU-funded projects in Åland could be characterized as intermediate in developing the cooperation and joint presence on the coordinated web site the Tourism Board (ÅTF) is developing. The EU projects are temporary and aim at independent cooperation among the actors in the long run in order to develop the competitive advantage of the destination on a more solid basis. The position of the 'big partners', the ferry companies, has to be taken into consideration in planning the e-commerce platform, for example. The tourism enterprises in Åland form a homogenous group, which makes cooperation easier for them than for the more heterogeneous branch in the area of Turku. The DMO is therefore better able to affect the social structure of the cooperation by facilitating intensified communication between the network actors, especially through the common website platform.

The strong cooperation among the actors in the tourism business is a great strength in Roslagen compared to the other case destinations. Roslagen is marketed under the umbrella brand, which combines the local identities into a regional one and thus creates value for all of the members. The regional tourism board acts as team builder among the municipalities in the area. It also actively supports the entrepreneurs and asks newcomers to the business to contact them and to share their ideas. The innovative ways of promoting the area emphasize space, nature and authenticity on the board's web site.

One limitation of the study concerns the case comparison. Each network is unique and therefore it is difficult to compare them (Halinen and Törnroos, 2005). For the future, it would be interesting to investigate the process of building an online brand identity as way of enhancing the competitive advantage of a destination.

Appendix

Statistical data on the number of overnight stays in the three destinations during 1998-2008:

South West Finland (Turku Touring as the DMO in South West Finland, which includes the areas of Salo, Loimaa, Turku, Turunmaa and Vakka-Suomi. The source of the statistical data: Varsinais-Suomen matkailuyhteistyö ja matkailun kehitys vuosina 1998–2008. ISBN 952-5599-46-9. Varsinais-Suomen liitto, www.varsinais-suomi.fi (regional council of South West Finland).

Åland, the county of Åland, the Tourism Board of Åland . The source of the statistical data: www.asub.ax

Roslagen is the coastal area of Uppland: note that the statistics below are from the provinces of Uppsala and Stockholm as one of the four municipalities of Vaxholm, Österåker, Norrtälje och Östhammar belongs to Uppsala and the other three to Stockholm. No statistics for the area of Roslagen were available. The source of the data: accommodation statistics from Sveriges officiella statistik. ISSN 1403.1663 serie NV – Näringsverksamhet. Note that Roslagen is engaged in marketing cooperation with the municipalities of Vaxholm, Österåker, Norrtälje och Östhammar.

Overnights	1998	1999	2000	2001
South West Finland	849 161	887 108	893 846	937 729
Åland	546 605	542 814	562 571	539 893
County of Stockholm (Roslagen)		6 329 000	6 558 000	6 577 000
Province of Uppsala (Roslagen)		533 000	540 000	541 000
Finland	11 982 611	12 205 535	12 356 012	12 445 473
Sweden		25 142 000	25 859 000	26 358 000

Overnights	2002	2003	2004	2005
South West Finland	859 806	975 847	878 417	964 871
Åland	539 587	519 858	483 148	473 269
County of Stockholm (Roslagen)	6 545 000	6 517 000	6 904 000	7 357 000

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Overnights	2002	2003	2004	2005
County of Uppsala (Roslagen)	542 000	520 000	522 000	527 000
Finland	12 092 585	12 086 636	12 243 392	12 760 402
Sweden	26 949 000	26 915 000	27 075 000	28 506 000

Overnights	2006	2007	2008	
South West Finland	1 002 256	1 012 355	1 007 707	
Åland	493 625	476 983	491 151	
County of Stockholm (Roslagen)	7 893 000	8 304 000	8 704 000	
County of Uppsala (Roslagen)	665 000	710 000	688 000	
Finland	13 708 450	13 708 450	13 967 933	
Sweden	30 163 000	31 594 000	32 203 000	

The figures in the table show that the number of overnight stays rose by 18.7% in South West Finland in 1998–2008 (16.6% in the whole of Finland during the same period). The county and islands of Åland showed a negative percentage growth during the same period (–9%). The corresponding figure for the county of Uppsala in Sweden in 1999–2008 was the growth of 29% and for the county of Stockholm 38% (28% for the whole of Sweden).

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Article 3

The Key Capabilities Required for Managing Tourism Business Networks

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The key capabilities required for managing tourism business networks

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ABSTRACT

This article applies the IMP (Industrial Marketing and Purchasing) Group approach to the analysis of the coordination of cooperative activities. It challenges the sustainability of the 'manipulating' demand approach in favor of the Value System Continuum in tourism business networks. It is hypothesized that local tourism businesses must develop new key capabilities in order to face future global competition. The study uses case methodology and in-depth interviews to examine organizational realities as a product of the subjective enactments or social constructions of individual actors through the perceptions of two coordinators. The case-analysis findings identify the coordination of cooperative activities in tourism business networks as a prerequisite for (1) enhancing the value-creation process, and (2) building the brand-identity process across the network. The empirical evidence in the article is limited to one country. Future work will broaden the study context by including the analysis of international networks.

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1. Introduction

The marketing of tourism destinations is a complex task. The reasons for this include the interdependence of the multiple stakeholders, the fragmented resources, and an almost complete lack of hierarchy and authority, and of mechanisms of control and regulation. Hence, in the 'open-ended' tourism setting, researchers emphasize that networking represents a crucial and effective option in terms of mobilizing information and resources, and of engaging in cooperative processes among tourism businesses (Bramwell & Sharman, 1999; Buckley & Witt, 1989; Buhalis, 2000; De Araujo & Bramwell, 2002; Gnoth, 2002; Go & Williams, 1993; Holder, 1992; Jamal & Getz, 1995; Kendell, 1987). The conceptualization of 'the tourism system as a network of interacting service providers' (Gnoth, 2002: 262) may provide an effective mechanism for bringing about community involvement, in particular through the selection of key stakeholders who represent and 'champion' the 'public good' serving the various interests within society, i.e., beyond the commercial sphere. In the case of tourism business networks the 'public good' is commonly seen to represent a destination's policy making aimed at mitigating the potential negative impact of tourism processes and safeguarding 'livability' within a society.

Researchers who advocate the Industrial Marketing and Purchasing (IMP) Group's approach to managing business networks inherently need to understand those networks, including their structures, nodes, ties, processes and evolution. Möller and Halinen (1999) argue that the development of views of relevant networks and the opportunities that reside within them, tested for validity, represent key managerial challenges in marketing research. The present study applies the Value System Continuum (Möller & Svahn, 2003; Möller & Törörönen, 2003; Svahn, 2004) framework in an effort to identify the key capabilities required for managing processes in the tourism business network as it proceeds through a number of stages and is affected, variously, by a myriad of variables, especially the business-renewal process. As tourism business processes should result in 'output', the focus in this paper is on how the coordination of cooperative activities adds value to relationships within these networks. Therefore, our aim is not to contribute to a theory of co-operation in marketing horizontal hotel networks (Von Friedrichs Grängsjö & Gummesson, 2006), but rather to focus on an empirical investigation that will allow us to conclude with a set of propositions.

Through an empirical investigation, the use of comparative case studies and in-depth interviews we attempt to examine the organizational realities that come about as a product of the subjective enactments or social constructions of individual actors. Subsequently, we seek to formulate four propositions that are based on the evidence drawn from observational instances of the object of study, i.e., the perceptions and narratives of the network

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coordinators, so as to formulate propositions that are 'grounded' in research (Dul & Hak, 2007: 159). The empirical procedure is necessary as a means of identifying the key capabilities, if any, that are required for managing tourism business networks in conditions of discontinuous change.

The application of two comparative case studies in the present study is justified in that it contributes to the objective of our investigation: to identify these key capabilities as the critical success factors on which the networks depend to bring about the coordination of continuous effective and efficient cooperation, thus resulting in relational value production.

The coordination of cooperation, if effectively implemented, may result in the dynamism that, in turn, is needed in order to realize value-creation and brand-identity-building processes, respectively. We used qualitative methodology in the form of interviews for collecting the empirical data that would enable us to define the critical success factors and to provide evidence of any relationship that may exist between these factors and the results.

The article has five parts. The section *Introduction* defines the problem and sets out the objective of our study. The section *Capabilities required for managing the tourism business network* introduces the Value System Continuum as a theoretical framework through which to explore the managerial capabilities that are required in coordinating stakeholders' cooperation within networks. The section *Methodology* presents the narrative interviewing technique used to 'unearth' the coordinators' perceptions, and part four formulates propositions that are 'grounded' in research. The section *The narrative accounts of two coordinators in the Mail Road and Green Heart Travel Area tourism networks* also examines the narrative accounts of the coordinators, each representing one Finnish tourism network. The set of propositions concerning the critical success factors is arrived at in part four by linking the comparative study findings and the literature presented in the theoretical framework. The final section concludes the article with a discussion about the particularities of the two tourism destination networks in question, and suggests opportunities for further investigation.

2. Capabilities required for managing the tourism business network

2.1. Value-adding relational value production

Svahn (2004) validated the Value System Continuum framework (Möller & Svahn, 2003; Möller & Törrönen, 2003) through a comparative analysis of the value-system characteristics in different types of business nets. She identified newly emerging characteristics and her work added to our understanding of the dynamics of value production in different types of networks. In particular, it yielded better insights into the 'ideal' types of nets, characterized as hybrid formats, with multiple value-system attributes, beyond efficiency and effectiveness. Svahn (2004) discusses the managerial capabilities that are relevant in managing different network types, such as current-business, business-renewal, and emerging-business networks.

It is necessary to take a dynamic approach to studying relationships (in a network) in order to arrive at an understanding of how a relationship evolves over time (Ravald & Grönroos, 1996). In order to manage the network, actors must learn to manage the interactions that take place within their relationships, both internally and externally (Ritter, Wilkinson, & Johnston, 2004). A web of network relationships forms the foundation for the effective and efficient flow of information, experience, knowledge and ideas (Morton, Brookes, Smart, Backhouse, & Burns, 2004).

In analyzing the present comparative case study we applied the Value System Continuum (Möller & Svahn, 2003; Möller &

Törrönen, 2003; Svahn, 2004) to test whether or not the model (Fig. 1) could offer insights in terms of determining the key managerial capabilities that tourism business networks must mobilize in order to gain competitive advantage under turbulent environmental conditions. These capabilities are also related to the roles in the network, which Mintzberg (1973: 167) classifies as "interpersonal roles deriving from the coordinator's (or manager's) authority and status, informational roles deriving from the interpersonal roles and the access they provide to information, and the decisional roles, which derive from the coordinator's (manager's) authority and information."

Svahn (2004) discusses the capabilities that are relevant in managing nets. These capabilities are related to the characteristics of value production. The lines in Fig. 1 are numbered from 1 to 5, and line 1 shows the type of net. The focus in this article is on the second type, business renewal networks. Note that Svahn (2004) separates the term 'net' from the term 'network', referring to nets of companies as opposed to the network, which IMP Group researchers commonly refer to as an industrial marketing concept. Ford, Gadde, Håkansson, and Snehota (2003) claim that one cannot separate the so-called net from the wider network. In this paper we have substituted the term 'net' by the term 'network', as applied in business renewal networks (originally: business renewal nets), for instance. Our justification is that we aim to analyze the renewal phase in the context of two cases of tourism business networks, both of which applied for and received EU funding and therefore needed to coordinate their network-cooperation processes. Accordingly, we pay special attention to issues of coordination and managing capabilities during the renewal process.

Line 2 in Fig. 1 presents the kind of value production that is relevant in each phase along the Value System Continuum. In the framework the focus shifts from 'core value production' and 'value-adding relational value production' to 'future-oriented value production' in the phase of emerging business networks. Line 3 recaps the main goals of each network. In line with the adapted model, the focus in this article is on incremental innovation geared towards enhancing efficiency. The capabilities needed for managing tourism business networks are presented on lines 4 and 5. Line 5 refers to more traditional dynamic capabilities, and line 4 to those needed in managing inter-organizational business relationships and business networks (Svahn, 2004).

According to the adapted and modified Value System Continuum framework (Fig. 1), the network-managing capability in current business networks revolves around the network-orchestration capability, whereas in business-renewal networks deep partnering capability is crucial. In contrast, emerging business networks depend on network visioning as their core capability. Our

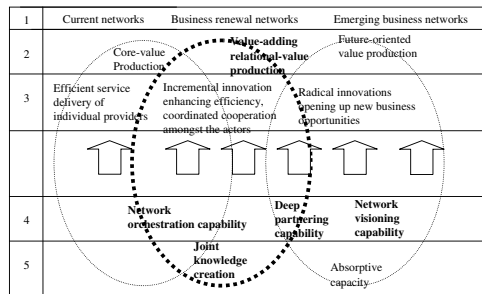


Fig. 1. Value production and capabilities for managing the network (adapted and modified from Möller & Svahn, 2003; Möller & Törrönen, 2003; Svahn, 2004).

assumption is that the cases we explore in this article are currently in the 'renewal business networks' phase. However, we seek to identify the key capabilities required for managing tourism business networks, irrespective of their position in the 'Value System Continuum' framework.

2.2. The coordination of cooperation in tourism business networks

Cooperation, as a dynamic process-oriented strategy, may be a suitable means for managing turbulent planning domains at the local as well as the regional, national and international level. Dredge (2006) investigates relationships between local government and industry in order to critically discuss the role of networks in fostering or inhibiting public-private-sector partnership building. We would make two salient observations in this regard. First, innovative public-private partnerships can emerge in an explicitly and carefully managed environment (Dredge, 2006). Second, the relationship between the active tourism network and the community at large requires careful management, which may be successfully accomplished through partnership and packaging arrangements that alternately offer both cultural and non-cultural opportunities for participation (Silberberg, 1995).

Go and Williams (1993) refer to Van Rietbergen, Bosman, and de Smidt (1990) in defining a network as a type of cooperation that takes the form of neither a merger nor a joint venture. Instead, it could be defined as 'a structure in which a number of nodes are related to each other by specific threads' (Ford et al., 2003: 18). Accordingly, a tourism business network could be viewed as a market in which nodes are connected by service providers who add value by contributing their specific core competencies. From a theoretical perspective, the IMP Group builds on the interaction among the actors, involving buying, selling, cooperating and competing with each other, their customers and suppliers (Ford et al., 2003: 1). This observation – that actors are interdependent in terms of their sales, supplies, information, development and access to other companies elsewhere in the surrounding network (Ford et al., 2003: 6) – affords small and medium-sized tourism enterprises (SMTEs) the opportunity to mitigate their size disadvantage (Bieger, 2004). In particular, they are able to address scale and scope issues, thereby actively creating and sustaining competitiveness. They could achieve the former through effective network cooperation at the local and regional destination levels, for example.

The concept of branding in the tourism business network could be seen as a symbolic-level mechanism (Gnoth, 2002) for facilitating the coordination of cooperative activities among network members. The coordination of the tourism network needs to involve close working relations with the members. This will enable them to recognize, based on their core values, what types of relationships are appropriate at various levels, first, between the actors, second, between the actors and the customers, and third, between the actors and the other stakeholders. It follows that, given the continuously changing relationships in the network over time, it is important to assess the former on a regular basis.

From a research perspective (Gnoth, 2002), it would be relevant to evaluate on the symbolic level how and to what extent involvement in relationships, and particularly cooperative activities among network members in a tourism network, appears to contribute to reinforcing the values, personality and positioning of the network brand (Kapferer, 2000).

2.3. Building the network brand identity

According to Åberg (2000), the communication of goals may be a strong contributing factor in the process of profiling a community or network. Today, it seems common practice to leverage an umbrella brand identity for communication purposes in the

marketing of both goods and services. The same technique is also applied in the tourism business, albeit that a 'sense of place', is used for developing a distinct destination personality (Slater, 2002), the equivalent of what in marketing jargon is referred to as an 'umbrella brand identity'.

It is essential to offer an alternative market offering to mitigate the effects of place commoditization. Its novelty derives from the 'fine-grained' local knowledge that is leveraged against designed and staged experiences. These experiences emerge from the interaction between destinations and tourists, with the former functioning as a 'theatre troupe' and the latter as figurants in a play who are invited to join in, albeit on a temporary basis. In this sense, the positioning of a distinctive destination depends on embracing an experience-centric perspective. What does this entail? It is a knowledge-intensive process, which in turn involves the creation of a myth, a narrative over a text of signs. It should be noted that if the latter is neglected it could jeopardize the brand-identity building process, for instance if the tourism business network focuses solely on functional service provision (Stamboulis & Skayannis, 2003). Also Dhanaraj and Parkhe (2006) emphasize that common identity among the network partners enhances knowledge mobility and promotes value creation.

Brand identity could be seen as a cluster of values emanating from different members, or actors, in the network. In view of the key role the actors play in shaping these values, more emphasis needs to be placed on the internal aspects of branding across the tourism business network. It is important to understand how each member assesses the position of its network brand, and participation in and commitment to delivering a coherent set of values therefore have to be ensured. By auditing the gaps between brand identity and brand reputation, actors in a tourism network can identify strategies for minimizing incongruence and developing more powerful brands (De Chernatony, 1999). In the context of destination branding, Tasci and Kozak (2006) differentiate between the destination image that is projected by the network actors on the one hand and the image that is received by consumers, the tourists, on the other. We propose in this study that in the former case the concept of destination image could be substituted by the term *destination brand identity*.

The concept of *destination brand image*, again, could be interpreted as a means-ends chain derived from the assumption that a network brand is a user's means of differentiating it from other brands in order to reach a desired goal (Arnould, Price, & Zinkhan, 2002: 406). Thus, a brand image may be defined as the perception that different audiences may have of a brand network, resulting from the audience's interpretations of the cues presented by it. A deeper set of images constitutes what is termed network brand reputation (Fill, 2004).

The difference between the concepts of destination (as a network) brand identity and brand image and reputation is analogical to that between the concepts of corporate identity, image and reputation (Bernstein, 1984; Markwick & Fill, 1997). Just as individuals and organizations have identity, so are destinations represented as brands. Following such logic the concept of destination brand identity may be interpreted, firstly, as the symbolic manner by which actors present themselves, collectively, through a network, to various stakeholders; secondly, as the means by which a particular network distinguishes itself from other destinations. Then again, just as stakeholders perceive an organization's identity cues, they shape an image that forms in their minds about the destination brand. (Bernstein, 1984; Fill, 2004; Markwick & Fill, 1997). The latter, referred to as 'perceived image', is immaterial in nature, under the control of each stakeholder and therefore cannot be managed by a destination network, directly. However, if the destination network actors are able to present orchestrated cues, perceived images may be repositioned or altered in the minds of

the recipients (Fill, 2004; Markwick & Fill, 1997). The term destination brand reputation is often used synonymously with destination brand image (as a network), which according to Markwick and Fill (1997) may lead to confusion. This concept refers to an individual's reflection on the historical and accumulated impacts of previous identity cues. Consequently, as Markwick and Fill (1997) state, reputations are more durable than images. Moreover, reputation affects the likelihood of supportive behavior from all of a tourism business network brand. Therefore, brand image is a subset of reputation management (Fombrun & Van Riel, 2004).

From the reputation management perspective, the actors in the tourism business network have little choice but to reach consensus about various norms. First, they should agree on the goals to be achieved through reputation management, which in turn affects the network brand image, and, should reflect the common values of the entrepreneurs. When aiming at higher encounter satisfaction, the network members have to appeal to the tourist's deepest desires and most imaginative associations. In order to do this they have to draw on the myths, histories, and fantasies that are either associated with the locality or taken from the universal cultural domain. The market value of their product depends on how well they design, package and deliver the resulting experiential content. According to Sternberg (1997), tourism products can be made more meaningful and authentic by drawing on the multilayered genius loci of a destination, even if the genre through which they communicate is rooted in fantasy rather than historical realism. According to MacCannell (1973), tourist consciousness is motivated by a desire for authentic experience, although it is very difficult to know for sure whether the experience is, in fact, authentic.

Analysis of the value-creating network-development process may serve to identify the critical success factors that enable members of a tourism business network to perform optimally. It raises various questions. Why and how are the actors motivated to cooperate in the network? What is the value the network actors perceive they obtain from (potential) inter-organizational relationships? How does the cooperation among stakeholders contribute to fostering the staged authenticity, which in turn results in 'deeper' experiences and customer satisfaction? What is the strategic significance of the knowledge factor in terms of building trust and as a prerequisite for developing an authentic identity? How can strategic knowledge objectives be conveyed in order to raise the ambition levels of actors who are part of the network? In turn, knowledge ambition may provide answers concerning the expectations and questions of the actors in the tourism network: 'Are we doing the right things?'

The second basic question is: 'Are we doing the right things right?' The role of coordination aimed at enhancing the value-creation process and, by extension, provider performance, is crucial. This is a two-pronged process: firstly, it involves the intensification of the communication between the actors in a manner designed to motivate the members of the tourism network, and secondly, it facilitates high-level learning in the network, which in turn will increase the members' motivation.

3. Methodology

The research design of our study is in line with the replication approach to multiple case studies described by Yin (1994) and also in line with the process of inducting theory using case studies (Eisenhardt, 1989). Consequently, each case was analyzed separately, analyzing within-case data and searching for cross-case patterns (Eisenhardt, 1989). In both of the selected cases the focus was on the narrative accounts of the coordinators of the Mail Road and Green Heart Travel Area tourism networks.

An increasingly influential number of organizational theorists (Chia, 2003; Gummesson, 2001; Weick, 1995) interpret

organizational realities as a 'product' or 'output' of the subjective enactments or social constructions of individual actors. Therefore, researchers who seek to throw fresh light onto the reality of organizational life should concentrate their efforts on examining how individuals construct meanings, intentions and interpretations, and attempt to make sense of our world (Chia, 2003; Weick, 1995). Ethnographies, narratives, discourse analysis, and storytelling therefore provide a rich tapestry of inputs for this type of organizational theorizing (Chia, 2003). Gummesson (2001) questions the mainstream choice of approaches however, and suggests that qualitative rather than quantitative inquiry may represent a more relevant alternative direction in marketing research.

Gilmore and Carson (1996) discuss the advantages of using 'integrative' qualitative methods in a service-marketing-management context. They also combine the notion of integrative research methodology with the idea of a 'stream of research', or investigations that build on earlier studies and explicitly allow the researcher to develop in distinctive stages throughout the process. Ladkin (1999) advocates the use of life and work history data as a method in research on hospitality and tourism, a context in which, unlike social science research on average, it has been rarely applied.

In order to illustrate how the coordination of cooperation contributes to building and promoting the brand-identity process, we conducted two case studies concerning the Green Heart and the Mail Road tourism business networks, both located in Finland. These are analyzed and discussed below. Both cases are based on in-depth interviews with the network coordinators (Kivi, 2005; Nurminen, 2004), and were conducted by one of the authors.

The networks in both the Green Heart and the Mail Road projects have been coordinated in a seemingly effective way by an experienced person, who has been able to acquire EU financial support. The critical point in the evolving of the network is, consequently, the stage when it has to be able to manage on its own, without the coordinative support. This raises the major issue of concern in our study, namely to identify the apparent key determinants of the successful coordination of cooperation within networks. In order to do this, the researcher conducted open-ended interviews with the coordinators of the Green Heart and the Mail Road projects. The cross-case searching tactics (Eisenhardt, 1989) enhanced the probability to capture the novel findings in the data.

The personal interview makes it possible to determine how an individual feels about certain issues; in this case for instance, whether the entrepreneurs thought the coordinator was promoting the relationships between the actors of the network in an efficient way. This motivated the choice of a qualitative research method, and the coordinators were encouraged to describe their subjective experiences about the development of the project. The interviewer encouraged the informants to participate in a dialogue, and in particular to convey to her how they perceived the network to be evolving at that time. In that sense, for the present study the interview was regarded as conversation – discourse between speakers – and the rules of everyday conversation applied: i.e., turn taking, relevancy, and a story world. One story can lead to another as the narrator and the questioner/listener negotiate spaces for these extended turns (Riessman, 2004).

The laddering technique, which could be classified as a means-end analysis type, serves to make explicit the hierarchical structures of both memory and meaning (Chrzanosowska, 2002). As De Chernatony and Dall'Olmo Riley (1999) argue, however, the use of other techniques could also make a major contribution in terms of promoting a deeper understanding. For instance, ethnographic research can help to lay bare the underlying assumptions behind the brand values. Furthermore, narrative interviewing has much in common with contemporary ethnography. As a method it differs from mainstream social-science interviewing practice, which relies on discrete open-ended and/or closed questions (Riessman, 2004).

An essential feature of theory building is comparison of emergent concepts or propositions with the extant literature (Eisenhardt, 1989). The empirical enquiry in the present study concerns coordination capabilities and the findings are related to the applied Value System Continuum (Möller & Svahn, 2003; Möller & Törrönen, 2003; Svahn, 2004) and also to the roles of the coordinator in the network (Mintzberg, 1973). Our study is constrained in the sense that the evidence is drawn from a single country and two case-study narratives. However, it is the intention of the researchers in future to broaden the context by including a more comprehensive analysis of an international network constellation. For instance, our first objective in a subsequent study would be to gain a better understanding of the theoretical and strategic ramifications of coordination theory (van Fenema, 2002) as a potential practical mechanism enabling network stakeholders, who must function within a multicultural context, to form effective trans-national partnerships. A second objective would be to develop a project-based methodology designed to identify how certain perceived 'gaps', such as cultural differences, geographic distance and governance differences, may cause stakeholders to resist the deployment of resources within event contexts that offer mutually beneficial growth opportunities.

4. The narrative accounts of two coordinators in the Mail Road and Green Heart Travel Area tourism networks

Our comparative case study analysis of the narratives elucidated from the coordinators yields their views, also known in the literature as the 'network picture' (Ford et al., 2003: 176), of the functioning of their respective networks. The narratives reveal a different visual representation of the content and characteristics of, and particularly the different approaches to coordinating tourist traffic within the context of the Mail Road (in Southwest Finland) and Green Heart Travel Area (north of the city of Tampere) networks, respectively.

4.1. The Green Heart Travel Area network

4.1.1. The Green Heart Travel Area was represented on its web site as follows

"The Green Heart Travel Area is located north from Tampere city. In the area you'll find a genuine countryside atmosphere, peace of nature and cultural treasures. Ramble in the virgin wilds and tranquil national parks. Explore fishing sports, surging rapids and peaceful coves. Take a cruise on a steamboat or go rowing. Guided trips are arranged and equipment is available for hire. Sample Finnish culture and art. Visit music events, museums, theatres and art exhibitions. Experience life on a farm. Peaceful surroundings, a comfortable bed and the warm hospitality of the hosts ensure an enjoyable stay. You have a choice of accommodation in a self-catering holiday cottage, in a farm-house, or at a hotel."

In the year 2000 the coordinator of the EU-funded Green Heart project took up her duties as the Chief Executive Officer (CEO) of the company that had been founded in order to run it. The owners of the company were the municipalities in the region, and the board consisted of the municipal managers. In principle, the project was open to all the regional actors, and the number of participants who in one way or another sought to enter into cooperative relations initially exceeded 150. Of the total, about 60 could be characterized as 'core actors', and 20 as 'active participants'. The coordinator conducted a survey in order to find out whether the stakeholders were satisfied and experienced their cooperation within the network as rewarding. She received between 60 and 70 responses

from a total of 150 surveys issued. Approximately 70% of the respondents felt that effective network cooperation required a means of coordination, and expressed their satisfaction. Cooperation in terms of the actors' financial input varied considerably, from minor local-advertisement costs to relatively substantial expenditure for collateral such as a regional brochure or participation in a joint fair event.

The main focus of the project has been on product development, packaging, and the joint marketing of the tourism enterprises belonging to the Tampere region. Serving a population of about 40,000, the tourism enterprises in the region are mostly either small or micro-sized. The national parks are the main attractions, as measured in visitor numbers. Both of these parks, which are governed in Finland by the National Board of Forestry, have strong cooperative ties with the region's wilderness guides, most of them being independent entrepreneurs whose services are distributed via a variety of tour packages.

4.2. The Mail Road network

The Mail Road is presented on its web site (www.postvagen.com) as follows:

"Welcome to experience the old Mail Road from Stockholm to Turku. You can travel in the past as well as in the present, in reality as well as in your imagination. The Mail Road dates back to Queen Kristina's days in the 17th century, when the Swedish postal service of that time was organized. Today the Mail Road looks different but it is still very much alive. You can travel the whole route or just parts of it. Let your mood decide the pace and the itinerary. Along the road you will find sights and attractions, hotels and restaurants, not to mention activities of various kinds. The Mail Road preserves and presents our cultural heritage and shows a breathtaking development – from mail carriage on foot to the IT communication of our time."

The Mail Road project commenced in the autumn of 2002. The coordinator made contact with potential project leaders and network members. She was able to take advantage of her earlier contacts and co-operative ventures, and managed to enroll the Väddö School in Sweden as an official applicant for EU funding. The County Museum in Turku became the local contact for the project in Finland.

Of the 80 enterprises along the route, which the coordinator contacted by letter, 20 registered an interest in joining the tourism business network. This response could have, in part, been a result of the EU funding the coordinator obtained. To her, this represented the resource base of the network project, which involves communities located along the old postal route in the regions of Stockholm, Åland and Southwest Finland. In that sense, Mail Road was a symbolic means of profiling cultural tourism, which is considered to foster visitor-centric experiences and, in turn, to produce a need on the functional level for the catering of consumptive services that are available on a year-round basis along the route.

From a theoretical perspective, cultural tourism calls for further integration of the symbolic, experiential and functional dimensions as outlined by Gnoth, and the conceptualization of 'the tourism system as a network of interacting service providers rather than a channel of distribution' (Gnoth, 2002: 275). On the practical level, it implies the urgent need to leverage regional destination brands, or a tourist route for that matter, to draw public attention to the 'bundle of benefits' offered by a tourism business network. In our view, the convergence of regional destination branding and the key capabilities needed in managing tourism business networks was a 'pre-condition' in terms of achieving the goal of the Mail Road project, namely to bring about value-adding relational value production in tourism business networks.

At the same time, inherent in the Mail Road project was the notion of staged authenticity, based on regional heritage and culture assets. The entrepreneurs who were participating in it were committed to creating – together – a brand that was supported by quality and the strong historical and cultural knowledge of their region. They also wished to make the Postal Route accessible and attractive to tourists. They therefore focused their attention, first, on the allocation of resources to developing the services and means of communication that coincided with their joint commitment, and secondly on creating a collaborative network that they could sustain after the EU funding stopped.

Furthermore, it was important for entrepreneurs who were collaborating under the 'Mail Road' brand to share common values, in other words that the brand identity represented a sense of 'familiarity' and was unambiguous. Both of these are generic conditions on which the coordinator relies for support in the building of a common brand identity among the different network actors. In turn, the network's target groups need to perceive a sense of both 'familiarity' and 'clarity' in order to interpret the brand identity effectively.

In sum, managing tourism business networks means being equally concerned with continuously assessing the cultural context, which influences the intentions, interactions and reactions of the network members towards the functional details of the operational processes on which they usually focus. The coordination of relations has become an essential task. To be effective the coordinator should assess the 'health' of the network on a regular basis, and act as a catalyst connecting its members (Büchel & Raub, 2002). In the following section we explore the roles of the coordinator in some more detail.

4.3. *The coordinator's roles*

It seems that, within their respective networks, the observed coordinators played roles that required specific managerial capabilities. We draw on the taxonomy of the roles of the manager by Mintzberg (1973) to assess whether and to what extent each coordinator possessed the ability to demonstrate the three role types – informational, interpersonal and/or decisional. The ability to develop and implement these depends not only on the context wherein each functions, but also on other variables such as the complexity of their respective network environments.

In the Mail Road case, the coordinator viewed her role as interpersonal, i.e., she functioned as a matchmaker, taking the lead in formulating and communicating the network opportunities (Go, Lee, & Russo, 2003), and bringing different actors together. She also played an informational role in that she had access to knowledge about customer needs and regional coordinators. Both roles were relevant to her decisional role in the product-development process.

"I think that I know the customers and their needs better than many of the entrepreneurs because of my education and expertise in cultural contents" (Nurminen, 2004).

The Mail Road coordinator admitted that her work was still at an initial stage in which the cooperation between the entrepreneurs could be assumed to represent an 'evolving mode' as opposed to a 'common goal mode'.

The Green Heart coordinator also acknowledged her interpersonal role, namely as a human link designed to connect tourists and enterprises, both of which groups she viewed as her customers. Furthermore, she found the cooperation with the entrepreneurs especially rewarding and would have liked, if possible, to let their voice be heard in the officials' ears more than was the case at the time. She criticized the mentality of those who condemn without knowing the situation in the field. She respected the entrepreneurs' right to master their own perceived entrepreneurial identity, but understood that such a position could

simultaneously raise delicate questions in relation to the network's collective identity. Additionally, the coordinator has to be able to act as a link between the enterprises and the officials. She recognized that the entrepreneurs were very eager to learn which marketing techniques could assist them to improve the profitability of their businesses. She viewed the attitude of the entrepreneurs as a 'vote of confidence' in her capabilities as a coordinator, arguing that uncommitted entrepreneurs would have lacked faith in her role. Such a situation would have pre-empted any chance of cooperation among coordinators and entrepreneurs in the tourism business network.

A brand could be seen as an association or network of values that emanate from the information that the different members, or actors, possess. In view of the key role the actors play in shaping the brand's values, more emphasis needs to be placed on the information processing that occurs in the network, which in turn affects the collective brand image. In that sense the coordinator plays an important informational role. In particular, she should appreciate how each and every member assesses his or her individual network brand position in order to be able to identify strategies for minimizing incongruence and developing more powerful brands (De Chernatony, 1999). In conditions of potential tension between collective – and independently perceived – brand images in networks, the coordinator should capitalize on her informational role so as to engender in the members a commitment to delivering a coherent set of brand-related values.

In the present study the concept of brand identity is applied to the context of the tourism business network, comprising members who share a common, clearly outlined, goal for establishing 'who we are as a community', which they wholeheartedly support. The stronger the sense of brand identity is within a community, the less willing its members are to part with it. It is possible to measure the extent to which brand-identity attachment exists within a network, and in this regard several relevant questions arise. What is the clear vision and meaning of the community, the network? What makes it different? Which needs does it fulfill? What is its longevity? What are the meanings that make people aware of a community? What are its core values? (Kapferer, 2000).

In the Mail Road case the following findings appear to emerge: first, the coordinator seemed to play a key role in the network; second, the actors perceived a need for more coordinated activities in the future; and third, the identity reflected in the stories needed to evolve further and ultimately to result in measurably stronger ties and trust among the actors and in the transformational leadership of the coordinator. In this regard, the coordinator stated that her current role should be changed from one that was rather limited to one that emphasized the task of 'matchmaker', connecting the values the network's stakeholders represented. Accordingly she intended to strengthen the ties between the actors during the next stage. In contrast, the Green Heart network coordinator relinquished her duties as both project leader and CEO, and as a result of her departure the network ceased to exist. However, some entrepreneurs are continuing their cooperation in what could be described as 'factions'. The above observations lead us to posit proposition 1 as follows:

P1. The capability of developing and carrying out informational, interpersonal and/or decisional roles requires specific managerial talent that could be regarded as one of the critical success factors in the effective and efficient coordination of cooperation in tourism business networks.

4.4. *Network orchestration and visioning capability*

We refer to the definition of Dhanaraj and Parkhe (2006) that orchestrating the network involves sharing, acquiring and

deploying knowledge within the network. The coordinator must also ensure that the knowledge is disseminated and the innovative ideas diffused in confidence and also in a way that ensures the dynamic stability of the network. As Fig. 1 shows, network orchestration and network visioning are posited in the original Value System Continuum (Möller & Svahn, 2003; Möller & Törrönen, 2003; Svahn, 2004) as the key capabilities in current and emerging business networks, respectively. According to the empirical data gathered in this study, it seems that both of these capabilities are also needed in business-renewal networks. In both of the above-mentioned cases the coordinators were aware of the importance of being able to orchestrate the network and also of having visioning capability. Still, according to them both, the actors' perceived the impact of the network and their own roles in relation to the Green Heart and Mail Road identities still to be at the emerging stage. They seemed to believe that the collaboration would continue, and were also aware of the potential positive effects that a joint brand offered.

However, the process of coordinating capabilities and skills in order to reach the strategic collective brand goal was more a vision held by the coordinator than a shared network picture that could have been turned into a concrete business plan. Nevertheless, the actors understood that successful cooperation would take time and effort, and were therefore unanimous in their desire to carry on with the mission. Moreover, they all understood the importance of the joint brand as a representation of their cultural heritage. In this sense, the concept of identity assumes meaning within a community in which the members who are connected via network ties share a common goal that renders them distinct from the others. These kinds of networking efforts generate outcomes that form the basis for joint goal achievement, which is reflected in the network picture (Ford et al., 2003: 176) and which the members, the actors in the network, support and do not wish to change.

The Mail Road coordinator appeared to have a clear mission, and a more abstract vision of the network she was coordinating, although she also understood how it should work in practice. She was taking steps to continue its development within the next phase of the EU framework in which the project was embedded. Among other things, her plans included working towards a mutual understanding with the other actors about the vision (represented by a joint network picture), and the development of networking relationships (c.f. Riege & Perry, 2000: 1300).

In order to achieve her vision of 'value-adding relational production' the coordinator must focus on 'network-visioning capabilities' and the ability to detect relevant future trends and challenges. According to the researchers belonging to the IMP Group, transforming the vision into practice requires the ability to manage in networks, which includes encouraging cooperation among dispersed actors in order to bring about the desired outcomes (Ford et al., 2003: 176). Gnoth (2002) corroborates the significance of symbols, which Ford et al. (2003: 176) refer to as the 'network picture', for facilitating efficient networking around the coordination of brand attributes. Stakeholders, in turn, leverage these in order to generate the necessary synergies to achieve the 'network outcomes' (Ford et al., 2003: 176) desired by both the brand community and its individual members.

The actors in the Green Heart project comprised a group of rural tourism enterprises that were well established and were also performing well. There were also some destinations that could be characterized as cultural attractions, which were also successful. However in the coordinator's opinion, these attractions were problematic because of their attainability – there was no information on opening hours in the winter season, and thus it was not possible to include these products among the leading ones in the region. On the other hand, the Green Heart brand was problematic in terms of the cultural attractions because the inherent

brand identity was more naturally associated with cultural aspects and values than with greenness, which was the connotation in the brand name. In a way, the greenness connotes the color green on the map of this region. It is a forest area and the forest has traditionally been the cornerstone of Finnish industry. It also originally funded the cultural attractions in this region. This connotation may be too complicated for promotional purposes, however. In order to promote a common brand, Green Heart in this case, all the actors in the network should commit to the ideology and understand its mediating role, i.e., in representing the product offerings. The coordinator realized that the lack of eagerness to cooperate shown by the promoters of the cultural attractions could have been the result of their inability to identify with the theme of nature protection, which seemed to be the most common connotation with the word 'greenness'.

There were also some start up enterprises in the region concentrating on fishing tourism, and they seemed to be able to identify with the Green Heart brand ideology. The coordinator was aware that enterprises in the network that were at different life-cycle stages resisted cooperation, while established enterprises were flourishing without the need for coordination. As a result, spontaneous dyadic and triadic relationships and negotiations emerged. The actors in the network were, in this sense too, perhaps too heterogeneous to be connected under a common brand identity. Nevertheless, it seems that the enterprises favored identification with the theme of nature and the countryside or with the cultural theme, but not with both. On the other hand, the coordination apparently helped the different actors to create dyadic or triadic relationships in which common product developments co-evolved. Our preliminary empirical analysis, so far, leads us to suggest proposition 2.

P2. The ability to orchestrate the network in a way that strengthens the actors' commitment to a collective brand identity could be regarded as one of the critical success factors in the effective and efficient coordination of cooperation in tourism business networks.

4.5. Joint knowledge creation or absorptive capacity/learning

Schianetz, Kavanagh, and Lockington (2007) introduce the concept of Learning Tourism Destinations (LTD), and discuss its capacity to anticipate environmental changes and economic opportunities through the enhancement of collective learning processes. In this study we also argue that absorptive capacity is an important management asset in tourism business networks when the actors are supposed to produce staged authenticity designed for service delivery.

According to Todorova and Durisin (2007), the ability to learn, to absorb external knowledge, depends on the ability to value the new knowledge. In the case of tourism business networks, the actors have to be able to realize the value of coordinated cooperation. The value-creation process is affected by the potential for higher-level learning, which concretizes trust among the actors in the network. This requires of the coordinator the capability for joint knowledge or absorptive-capacity creation. The entrusted cooperation strengthens the learning compared to a situation in which the entrepreneurs work without network support. It is crucial to be able to identify the factors that foster an atmosphere of learning together, because this is how the common brand identity is strengthened, thereby enabling the providers to perform more satisfactorily in the customer-encounter situation. The higher the customer-encounter satisfaction is the more value is created.

The collaboration between the actors in a network is coordinated in a way that allows dialogic reciprocity, receptive capacity, confronting capacity, and transparency, and according to

Florén and Tell (2004), these are prerequisites for learning in networks of small-firm owner/managers. This kind of cooperation motivates the entrepreneur because it facilitates high-level learning and creates value. The brand identity is strengthened by the cooperation, which in turn makes the customer encounter more satisfactory. In other words, it is a question of developing the network, and strengthening its brand identity in order to increase its customer-perceived value. Eggert and Ulaga (2002) argue that customer-perceived value and customer satisfaction could be conceptualized and measured as two distinct yet complementary constructs. Internally, managers face the challenges of defining the brand's values, then working within the (here: network) organization to ensure commitment, enthusiasm and consistent behavior among the members delivering these values (De Chernatony, 1999).

The Mail Road coordinator pointed out the importance of the joint meetings with the entrepreneurs in the network. She also referred to the managerial team as a resource, although she emphasized the difficulties in dealing with the different management cultures. She found assistance to be of great value. Another important resource was the training and education (see e.g., Riege & Perry, 2000) that were organized for the guides along the route, in particular. The actors in the network included, in addition to the entrepreneurs, the earlier cooperation partners such as the manors and the museums, the leading group members, the main project coordinator and the regional coordinators, the bus firms, and the guides. In their trade-oriented approach, Riege and Perry (2000) emphasize the distribution channel through which knowledge is transferred to tourism service providers whereas Go et al. (2003) point out that the process of putting together and supplying cultural services requires considerable skills and 'localized' knowledge of the local operator, the coordinator.

There is competition for resources not only with regard to public funding but also as far as the time and efforts of the entrepreneurs are concerned. In this case there were lots of different cooperation systems in place, and this caused some entrepreneurs to describe it as the 'project from hell'. Unfortunately, it lacked coordination. As the Green Heart project coordinator put it, the situation is the same when a firm allocates its salesmen to overlapping sales areas. In this case it created a 'divide and rule' situation in the field, particularly as the different projects were also competing for the EU funding that was governed by the regional authorities. The above discussion leads us to suggest proposition 3.

P3. The capability for joint knowledge creation based on reciprocity, absorptive capacity and transparency, embedded within an agenda that enables and guides dialogue, could be regarded as one of the critical success factors in the coordination of continuous effective and efficient cooperation in tourism business networks.

4.6. Deep partnering capability

In the light of our data, the capability for deep partnering proved to be what the actors needed if the network was going to be successful in the future, when the EU-funded project had ended. In the Mail Road case the actors have founded associations in Finland, Åland and Sweden, and their cooperative activities are continuing more or less effectively. One sign of its continuing life is that the Internet site is still operational, even though there are links that are inactive. The Green Heart Internet site is no longer active, and neither is the network. Some of the actors may have continued their cooperation in dyads or triads, but not in the network.

In terms of the creation of value for stakeholders, the discussion covers two dimensions, namely financial and non-financial value (see e.g., Haksever, Chaganti, & Cook, 2004). Financial benefits include those that have an obvious short-term monetary impact on the stakeholders, and possibly also long-term impacts, while

non-financial benefits are those that do not even have a short-term financial impact (Haksever et al., 2004).

In the case of EU projects such as Mail Road and Green Heart, what the actors gain from the cooperation is basically the financial value in the form of EU funding. Later on they may value the cooperation as such: they may be able to see its non-financial value. However, as a study conducted by Kim and Kim (2005) shows, in the long run brand equity may also bring financial value. They investigated the relationship between brand equity and a firm's performance in luxury hotels and chain restaurants, and found evidence for their hypothesis that brand equity could be expressed numerically in financial terms.

The application of the brand-equity approach has assumed significance in the context of tourism marketing, particularly in rural areas, both as a marketing concept and as a balance-sheet reality (Jacoby & Chestnut, 1978). The discourse on brand equity is based on the conceptual model introduced by Aaker (1991), in which it is emphasized that the name and symbol of a brand essentially defines its 'equity assets and liabilities, that adds to or subtracts from the value provided by' (1991: 15) a tourism business network. There is thus a need for a coordinated cooperative approach in order to safeguard against an uncertain future and the inevitable constraints of resource scarcity. Decision-making within tourism business networks is therefore not limited to the meaning of symbolic brand identity; it is increasingly a matter of finance. A detailed analysis is required in order to assess the potential usefulness of the brand-equity approach (Aaker, 1991); however, this is not the purpose of the present paper.

If the network activities and cooperation continue, and the actors are able to build the brand identity, they need a strong partnering ability. This argumentation leads to proposition 4, stating that solid partnering is a prerequisite for the actors of a network to be able to continue their co-operative activities even when the coordinator is no longer active, and thus to ensure its future survival. The above discussion leads us to suggest proposition 4.

P4. Strong partnering ability could be regarded as one of the critical success factors in ensuring the future survival of and continuous effective and efficient cooperation in tourism business networks.

4.7. The value-creation process

Fig. 2 summarizes our argumentation and depicts how the value-creation process evolves over the life cycle of a tourism business network. Furthermore, it identifies the key capabilities required for managing such networks so as to ensure value-adding

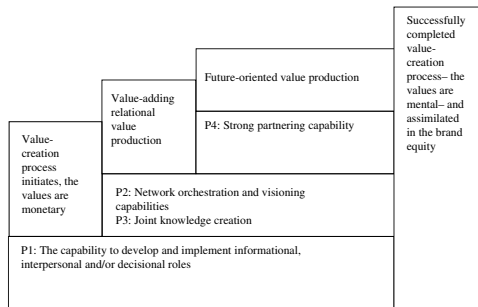


Fig. 2. The value-creation process in a tourism business network.

relational-value production. It also shows how at the initial stage the values are primarily regarded as 'monetary', i.e., the actors start to cooperate partly because of their interpretation of exogenous factors such as the coordinator's activities. In order to initiate and to maintain cooperation the coordinator needs to have the managing capabilities referred to in proposition 1, i.e., the capability to develop and carry out informational, interpersonal and/or decisional roles.

The capabilities the successful *network coordinator* needs include, as stated in proposition 2: network orchestration and visioning, and also the capacity for joint knowledge creation, as stated in proposition 3. Towards the end of the life cycle the focus of the network *actors* shifts towards the critical success factor referred to in proposition 4 as a 'strong partnering capability'.

5. Conclusions

The Value System Continuum framework was applied in two cases of tourism business networks in order to identify the key capabilities required for managing such networks. Within this methodological framework the narrative interviewing technique was used in order to enable the coordinators to tell 'their side of story' (about the Green Heart and the Mail Road networks) in a conversational style. In particular, the conversation focused on the coordinators' perceptions of what kinds of capabilities were needed for managing complex and ambiguous networks successfully. Afterwards the researchers reflected on and interpreted the accounts of the coordinators against the presented theoretical framework. According to Riessman (2002), doing justice to someone's narrative account means facing complexities and ambiguities in the study's conclusions, and resisting the academic pull towards a simple, consistent story. Accordingly, the accounts of the coordinators, which mirror the themes discussed in a way that was characteristic of each of the interviewees, are presented as the conclusions of the study.

Firstly, *the ability to develop and implement informational, interpersonal and/or decisional roles* that require specific managerial talents could be regarded as one of the critical success factors in coordinating cooperation. Following on from the latter emerges, the second key capability concerns *orchestrating and visioning the network in a way that strengthens the actors' commitment to the brand ideology*. Among others, it results in the strengthening of social capital and brand identity across the tourism business network. Meaningful and authentic local brands are needed to counter the twin dynamics of global brands and e-commerce. The accounts of the entrepreneurs and the 'local' network offerings described in both cases comprise significant content that could be leveraged through brand-identity positioning, story telling and promotional activities. The interviews conducted within the Green Heart and the Mail Road networks revealed that the entrepreneurs were well aware of the meaning of a cohesive brand identity. Our study reveals that the brand ideology was present and featured in their activities even before the cooperative project started.

Thirdly, *the ability to create joint knowledge and absorptive capacity* in a way that facilitates high-level learning, reciprocity, receptive capacity, and dialogic transparency could be regarded as one of the critical success factors in coordinating cooperation in an effective and efficient way. This culminates in the requirement to intensify communications between actors through coordinated cooperative activities, which also contributes significantly to motivating entrepreneurs and facilitating high-level learning in the network. Finally, at the stage of cooperation at when the coordinator is no longer active, the critical success factor ensuring the continuation of the value-creation process is a *strong partnering capability*. The network actors need to be able to value the continued cooperation in non-financial terms in the form of building

the brand identity and thus achieving brand equity, which could then potentially generate financial benefits in the future.

The aim of our theory-building case study is to introduce and defend propositions concerning the critical success factors and key capabilities that local tourism businesses should develop in order to face up to future global competition. The two narratives represent case networks located in one country. The authors intend to overcome the limitations that the national context may have imposed on the present research project by testing the propositions it yielded within a network of stakeholders in an international context.

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Article 4

Building a Brand Identity in a Network of Cruise Baltic's Destinations: a
Multi-authoring Approach

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Building a Brand Identity in a Network of Cruise Baltic's Destinations: a Multi-Authoring Approach

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Abstract

The article examines the process of building a brand identity in the cruise sector based in the Baltic Sea region. The stakeholders in this multicultural case network, which carries the brand name Cruise Baltic, are involved in developing a network of destinations as a corporate brand. The single-case study takes a supply-side approach describing the dynamic process of building a brand identity. Qualitative data was gathered from the narratives of the actors in the network. The research results show how the process of building a brand identity becomes apparent in the networking, cooperation and communications between ten countries and the 44 partners involved. This evolutionary process could be described in terms of temporal phases on the one hand, and according to the different levels of cooperation between the actors on the other. Three episodes are distinguishable in the process: the initial, the integrative and the identification phases; and three levels of cooperation: the functional, the relational and the symbolic.

Key words: brand, brand identity, 'Cruise Baltic', destination brand, destination network, value

Introduction

Anholt¹ was the first to use the phrase 'nation branding' at the end of the 1990s. Since then, from the beginning² of the 21st century, researchers have been discussing branding in terms of nations or countries. In particular, the Journal of Brand Management allocated a special issue to enhancing understanding of this complex process of nation branding^{3 4 5 6 7 8 9 10 11 12}. Concepts such as "heritage identity"¹³, "national identity"¹⁴ and "tourism destination branding"^{15 16 17} take centre stage in these studies. Nevertheless, some researchers argue that there is a dearth of literature on destination branding^{18 19}.

Tasci and Kozak²⁰ studied the relationships between the concepts of brand and image in the tourism industry, while Konecnik and Go²¹ explored the concept of destination brand identity from the supply side, thus filling a research gap²² in the literature on tourism, where supply-side issues remain a rather neglected area. Our focus in this study is on the latter research field, i.e. the supply side, and on networks of destinations. In line with Hankinson²³, we apply the network marketing paradigm in placing our study within a systematic framework.

The emerging literature on corporate branding draws parallels with destination branding²⁴, city branding²⁵, and alliance brands consisting of networks of airline companies^{26 27}. The philosophy underpinning the corporate-level brand allows the principles to apply to the marketing of cities, regions and even countries²⁸. In this study the analogy of building the corporate brand identity is used in the context of destination

networks. Organizational change, in this case building the network brand identity, should be seen as multi-story process, also known as polyvocal narratives²⁹, or as a multi-author story. The stakeholders of the multicultural case network are involved in developing the destination network as a corporate brand.

Our paper starts with a literature review of service-brand-related articles, with a particular focus on the supply side of destination and place brands. Our aim is to deepen our understanding of how the actors in the destination network perceived the brand, secondly, of the potential value-added of coordinated and cooperative brand building, and finally, of how the brand-identity-building process evolved among the actors in the destination network. Following an overview of case-study research, in terms of both design and methodology³⁰, we describe and analyze the building of a network-brand identity in the tourism business. We then discuss the findings of our study, as well as the implications and potential for future research. We conclude the paper with some reflections on its contribution to the literature on place branding.

Developing a network of destinations as a corporate brand

Travel and tourism are highly information-intensive, and the onslaught of online and offline information sources has complicated the brand-building process significantly. By its very nature the tourism product is service driven, and compounded by its intangibility^{31 32}. Increasingly, it is particularly the mental and symbolic processes that incorporate the meaning and purpose of the tourist's encounters - as manifested especially in brand identity - that appear to contribute a disproportionate amount of value creation to tourist activities.

Given the focus of this article, Balmer and Gray's³³ claim that 'corporate level brands can apply to countries, regions and cities' is relevant. However, hitherto, authors have given scant attention to the identities of subsidiaries, and to industrial identities, alliances, and networks³⁴. As a consequence of the adoption of digital techniques, which continues unabated, and the decentralization of markets, future competition may be among value-creating networks rather than individual firms and brands³⁵. According to Moingeon and Ramanantsoa³⁶, it is possible to talk about the identity of the network. A common and coherent perception of brand identity correlates positively with the success of a particular brand³⁷.

As brand management has become more of a team-based activity it stands to reason that a more strategic perspective should be adopted³⁸. Models of service branding depict a process originating from the corporate culture, which also defines the core values³⁹. It is important to make a distinction between the organization's brand identity and its brand image^{40 41}. The brand image focuses on tourists' perceptions of destination-brand differentiation, while identity tends to be more concerned with how the actors in the network of destinations make a particular brand unique⁴².

It is rather widely assumed that the corporate network brand will become increasingly ideological in nature because people have a fundamental human need to belong to something they can feel proud of⁴³. In terms of exploiting intangibles, the branding model emphasizes value through involvement in a relationship with the actors in a destination network. Alternatively, the brand could be seen as a cluster of values emanating from different actors in the network. The achievement of a brand identity in this context requires the enlistment of members who will commit to and participate in delivering a coherent set of values⁴⁴. Effective leaders know how to connect the goals and actions of

each key player in a network for the benefit of all - by understanding and satisfying their needs, and by motivating and inspiring them⁴⁵. An integrative and inclusive approach to destination branding is a prerequisite in exploiting the marketing potential and crafting a strong identity for the destination⁴⁶.

The process of building the brand identity in the network of destinations is illustrated in the following diagram. A multi-author story is aggregated from the narratives of the 22 informants, the actors in the network of destinations.

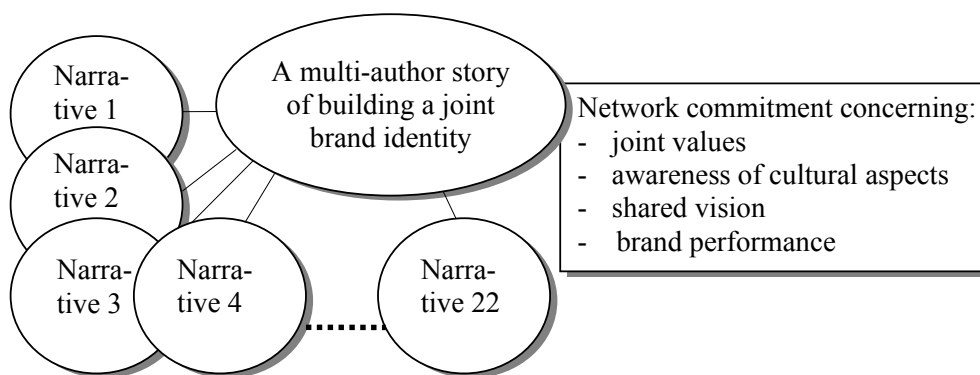


Figure 1. The process of building the brand identity in the network of destinations

The diagram presents the different aspects of branding, such as joint values, awareness of cultural aspects, shared vision and agreement on brand performance, which are presented as a part of the total network commitment. This is analogous to a corporate-brand proposition requiring total corporate commitment⁴⁷. In line with Hankinson⁴⁸, our stance is to draw parallels between corporate branding and destination branding, focusing on the process of building a brand identity within the Cruise Baltic network of destinations. We propose that the perceived multi-authored narratives of the actors in the Cruise Baltic network mirror its joint brand identity. We build on the IMP (Industrial Marketing and Purchasing) approach stating that the building of a joint brand identity can be seen as the outcome of “interconnected” processes⁴⁹. Ford et al.⁵⁰ identify the connections as follows (we have substituted ‘narratives’ for the term ‘pictures’ used by Ford et al.⁵¹:

1. Between networking and network outcomes (joint brand identity).
2. Between network narratives and networking between various network destinations (each with their own historical brand identity).
3. Between network narratives and network outcomes (joint brand identity).

The coordinators in Cruise Baltic network have the difficult task, first, of raising awareness among the stakeholders of the network’s overarching vision, and secondly, of enabling stakeholders through their actions to move towards the vision. It is therefore essential for the actors to be well aware of the values that the umbrella brand projects

onto the marketplace. Network actors should also have a common vision of the brand identity.

On the basis of the above discussion we pose the following two research questions:

1. What phases are distinguishable in the evolutionary process of building the network brand identity in the Baltic-based cruise industry?
2. What is the role of coordination in steering the value-creation process towards a vision and a cohesive network, and in building, jointly, the authentic brand identity of the network of destinations?

Methodology

We conducted a single-case study⁵² in order to examine the brand-building process in the network of Cruise Baltic's destinations. During the time period between October 2005 and December 2008 one of the researchers gathered the qualitative data in in-depth interviews and from the narratives of actors in the network. Taking the interviews over a longer period helped the researchers to follow the brand-building process on the longitudinal level, and also to consider **the dynamics** of the network process. The selection of informants was based on Halinen and Törnroos⁵³ in terms of answering the question of what the key network is like and who the key informants are. One of the researchers had a conversation with all the informants (I1-I22), representing each of the countries in the network of destinations. Multi-author stories were then compiled in order to study the actors' perceptions of the brand-building process. The critical-incident technique was adopted in connection with the personal interviews. According to Buchanan and Dawson⁵⁴ organisational change is a multi-story process in which theoretical accounts and guides to practice are authored in accordance with pre-selected narrative styles. The critical-incident technique^{55 56 57 58 59} was adopted in the sense of finding the "critical episodes" in the brand-building process, such as the starting point and the different phases.

In interpreting the narratives from the perspective of the brand-building process the researchers chose representative quotations from them to illustrate the different temporal phases as well as the different levels of cooperation among members of the network of Cruise Baltic's destinations.

The interviews were conducted as follows: 1) in Turku, October 2005 with Informant 1 (I1); 2) in Stockholm, December 2005 with I2 and I3; 3) in Copenhagen, April 2006 with I4 and I5; 4) in Riga, April 2006 with I6; 5) in Vilnius, October 2006 with I7, the project director at that time; 6) in Turku, September 2007 with I8; 7) in Helsingborg, October 2007 with I9; 8) in Copenhagen, October 2007 with I10; 9) in Oslo, November 2007 with I11; 10) in Tallinn, November 2007 with I12; 11) in Rostock, November 2007 with I13; 12) in St. Petersburg, November 2007 with I14; 13) in Klaipeda, December 2007 with I15, I16 and I17; 14) in Gdynia, December 2007 with I18 and I19; 15) in Mariehamn, December 2007 with I20; 16) in Helsinki, April 2008 with I21, the current project director of Cruise Baltic, and in Stockholm, in December 2008 with I22.

All the interviews were audio-recorded and transcribed. They varied in length from half an hour to two hours. Most of them were conducted in English, three of them in Swedish and two in Finnish.

Secondary data was obtained from the case network's website and information letters, and from conference workshop information. The objective of this kind of data-collection triangulation is to explain the key processes in building the destination brand identity⁶⁰.

Case Cruise Baltic

Cruise Baltic is a collaborative development project aimed at integrating the Baltic Region's cruise tourism industry into a sustainable strategy. Participating members in the project represent the 10 countries that surround the Baltic Sea, of which some are represented by several destinations, thus totalling 26 destinations and 44 partners. The Baltic cruise industry has grown over 50 percent since 2000. The aim of the Cruise Baltic project is to bring together the offerings of various destinations wishing to improve their facilities and coordinate their international marketing of the Baltic cruise product. The first three-year project began in September 2004, lasted until September 2007, and was partly financed by the EU. All of the partners have indicated their interest in continuing the cooperation and in setting up a second project. The partner countries are Finland, Sweden, Denmark, Germany, Poland, Estonia, Latvia, Lithuania, Russia and Norway. The Baltic area offers visitors a broad range of experiences.

The destinations chose the brand name 'Cruise Baltic', the logo of which depicts all the participating countries as forming a string threaded with ten white 'pearls', which represent each of the participating countries around the Baltic Sea.

The process of building a network brand identity

The purpose of this paper is to analyze the process of building a brand identity in a network of Baltic-cruise destinations by applying a multi-authoring approach. Our analysis is based partly on the model developed by Götlich⁶¹, according to which there are three generic business strategies, the dominator, the keystone and the niche player, which are likely to yield stability and sustainable success in cooperation between actors in a network. Characteristic of the dominator strategy is heavy independent investment in product and process innovations, as well as the acquisition and integration of partners into its own business. Proponents of the keystone strategy, in turn, act as guards defending the ecosystem against intruding dominators, and this requires knowledge of dominator behaviour. For niche players, becoming expert in efficiently managing and controlling innovations is a potential virtue as well as a challenge⁶². Our argumentation also draws on a comparison of the analyses of the brand-building process put forward by Park, Jaworskim and McInnis⁶³, Gnoth⁶⁴ and Kamann, Strijker and Sijtsma⁶⁵. The resulting framework facilitates analysis of the primary empirical data of our study.

Gnoth⁶⁶ distinguishes three levels of destination brand performance, the functional, the experiential and the symbolic. While the functional level is the easiest for competitors to copy, the experiential and symbolic levels offer opportunities for diversification and uniqueness. Similarly, de Chernatony and Segal-Horn⁶⁷ define a brand as a cluster of functional and emotional values that promise a particular experience.

Table 1. The process frameworks of I Park, Jaworskim and McInnis⁶⁸; II Gnoth⁶⁹; III Kamann, Strijker and Sijtsma⁷⁰; and IV this study.

I A sequential process of selecting, introducing, elaborating and fortifying a brand concept	II Levels of the brand performance of the destination resemble the experiences of the tourist	III At the design stage the policies for regional development focus on tourism in rural and peripheral areas	IV Levels of cooperation and the different phases of building the brand identity in the network of destinations
The experiential concept is designed to fulfil experiential needs and provide sensory pleasure	Symbolic level = successful businesses become aware of tourists' symbolic involvement	The third step is adding the geographical dimension and the fourth step is forming the actual network	The symbolic level of cooperation in the identification phase of building the brand identity of the network
The symbolic concept is designed to associate the individual with a desired group, role or self-image.	Experiential level	The second step forms the economic space	The relational level of cooperation in the integrative phase of building the brand identity of the network
The functional concept is designed to meet externally generated consumption needs	Functional level = essential service provision	The first step: lifestyles, concepts and products	The functional level of cooperation in the initiating phase of building the brand identity of the network
Managing the image over time necessitates the coordination of communication activities with other sales-inducing activities.	The efficient coordination of brand attributes generates the desired synergies and advantages for the brand community	An organizer, facilitator or director is needed	The role of the coordination of cooperation in the network

Kamann et al.⁷¹ use the network approach in the design of policies for regional development focusing on tourism in rural and peripheral areas. They apply reverse-network engineering methodology starting at the first step with the demand side: from lifestyles and consumer profiles. In order to be economically feasible, second-step activities have to reach a certain minimum turnover threshold. The geographical dimension is added in the third step, meaning that activities and actors are analyzed in terms of their local preferences and restrictions. The result of Step 3 is translated in the fourth step into a network for a particular area with named actors.

Taking a strategic long-term approach, Park et al.⁷² present a normative framework termed brand concept management (BCM) for selecting, implementing and controlling the brand image over time in order to enhance market performance. The brand concept guides the positioning strategies. Park et al.⁷³ name three types of brand concepts in the context of consumer needs functional, symbolic and experiential.

According to Gnoth⁷⁴, the success of the destination depends on coordinated product development, while Kamann et al.⁷⁵ point out that among the actors of the local network one of them has to play a pivotal role in organizing and mobilizing resources. Park et al.⁷⁶ see the relevance of coordinating the management of brand performance in the long term although the context is the single enterprise, whereas Gnoth⁷⁷ and Kamann et al.⁷⁸ discuss brand performance in the context of a destination. These three frameworks are presented in Table 1.

Park et al.⁷⁹ discuss how the selection of a brand concept in a single firm is influenced by consumer needs. A brand with a functional concept is defined as one designed to meet externally generated consumption needs. Gnoth⁸⁰ calls the functional level of brand performance the level at which a tourism destination is able to supply an essential service provision. Kamann et al.⁸¹ consider the basis of the process of destination development to be customer needs and lifestyles, and the supply has to be applied accordingly.

The temporal phases and the different levels in the process of building a brand identity in a network of destinations

Table 1 depicts three process frameworks (I-III): brand performance levels⁸², a sequential process of selecting, introducing elaborating and fortifying a brand concept⁸³, and steps in the design of policies for regional development focusing on tourism in rural and peripheral areas⁸⁴. On this basis we distinguish three phases (Table 1, IV) in the brand-building process, incorporating temporal aspects and different scales of cooperation. We refer to the temporal phases in the process as “Initiating”, “Integrating” and “Identification”, and to the cooperation levels needed in building the brand identity in the network of destinations as “Functional”, “Relational” and “Symbolic”.

Initiating phase

At the initiating stage, several years before the project was launched, some of the key network actors were able to see the signs of change, and to prepare for it. Those who had been involved from the start also saw the situation similarly, describing the initiating stage from the perspective of the respective ports or cities. The dominating role of Stockholm and Copenhagen has continued as these destinations took the lead in the four work packages. The key players and initiators had a strong belief in the need to develop the cruise product from a mono-destination into a multi-destination offering, with the capacity to respond to the heterogeneous choice making of potential customers, multiply the visit frequencies, and lengthen the visit times.

Referring to Göttlich’s⁸⁵ model of organisations developing from loosely coupled systems to collaborative business ecosystems we could call the destinations of Stockholm and Copenhagen Dominators or Keystone players. As the representative of the coordinating secretariat put it:

"I know that Wonderful Copenhagen and the port of Stockholm and Visit Stockholm have been discussing this several years. They have seen the need for it. But it has taken a couple of years to get everybody to see the necessity. So it has been a long process." (I7.)

The functional level of cooperation

Despite the temporal focus in the brand-building process we were also able to identify different levels of cooperation amongst actors within a network of Cruise Baltic destinations. In line with the arguments presented by Gnoth⁸⁶ and Park et al.⁸⁷, we call the basic level of building the brand identity the Functional level. It is reached when the actors in the different destinations consider it more favourable to work together in the network than to continue to promote their destinations individually. We could also draw parallels here with Götlich⁸⁸, who notes that a dominator defends its ecosystem through constant innovation in cooperation with the partners it has integrated into its concern. Moreover, keystones create platforms for products and services where niche players can find a fertile basis on which to develop their own activities.

"Stockholm and Copenhagen already had very well functioning local networks before the project started ...in order to increase the total number of cruise calls in the Baltic Sea were we obliged to either create new destinations or to guarantee that the existing ones would receive enough cruise ships and also keep the service level as high as that of the leading destinations. If all of the destinations in the network, in the region of the Baltic Sea, are not able to offer the minimum required quality of services it will turn out to be detrimental for the whole region. Because the leading partners could already meet the required service level it was important to initiate the process of developing the local networks for each and every one of the participating destinations." (I2.)

Integrative phase

It is during the integrative phase that the actors are able to detect common features in what the cooperating destinations supply. Coordination is very important now, as it is at the initiating phase. The means of coordination include regular meetings, workshops, telephone conferences, the extranet and the information letters. It is important for the coordinator to take an objective approach to the participants, as she put it:

"We are doing a region as one branding platform. And that makes it so much stronger. Instead of one destination doing the marketing we can do it as a region." (I4.)

Coordination is essential in enhancing the interactions between the participating destinations and also within the destinations between the ports and the cities.

"Many of the cities didn't have local cruise networks. So, we shared our experiences with others from our network. I have and I2 has talked to people in other countries about how to form a network." (I10.)

The relational level of cooperation

During the integrative phase of the brand-building process the level of cooperation could be labelled relational. With reference to Table 1 above, Park et al.⁸⁹ named the second level of selecting, introducing and elaborating a brand concept the symbolic level, while Gnoth⁹⁰ named his second phase in brand performance the experiential level. Kamann et al.⁹¹ again, describe their second step towards regional development in tourism in terms of tracing the economic space and mapping the corresponding types of actors. This approximates our thinking concerning the relational level of cooperation in the brand-building process.

Arasaratnam and Doerfel⁹² considered knowledge and motivation important components of intercultural communication, together with listening skills and prior cross-cultural experience. Canen and Canen⁹³ again, claim that linking competence with multiculturalism could provide new perspectives on understanding management competence. The fact that the participants represented ten different countries and cultures demanded quite a lot from both participants and coordinators. Despite the potential minor difficulties concerning the cultural differences in terms of temperament and ways of working, and the uneven levels of skills in English, the actors still thought they were learning from each other and each other's experiences:

"I think sometimes it becomes more complicated it needs to be (the cooperation) because of the cultural differences. But it's also educating and you grow when you work together." (I9.)

"This is a big benefit for all of us. We can exchange experiences of the cruise business." (I15.)

As the informants of the Cruise Baltic emphasized, the personal meetings, the telephone conferences and the use of the extranet were the means of building up a feeling of affinity, which according to van Riel and Balmer⁹⁴ is the glue that holds the brand identity together. The network participants are at different stages of building their own respective local networks. In their view, belonging to the Cruise Baltic network supports their local network development.

Identification phase

The identification phase of the brand-building process is reached when the destination brand is communicated as one core brand that covers the whole region. The actors are able to identify their own destinations as part of the regional brand identity. The participants have to be aware of what their respective destinations can offer to the whole of the network. Two of the representatives describe the process of building the brand identity as follows:

"The brand identity has to be honest. We never wanted to give a false picture of something that we don't really have. (I12.)

"The idea of the project and the common brand was very understandable to all the partners – it's no use trying to promote their ports and cities independently." (I14.)

At this level of cooperation in the brand-building process the actors have to identify themselves with the joint network, and to accept the importance of differentiating the joint Cruise Baltic brand identity from their own national identity.

The symbolic level of cooperation

The symbolic level of cooperation concerns the brand-building process at which the actors have reached the identification phase of the temporal process (see Table 1 above). Gnoth⁹⁵ denotes the emerging awareness amongst successful businesses of tourists' symbolic involvement. We also call this level the symbolic level.

As one of the key players involved in Cruise Baltic project put it:

“Before long we can guarantee the cruise liners a local cruise network that will provide the required minimum standard.” (I2.)

On the symbolic level of the brand-building process the project turned out to be a network. This is what Kamann et al.⁹⁶ also referred to in the third and fourth stages of designing policies for regional development focusing on tourism.

On the symbolic level of the cooperation the participants saw the identity of their own destination as different from that of the whole region, but also as part of the whole. The different destinations formed a union. Most importantly, when the brand-building process reached the symbolic level, it was not so easy for the competitors to copy it:

“It’s not easy to copy because I think we’re much closer to each other than other regions. In the area of the Mediterranean, for example, it’s completely different in each part, the Italian and French compared to the African. There are different mentalities, different religions, so we are relatively very close to each other.” (I13.)

Figure 2 below illustrates the evolutionary process of building the brand identity in the network of destinations in the Cruise Baltic context. The scales of cooperation are referred to as “functional”, “relational” and “symbolic”. The initiative, integrative and identification phases in the temporal process are also illustrated in the figure. The coordination of cooperation is depicted as an arrow in the form of a triangle. This emphasizes its role and its importance, especially in the initiating phase of the process when the level of cooperation is at the functional level. In the Cruise Baltic case the dominating destinations, Stockholm and Copenhagen, had a very strong coordinative role at the beginning.

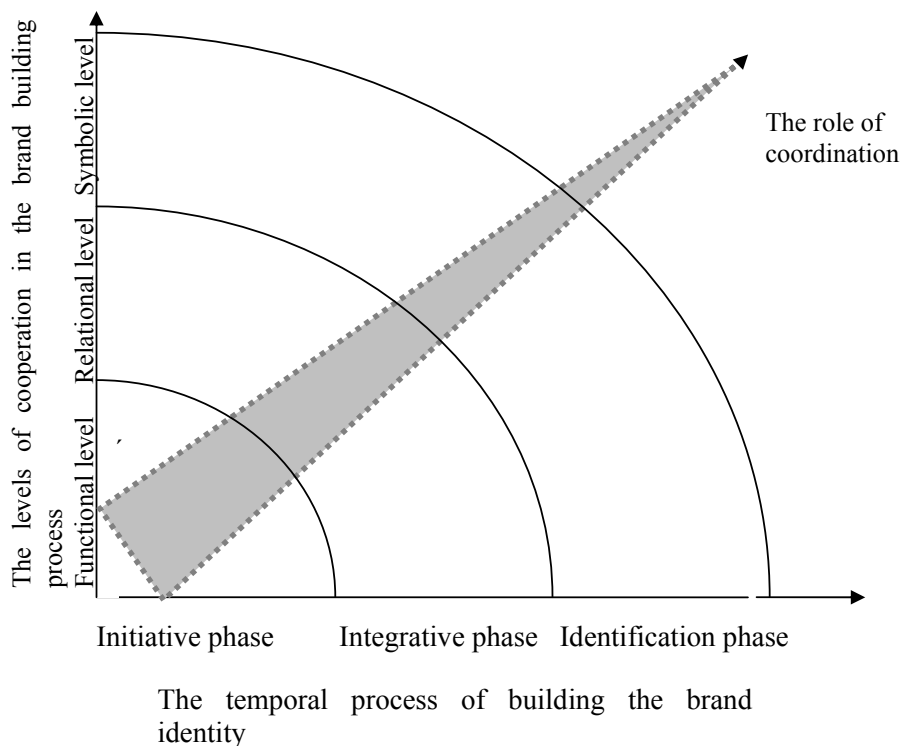


Figure 2. The evolutionary process of building the brand identity in the network of destinations, and the role of coordination

When the integrative phase in the process of building the brand identity is reached, the role of coordination remains important supporting the partners in achieving a relational level of cooperation. In the case of Cruise Baltic the secretariat and the first two project managers created the framework for the continued success in aiming at the identification phase of the brand-building process and reaching the symbolic level of cooperation. In order to reach this level the partners have to commit to the cooperation, which the participants of the Cruise Baltic network appeared to do. Coordination is also needed during this phase, but it is more important for the partners to feel an affinity. The strength of the cooperation comes from within the participants more than from any external coordination. As the form of the arrow indicates, the coordination of cooperation, whether at the strategic (project manager) or operative (secretariat) level, has to be goal-oriented and to show the way forward.

Conclusions

The purpose of the paper was to examine the key processes of building a network brand identity in the cruise sector in the Baltic Sea region. There are three interconnected processes involved in the organizational transformation⁹⁷. First, from operating within a mono destination to networking within the Baltic Sea network of destinations and its outcome that is actors embracing a joint Cruise Baltic brand identity. Second, the networking between the actors is affected by the extent to which the narratives at the

various national destinations differ and impact the discussion and decision making process within the network of destinations. Finally, if the various actors succeed in aligning their different narratives through a multi-authoring approach a joint Cruise Baltic brand identity may be a likely network outcome.

At the initiating stage, several years before the project was launched, some key actors in the network saw the signs of change and were thus prepared for it. The level of cooperation in the initiating phase of the brand-building process was *functional*, and was reached when the actors at the different destinations considered it more advantageous to work as a network than to continue to promote their destinations individually. The leading partners thus created a product-development platform, which the minor partners subsequently joined in order to pursue their own developmental activities.

Once the project was launched, the next phase was *to integrate the network members*, who represented a number of destinations around the Baltic Sea, into a community of cooperative practice. Given the existing contacts in the cruise sector, the partner recruitment was a relatively smooth process. Discussion about the shared values and the strengths and weaknesses of the region as whole was already underway before the funding was guaranteed. The level of cooperation in the integrative phase of the brand-building process could be termed *relational*: the network actors were able to see the shared features in the supply of the cooperating destinations. The interaction between the actors enhanced the process.

The *level of cooperation was symbolic* in the *identification phase*. In the case of the Cruise Baltic the actors in the network apparently had a shared vision of its goals and objectives. Interestingly, they seemed to be able to differentiate the identity of the single destination from that of the whole Baltic Sea region. When reference was made to the concept of 'identity, it implies that network members have a common goal that sets them as a community apart from others'. In the case of the Cruise Baltic network the participants seemed to be very clear about their goals and how they were communicated. The brand-building process thus appears to have been successful. The logo is logical and illustrative. The values and the stories behind it, represented by the brand identity, portray the whole region as a multicultural and multidimensional community.

The *role of coordination* in enhancing the brand-building identity was important. The network actors were able to trust the project secretariat to take the lead. At the same time, the input of every actor was considered important for the whole of the network. The partners felt an affinity: they were committed to the cooperation. All this made the brand identity stronger. In the light of the present data, it seems that even though the network actors represented different countries and cultures, they were able to cooperate without having any significant conflicts. The participants were able to see the value of the common-brand ideology and to negotiate ways forward in a way that everyone accepted. They were also able to compromise. The forms of cooperation were various, and there were several meetings a year, especially at first. Apart from the traditional face-to-face meetings, more technologically advanced methods of communication were used, such as telephone meetings and the extranet.

Future research should focus on the inner values of the brand: the laddering technique may be useful in this respect. As van Rekom⁹⁸ suggests, managers who are concerned about the network brand image cannot ignore the organization's identity because the brand image is based on the signals emitted by the organization.

On a more pragmatic level, the research implications offer insights that managers might use in building the network brand identity. The results also show how the brand-building process has succeeded. On a theoretical level the paper contributes to the literature on both networking and branding in its analysis of how the brand-building process in the network advanced and how it integrated the views of the network members on the supply side. In the main, there is a dearth of research on how this process evolves. What are the views of the network suppliers on building a brand identity? How might these views be integrated so as to contribute towards developing a more coherent brand-building process? The theoretical contribution of the paper lies also in the insights it offers into the role of coordination in building a brand identity in the destination network. The successful application reported in the context of a network structure confirms this as a brand-building option. This study contributes to the discussion on brand-identity formation in the realm of transnational tourism in the business-network context.

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- ⁸¹ Kamann et al., ref. 65 above.
- ⁸² Gnoth, ref. 64 above.
- ⁸³ Park et al., ref. 63 above.
- ⁸⁴ Kamann et al., ref 65 above.
- ⁸⁵ Götlich, ref. 61 above.
- ⁸⁶ Gnoth, ref. 64 above.
- ⁸⁷ Park et al., ref. 63 above.
- ⁸⁸ Götlich, ref. 61 above.
- ⁸⁹ Park et al., ref. 63 above.
- ⁹⁰ Gnoth, ref. 64 above.
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- ⁹² Arasaratnam, L.A. and Doerfel, M.L. (2005) 'Intercultural communication competence: Identifying key components from multicultural perspectives', *International Journal of Intercultural Relations*, Vol. 29, pp. 137-163.
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- ⁹⁴ van Riel et al., ref. 55 above.
- ⁹⁵ Gnoth, ref. 64 above.
- ⁹⁶ Kamann et al., ref. 65 above.
- ⁹⁷ Ford et al., ref 49 above, p. 188,
- ⁹⁸ van Rekom, J. (1997) 'Deriving an operational measure of corporate identity', *European Journal of Marketing*, Vol. 31, No. 5-6, pp. 410-422.

Article 5

Putting Tourism Business Networks On-line – the Role of Social Capital.

Authors: Arja Lemmetyinen and Reima Suomi

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PUTTING TOURISM BUSINESS NETWORKS ON-LINE: THE ROLE OF SOCIAL CAPITAL

Arja Lemmetyinen and Reima Suomi

Abstract. E-commerce is a key success factor in modern tourism, both domestic and international. Nevertheless, small, medium- and micro-sized tourism enterprises (SMMTEs) are still in the early stages in terms of adopting e-commerce in their operations. Building networks is a survival strategy for them. Whereas networks provide the structure within which the actual information sharing emerges, social capital could be defined as the stock of shared resources, an advantage that individuals and groups gain from belonging to a social structure. In terms of destination building an advanced e-booking system is regarded as a strategic competitive advantage. The results of this study show that social capital in the networks enhances co-operation in the destination, even in preparation for e-commerce.

1 INTRODUCTION

E-commerce is a key success factor in modern tourism, both domestic and international (Buhalis 2003; Li et al. 2007; Werthner et al. 1999). Tourism services are increasingly reserved, consumed and paid for through the Internet. All over the world the majority of tourism enterprises are small, medium- or micro-sized (SMMTEs) and seldom have the resources to build a reliable and effective net presence. Tremblay (1992) suggests that these enterprises coordinate their activities through a web of cooperative and competitive linkages fashioned by the capabilities they possess.

Ebers argues (1999, 15) that the main resource- and activity-related argument for the formation of inter-organizational networks rests on the proposition that firms “*can achieve gains by co-coordinating in a network mode specific resource and activity links with other firms*”. He also **stresses the catalytic role** of relatively large core firms in inter-organizational network formation (pp 17-18). Investments in social networks and the institutions creating them will thus reduce the cost of networking relative to other ways of co-ordinating economic activities. Ebers (1999, 19) also urges us to acknowledge within network research the potential impact of the divergent motivations, partnering capabilities and co-ordination skills of individuals and social groups that engage in inter-organizational networking. A strategic and intentional (= towards a common goal) orientation implies that actors recognize and define the boundaries of their networks to encompass the linkages that help them to capture value (Campbell et al. 1996).

E-commerce applications and cooperation based on information and communication technologies (ICT) in a destination demand capabilities in the areas of networking, co-opetition and co-destiny among the different stakeholders. According to Buhalis and Law (2008, PAGE), ‘*a number of organizations fail to appreciate the benefits of co-opetition and co-destiny, when organizations collaborate with players that they would normally regard as competitors*’. The tourism industry does not take full advantage of the potential of a common Internet presence - different forms of e-commerce applications and ICT in general - to maximize its competitiveness.

This paper introduces the term ‘*e-co-destiny*’, referring to Buhalis and Law’s (2008) term ‘co-destiny’ and adding to it the prefix ‘e’. It means that the cooperative implementation of different degrees of e-commerce

applications in the context of tourism business networks in one geographical area defined as a destination.

The twin dynamics of globalization (Crouch et al. 1999) and e-commerce have brought about the replacement of capital with knowledge and information as the most important production factors (Go, 2004). Information is one of the critical strategic resources in knowledge- and information-intensive industries (McGee et al. 2002) such as travel and tourism. Communications technology gives tourism suppliers the opportunity to cooperate much more closely than previously (Go and Williams, 1993). This affords small, medium- and micro-sized tourism enterprises the opportunity to mitigate their size disadvantage (Bieger, 2004) and address scale and scope issues through effective network cooperation on the local and regional level in order to create and sustain competitiveness.

It is critical to understand how inter-organizational relationships and partnerships within networks should be formed and managed, and how they evolve over time (Pavlovich 2003). Crouch and Ritchie (Crouch et al. 1999) recognize an emerging shift in the global tourism paradigm that demands greater cooperation and collaboration on the local and regional levels in order to ensure a quality tourist product that can compete effectively on the global level.

Ebers (1999) links analyses of inter-organizational networks to the main body of organizational research, developing on that basis propositions concerning why and how networking may be employed as an institutional solution, as the implementation of an e-co-destiny in this study, for achieving coordination among organizations. It seems that e-commerce has great potential for the tourism industry, but that micro, small and medium-sized enterprises are still in the early stages in terms of applying it in their operations (Lemmetyinen and Suomi, 2006). Their small size remains a competitive disadvantage due to the scarcity of resources for establishing an Internet presence. Building networks is a survival strategy, but it is not without its problems. A relevant question is whether it is also a good strategy to start the process of implementing an e-co-destiny.

Building a network presence is a hard task given the reality of scarce resources, but network building in its all forms is also demanding and resource-consuming. One of the hypotheses put forward in this article is that established social capital can help in network building, which could further help in the process of building e-commerce solutions for the tourism industry. It must be remembered that the process of building social capital is burdensome and not without costs (Prusak et al. 2001). This building and utilization process is illustrated in Figure 1.

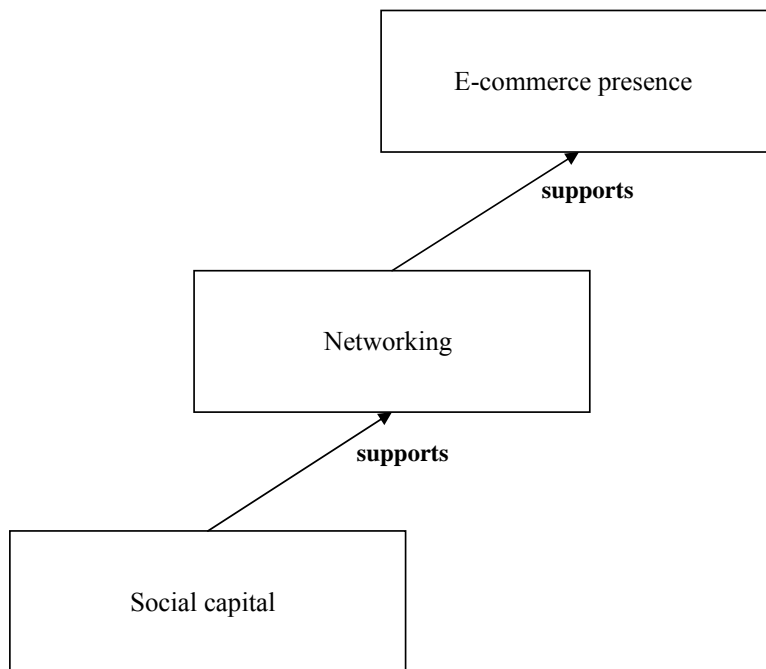


Figure 1 Social capital as a necessary resource for networking in e-commerce development

Inkpen and Tsang (2005) examine how the social-capital dimensions of networks affect the transfer of knowledge between their members. In their view the notion of social capital is built on the premise that networks of relationships are a valuable resource for both the individuals and the organizations in them (Inkpen et al. 2005, 151).

The aim in this study is to find out how the dimensions of social capital in the context of tourism business networks affect the adoption of e-commerce. The geographical focus is on the Åland Islands, which belong to Finland but constitute an “independent” province. Tourism is one of its main industries, unlike in “continental” Finland where it is of average significance and, although growing slightly remains a minor business sector.

The Åland destination is highly dependent on its competitive and comparative advantages, which Crouch et al. (1999: 23) define in the context of tourism as follows: “*Whereas comparative advantages involve the resources available to a destination, competitive advantages relate to a destination’s ability to use these resources effectively over the long term.*”

Mazanec, Wöber and Zins (2007) present and evaluate a methodology for further developing destination competitive analysis, whereas Park and Gretzel

(2007) explain success factors for destination-marketing web sites. Pavlovich (2003) emphasizes how the linkages between organizations within a tourism destination context, such as Åland in this case, have become a critical factor of competitive advantage. Åland is a good object area for this kind of research because it is highly dependent on tourism, and meets the challenges of having a busy summer time with high demand and low demand in winter. In addition, there is a potential basis for networking in that a major Åland-based shipping company is in a position to act as a strong central point. Of course, networks can exist without a strong central hub (Österle 1995).

The above discussion introduces the purpose of this paper, which is to analyze the role of social capital in enhancing the process of adopting e-applications amongst the destination's different stakeholders representing the private and public sectors. This analysis will increase our understanding of what kind of preparedness acting in different kinds of social networks offers to micro, small and medium-sized enterprises in the tourism industry, and of how the social capital achieved through the cooperation enhances the competitive advantage of the destination as a whole. Moreover, we adopt a social-capital framework derived from Nahapiet and Ghoshal 1998; Tsai and Ghoshal, 1998; Hazleton and Kennan, 2000; Inkpen and Tsang, 2005; Widen-Wulff, 2007 in the theoretical and empirical analysis in order to identify and discuss the structural, cognitive and relational dimensions in the context of the case networks of tourism enterprises.

2 SOCIAL CAPITAL IN NETWORKS OF SMMTES

2.1 The concept and types of social capital

Earlier research on social capital in enterprises has found it to be a robust predictor of nascent entrepreneurs (Davidsson & Honig, 2003), and a factor in increasing the likelihood of innovation in firms (Landry, Amara & Kanmari 2002). On the other hand, Florida et al. (2002) found that too much social capital may inhibit innovation. Westerlund and Svahn (2008) focused on the relationship-value perspective of social capital in networks of software SMEs, whereas Friedrichs-Grängsjö and Gummesson (2006) studied the connection between hotel networks and social capital in destination marketing. The results of their study suggest that networking is facilitated when local competitors build social capital through trust and commitment. According to Batt (2008), the construct of building social capital in networks remains ill defined and its measurement imprecise. He therefore encourages researchers to explore the phenomenon and its impact on the performance of business networks.

Whereas networks give the structure within which the information-sharing situation emerges (Widen-Wulff, 2007), social capital could be defined as the stock of shared resources, seen as an advantage that individuals and groups have due to their belonging to a social structure. According to Inkpen and Tsang (2005, 147), studying social capital increases the potential for understanding network processes such as knowledge transfer and e-commerce adoption. Social capital promotes greater coordination among people and between organizational units (Widen-Wulff, 2007). It is defined as the “*values, norms, and networks that make information interactions possible and effective, and enable collaborative work toward common aims. In practice social capital is an important part of the context that motivates sharing*”. (Widen-Wulff, 2007, 26)

De Wever, Martens and Vandenbempt (2005, 1523) argue that network effectiveness is dependent on the structural and relational dimension of social capital. In this article, in line with (Nahapiet and Ghoshal 1998; Tsai and Ghoshai, 1998; Hazleton and Kennan, 2000; Inkpen and Tsang, 2005; Widen-Wulff, 2007), we apply the *structural, cognitive and relational* dimensions of social capital to the case networks of tourism enterprises. These dimensions are important in terms of information sharing, the combination and exchange

of intellectual resources, e-application preparedness and, finally, the implementation of an e-co-destiny.

2.2 The structural dimension

The structure dimension of social capital affects access to other actors, both individual and corporate. Social-interaction ties are channels for information and resource flow. The structural aspects are often combined with the relational aspects in order to understand information behaviour on a more holistic level. (Widen-Wulff, 2007, 29-34) Inkpen and Tsang (2005) discuss the structural dimensions in terms of three types of networks, intra-corporate networks, strategic alliances and industrial districts. These three types are applied to the tourism business, although none of them is fully applicable as such. Nevertheless, some of their characteristics are relevant to local and regional cooperation in the context of a tourist destination.

2.3 The cognitive dimension

Communication is a visible condition that is necessary for the formation and utilization of social capital. Four communication functions are involved: information exchange, problem identification, behaviour regulation and conflict management. This communicative dimension is especially prevalent in the research on information management. (Widen-Wulff, 2007, 29-34.) Inkpen and Tsang (2005) address two facets of the cognitive dimension: shared goals and a shared culture among the network members. Whereas members of an intra-corporate network have similar perceptions as to how they should interact with one another, in an industrial district there are likely to be few shared or even compatible goals. As the authors state, cooperation and knowledge sharing could enhance the competitive position of firms in such a district. Widen-Wulff (2007) summarizes the dimensions of social capital, noting the differences in the cognitive or content dimension (including communication) between the theories of Nahapiet and Ghoshal (1998) and Hazleton and Kennan (2000). Contrary to Hazleton and Kennan (2000), who see identity as relational more than cognitive, identity symbols are included here in the cognitive dimension. In line with Nahapiet and Ghoshai (1998), Tsai and Ghoshai (1998), Inkpen and Tsang (2005), we propose that the cognitive dimension covers properties such as shared meanings, language and symbols across the members of the network. It comprises the members' shared cognition, shared vision, common goals and shared language.

It is important for firms in the tourism industry to recognize their role in developing the competitive advantage of the destination as a whole. This is in line with Crouch and Ritchie's (2003, 144) thinking that the use of tourism resources is more effective when the actors of the destination's network share a common view of its strategy for tourism development.

2.4 The relational dimension

Expectations and obligations are understood as central features of the relational dimension of social capital, which is most often related to trust and information sharing (Widen-Wulff, 2007). This kind of research combines the structural dimension with relational aspects such as identity and social-system closure.

On the one hand the cooperation of members is encouraged in order to achieve economies of scale, and on the other competition might enhance efficiency. In strategic alliances it is emphasized that when the level of trust is high firms may be more likely to invest resources in learning. In a tourism district commercial transactions embedded in social ties create expectations of trust and reciprocity in future exchange. Relationships based on trust and reciprocity, in turn, are likely to promote the transfer of specific knowledge and resources. According to Hazleton and Kennan (2000), the relational dimension focuses on the motivation for sharing: what holds the collaboration together, and the role of trust, norms and identity.

Pavlovich (2003) sees the relational perspective in the tourism business in terms of groupings of organizations that cluster together to form a destination context. Inkpen and Tsang (2005) recognize in intra-corporate networks the social structure of co-opetition, which means a combination of cooperative and competitive elements.

2.5 The connection between the dimensions of social capital and the implementation of an e-co-destiny

Table 1 summarizes the analysis of the dimensions of social capital as defined by (Hazleton et al. 2000) and further conceptualized by (Widen-Wulff 2007). The term 'operationalization' is not really used in qualitative research, not to mention the word measuring. Nevertheless, it is relevant in qualitative studies to find empirical counterparts for theoretical concepts (Eskola and Suoranta 1998, 75–78). A common approach to understanding a complex phenomenon is to describe it in terms of different dimensions (Widen-Wulff, 2007).

Hazleton and Kennan (2000) classify network ties, timing and access as the structural dimensions of social capital. In our classification (see Table 1 below) the structural dimension consists of identified networks, network permanence and access threshold.

Table 1 An 'operationalization' of social capital, adapted from Widen-Wulff (2007) (Hazleton et al. 2000)

Dimensions as set out by Widen-Wulff, 2007	Attributes as described by Hazleton and Kennan, 2000; Nahapiet and Ghoshai, 1998; Tsai and Ghoshai, 1998	Our empirical counterparts for the dimensions of social capital
Structural dimension	Network ties Timing Access	Identified networks Network permanence Access threshold
Cognitive dimension	Knowledge Problem solving, conflict management Identity	Specific knowledge mastered Procedures for problem solving Identity symbols
Relational dimension	Motives Trust Norms	Joint motives Absence of formal contracts and controls Joint explicit norms Joint implicit norms

The equivalent of Widen-Wulff's (2007) cognitive dimension in Hazleton and Kennan's (2000) classification comprises the dimensions of knowledge, problem solving and conflict management, whereas in our 'operationalization' it consists of specific knowledge mastered and procedures for problem solving. Similarly, the empirical counterpart of the relational dimension of social capital (Widen-Wulff 2007) comprises joint motives, the absence of formal contracts and controls, and joint explicit and implicit norms, whereas Hazleton and Kennan's (2002) analogical classification lists motives, trust and norms.

Figure 2 illustrates the connection between the dimensions of social capital and forms of e-applications in more detail in the context of tourism business networks. It is proposed that there is a connection between them, and a further link in terms of preparedness for the implementation of an e-co-destiny. The different forms of e-application include the website, which is common for a single tourism business network, the destination platform with information about the enterprises in different tourism business networks gathered together

under a common destination umbrella brand, and finally an e-booking system, which is the norm for all network actors.

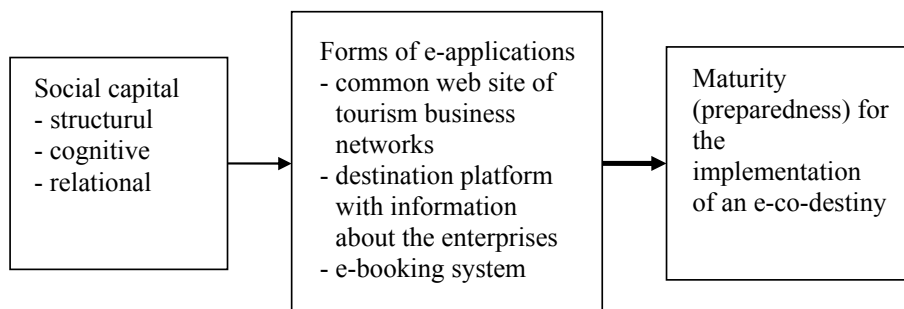


Figure 2 The connection between social capital and the preparedness for the implementation of an e-co-destiny

At the very heart of electronic commerce are search engines and reservation engines (Goldfarb et al. 2008). Search engines, the most well known being Google, allow customers to find services on the net. The good news is that they are delivered to customers free and the service provider does not have to build them, but the bad news is that they still need a lot of work from the supplier's side if real visibility in the searches is the aim. An even more critical factor is the availability of reservation engines, which allow customers to search for and book services in well-defined transactions on-line. Without an engine the reservation process remains manual, the service level is often lower, and costs also increase (Suomi 2008).

The level of preparedness among the network actors for the implementation of an e-co-destiny is affected by the strength of the social capital and the forms of the network's e-applications.

3 METHODOLOGY

In line with the way in which Xiao and Smith (2006) discuss the state-of-the-art in tourism research, the focus in this study is on a small geographical area, the islands of Åland, and the data collection, which took place at one point of time, was limited to Åland as a destination. Yin (2003) proposes the use of critical/unique, representative/typical, revelatory and/or longitudinal cases in studies involving single cases. According to this argumentation Åland could be characterized as a unique case because of its geographical location as a group of islands lying between Finland and Sweden, with a very strong and independent identity related to the Finnish mainland. On the other hand, there are many similar island groups with a somewhat distant connection to their home country, thus the case could also be considered representative. In the case of Åland at least the geographical boundaries of the destination as a network (Halinen and Törnroos, 2005) are reasonably easily delineated.

Ritchie and Ritchie (2002) emphasize that in order to enhance destination competitiveness there has to be a “new approach to destination marketing” that incorporates partnerships between the private and public sectors. They stress the importance of the direct involvement of industry operators, and it is similarly suggested in this study that organizational change, such as the adoption of e-commerce at the destination level, is a multi-vocal process (Buchanan and Dawson, 2007) in which the voices of small, medium- and micro-sized entrepreneurs have to be heard. The aim in the qualitative interviews was to identify the different types of networks to which the interviewees belonged, and to study the connection between the dimensions of social capital, forms of e-applications and preparedness for the implementation of an e-co-destiny.

The informant interview was used as the research method, and five interviews were conducted in December 2006 and 2007. The first of these was with a coordinator of the Mail Road network, who is also an entrepreneur promoting accommodation services in the municipality of Eckerö in the western part of Åland. The second interviewee was a hotel owner, also located in Eckerö. The third informant represented a hotel situated in Geta in the northern part of the archipelago, the fourth runs accommodation services in Lappo in the eastern part, and the fifth, the Marketing Director of the Board of Tourism in Åland, is from the capital, Mariehamn. One of the authors of this paper conducted the interviews, each of which took approximately an hour. A

narrative approach was taken (Riessman 2004), meaning that the informants were encouraged to tell their stories as participants in the network. This approach is considered crucial in terms of finding out how actors experience the development of a network and its coordination.

The criteria in choosing the entrepreneurs or representatives of the SMMTEs were that they came from different geographical parts of the islands, they all represented Åland destination, and were potentially linked to several tourism networks. The narrative interviews shed light on the building of social capital in the network of SMMTEs in the destination. According to Elliott (2005), the key features of a narrative are that it has a temporal dimension, it is meaningful, it is inherently social, and it is produced for a special audience, which on the most basic level is a conversational partner.

One of the authors had conversations with the informants in which she encouraged them to tell their stories about the networks they belonged to. As a listener the researcher participated in the telling of the stories by means of non-verbal cues, short responses, and by asking additional questions or making statements (Elliott, 2005 referring to Mishler, 1986). As Elliott (2005) emphasizes, compared to conventional approaches to interviewing the narrative approach increases the quality of the interactions between the interviewer and the interviewee. The aim of the interview should be to stimulate the interviewer's interpretive capacities and not, as it may be in conventional approaches, to treat respondents as epistemologically passive and as mere vessels for answers.

The emergence of the Internet has changed the conditions of competition in the tourism marketplace (Buhalis and Law, 2008). In order to offer a broader and more holistic view this study represents the fields of destination marketing and management, combined with information technology. In this paper we apply and discuss the dimensions of social capital in the context of tourism business networks. Our aim is to contribute to eTourism research, which according to Buhalis and Law (2008: 619) is "*still in its infancy and a number of issues have only now started being addressed in the literature*".

4 TOURISM IN ÅLAND

Åland, Ahvenanmaa in Finnish, has always functioned as a bridge between Sweden and Finland, symbolizing the transition between west and east in the past and materialized in the Swedish and Russian empires. Tourism is thus a very natural industry. Some basic facts about Åland are given in Table 2.

Table 2 Facts about Åland adapted from (Norden 2007; Åland Tourism Board 2009)

Total area	1,552 km ²
Lakes and streams	25 km ²
Land area	1,527 km ²
Population August 2009	27,500
Population per km ² 1 January 2009	18,0
Capital population August 2009	Mariehamn 11,000
Capital area population, per cent of total population	40.3%
Currency	euro
Official website	www.aland.ax
Official language	Swedish

Tourism in Åland can and should be studied from two perspectives. It is an important industry for the province, but many of the customers never actually land on Åland soil: they take a ferryboat cruise between Turku in Finland and Stockholm in Sweden that calls at the port of Åland on the way. The local companies run major ferry routes between Finland, Sweden and Estonia. Tourism in total accounted for 34.8 per cent of Åland's GDP in 2003 (Ålands landskapsregering 2004).

Land-based tourism is the term used to refer to tourists who actually stay overnight. On this basis, land-based tourism comprised 3.5 per cent of Åland's GDP in 2003, with about half a million guest nights. Tourism employs some 5.5 per cent of the population. The total income from tourism in 2003 was 235.6 million euro, of which 55 per cent was spent on the ships run by Åland ship-owners (Ålands landskapsregering 2004).

Several tourism firms in Åland are involved in various EU-funded projects, such as Scandinavian Islands (<http://www.scandinavianislands.com>), Skärgårdsleden, The Archipelago Route (<http://www.skargardsleden.com>) and Postvägen, The Mail Road (www.postvagen.com). Most of them have also joined the local Tourism Board, Ålands Turistförening (<http://www.visitaland.com/en>), which is promoting its online-presence under the logo visitaland (Visit Åland). Åland has also joined the partly EU-funded Cruise Baltic project (<http://www.cruisebaltic.com>).

5 SOCIAL CAPITAL IN SMMTES IN ÅLAND

This section discusses the existence of traces of social capital among tourism SMMTEs in line with the classification presented in Table 1. In our ‘operationalization’ we present the visible traces on the classified structural, cognitive and relational dimensions and quantify their strength on a scale ranging from one (weak) to five (strong). It is possible to quantify qualitative data in tables in order to illustrate the research or to describe the characteristics of the information (Eskola and Suoranta, 1998). Our main findings are reported in Table 3 and discussed below.

Table 3 Our classification and quantification of social capital, adapted from Widen-Wulff (2007); Hazleton et al. (2000); Nahapiet and Ghoshai (1998); and Tsai and Ghoshai (1998)

	Our classification	Visible traces of occurrence	Strength of social capital 1– 5 (weak-strong)
Structural dimension	Identified networks	Geographically concentrated permanent network of companies Temporary networks around EU or other projects	3
Structural dimension	Network permanence	Geographically permanent EU and other networks temporary	3
Structural dimension	Access threshold	Few newcomers from outside Åland Åland citizens have a low threshold	4
Cognitive dimension	Specific knowledge mastered	Taking advantage of the seasonal variations Tight cost control Networking with each other Networking with leading companies	3
Cognitive dimension	Procedures for problem solving	Maintaining long-term relationships	4

Cognitive dimension	Identity symbols Shared meanings Shared language Collective goals	Pride in their own cultural heritage Swedish language Female entrepreneurship	5
Relational dimension	Joint motives	Surviving in Åland	5
Relational dimension	Absence of formal contracts and controls	None found	5
Relational dimension	Joint explicit norms	Few found	1
Relational dimension	Joint implicit norms	Joint values Flexibility, co-opetition Cost avoidance Lifestyle adaptation	5

In the following the structural, cognitive and relational dimensions of social capital are analyzed within the context of the networks to which the informants belonged.

5.1 The structural dimension

The concept of tourism (industrial) districts is applied here, referring to all of the tourism enterprises located in Åland. In the context of temporary, intentionally formed or issue-based and most often EU-funded projects the discussion on intra-corporate networks and strategic alliances may also be relevant. In general, with regard to the geographically concentrated permanent network of companies, which is the first of the visible traces listed in Table 3 above, we could refer to our first Informant, who put it this way: “Åland is a small, homogeneous area, where it is easy to know who has the capability of doing something and what that capability is” (Informant 1).

Informant 1 was referring to a cooperation project called Nya Interaktiva Media (New Interactive Media (NIM), involving research on various application possibilities of Mobile services in different business sectors and also in tourism. The project was under the leadership of Åbo Academy University, the High School of Åland and the Technology Centre in Finland. The tourism entrepreneurs who participated in the project represented the others in the field. It was important to listen to the voice of the tourism business because the entrepreneurs are well aware of the needs of tourists. It seems, however, that at the end of the project no mobile applications as such could be taken into use.

Informant 2 introduced another type of geographically permanent network called United Minds (www.unitedminds.fi), which consists of women in Åland. It was set up in order to strengthen the business and other work-related capabilities of its members. Approximately 10 women founded it in 2005, and two years later the number of participants had grown to 60. The members come from different business sectors. As an example, Informant 2 said that she had found both her bookkeeper and accountant from among the network members. The idea is that any member may take the initiative and call together any other members she likes. If a hotel owner wishes to hear outsiders' opinions and ideas about how to brush up her entrepreneurship skills she can call on some of the members to give her feedback.

Almost all of the tourism enterprises are members of the Åland Tourism Board. They are also represented on its website, which is called Visit Åland (www.visitaland.com). The portal is a very efficient means of communication according to a representative of the Board, Informant 5. She also talked about the Cruise Baltic project network (www.cruisebaltic.com), which Mariehamn had joined as a cruise destination eighteen months previously. The cooperation in this transnational and multicultural network has had an effect on the local cruise network in Åland, even initiating its activities. Currently there are more than ten local actors, including the town, the harbour, and private companies such as bus firms working together in order to meet the strict quality requirements to which Cruise Baltic has agreed in every port destination in the network. The social networks are present here too, because the area of Åland is small and in most cases the business activities cover the whole province. As Informant 5 put it: "*In promoting tourism Åland is like a small independent country reaching outwards*".

The informants named several temporary networks connected to EU or other projects, as well as visible traces of the different dimensions of social capital listed in Table 3 above. The Mail Road (www.postvagen.com) is a good example. The project has ended, but as Informant 1 put it: "*We got something done together, there's plenty of documentation of the work we've done together.*" The enterprises belonging to the network have formed an association continuing their cooperation, and also have plans to join forces in other projects such as the Archipelago Route. Informant 3 did not have any connection to the Mail Road because the hotel she represented was not situated along it. She was nevertheless aware that the enterprises along the route had a special stamp, for example. Informant 4 was the owner of an enterprise that was located along the Mail Road, but had started her accommodation business after the project had ended. Informant 3 referred to the Scandinavian Islands project (www.scandinavianislands.com), in which the hotel she represented was involved as one of Åland's pilot enterprises.

There were project coordinators in Åland, as well as in the Finnish and Swedish archipelagos. The goal was to combine resources in these different parts of the archipelago, and also to make it more convenient for tourists to visit. This project was targeting its marketing on Central Europe. It had been active for three years, but as Informant 3 remarked, it still had not become concrete in terms of customer flows. There had been foreign journalists visiting the hotel because of it, however.

Informant 4 was involved in the Skargardsleden project, The Archipelago Route (www.skargardsleden.com), which was an Interreg project that had been active for several years but ended in November 2007. The main goal was product development in service offerings concerning activities such as hiking, canoeing, biking and horseback riding. The enterprises involved, similar to those in the Mail Road project a few years earlier, were forming an associations in order to continue their cooperation. Informant 4 wanted to join the Scandinavian Islands network but she was sceptical about its survival: "It'll be ending soon, that as well". She hoped that the networks would take a more permanent form, but was well aware that such cooperation would need a coordinator with the enthusiasm to work at it.

Yet another type of temporary network project was Skärgårdsmak, which was targeted at enterprises producing handicrafts and food. None of the interviewees belonged to that network. The annual harvest celebration was also organised by a very efficient project group, according to Informant 4. The whole population of Åland gathers in the various markets and engages in other activities around the harvest celebration at the end of September.

Informant 5, as the representative of the public sector, spoke of when Åland, or Mariehamn as its cruise port, also joined the partly EU-funded Cruise Baltic project, one of the reasons being because "together we are stronger". The major cruise destinations in the network, Copenhagen and Stockholm, were active in promoting the Baltic Sea region as one area, and therefore initiated the project, which involves all of the 10 countries on the Baltic Sea. The number of destinations has grown to 26 because several towns or destinations in many countries, including Finland, have become involved. According to Informant 5, the project was well organised, with concrete goals; it allowed for benchmarking among the members, and with its minimum standard requirements it was easier to convince the local actors of the need to develop the destination accordingly. Informant 2 talked about the mail rowing competition, an annual activity involving crews from different countries, mainly Sweden, Finland and Åland. The hotels in Eckerö are always full at that time of the year. Informant 1 also mentioned the Mail Exhibition that was going on tour to Estonia: it first appeared in Stockholm at the beginning of the project, in 2002-2003. The project web sites also prove that something

remains even though the project as such has ended. Much of this, however, is due to the individual effort of the former coordinator, who maintains the Mail Road web site at his own expense.

In the case of Åland the spatial proximity more or less characterises all of the SMMTEs forming the local network. Proximity helps in the formation of ties, and facilitates interpersonal interaction through which knowledge is exchanged. Cliques of firms with strong ties may form in industrial districts. From the perspective of an individual firm, however, it is beneficial to be located physically close to the other firms in the district (Inkpen and Tsang, 2005, 156).

Then again, the importance of external contacts as channels through which to obtain fresh ideas characterised the local network of SMMTEs in Åland. The Archipelago Route, the Scandinavian Islands and the Baltic Cruise projects are networks, the members of which represent several countries and cultures in the regions surrounding the Baltic Sea. In the case of Cruise Baltic the network members were committed to the cooperation even if funding for the second three-year phase did not materialise. The first phase started in 2004 and ended in 2007. The actors in the network decided to continue their cooperation regardless of whether or not they received EU funding.

With regard to the second category in our classification of the structural dimensions of social capital (Table 3), the permanence of EU and other temporary networks, it seems that EU projects such as The Mail Road, although temporary, have fostered some permanent forms of cooperation. Informant 1 mentioned the thorough documentation of the needs and achievements of the participating enterprises, and also the fact that if they had the necessary resources they would be interested in continuing the cooperation. A summary of the different tourism-related projects or activities identified in our empirical study is given in Table 4.

Table 4 Tourism-related activities and projects identified in our empirical study

Name	Description	www-site	EU finance
Nya Interaktiva Media (NIM)	Research project to develop mobile services in Åland	www.nim.ax, no longer functioning	yes
United Minds	Network of female entrepreneurs to assist in business and competence development	www.unitedminds.fi	no
Visit Åland www-site	The official tourist site of the Åland Tourism Board	www.visitaland.com	no

The Mail Road	Marketing concept based on the old mail road between Sweden and Finland	www.postvagen.com	yes
Cruise Baltic	To add the ports in the Baltic Sea area as feasible destinations for cruise ships	www.cruisebaltic.com	yes
Scandinavian Islands	To add the of north Baltic as a feasible tourist destination	www.scandinavianislands.com	yes
The Archipelago Route	Product development for free-time sports-related tourist activities	www.skargardsleden.com	yes
Skärgårdsmak	Developing the food and artisan culture in Åland	-	yes
The annual harvest celebration	Developing the food culture in Åland	-	no
Rowing competition	To re-activate and capitalise on the tradition of transporting mail between Sweden and Finland in rowing boats	-	indirectly

Åland is small in geographical terms and all the tourism SMMTEs belong to a physically concentrated network. Informant 2 is from Sweden and was therefore able to see the situation from the viewpoint of “an outsider”. She pointed out that the cooperative way of working was very natural for people in Åland. This was how she saw it despite the fact that the myth lived on that this was not true. Inkpen and Tsang’s (2005) statement that industrial districts are characterized by the constant entry and exit of firms does not hold as such in the case of these SMMTEs. The majority of them are small or micro-sized and family-owned, and very often operate in combination with other means of earning a living, such as farming. It is only natural for firms stay in the district even if the forms of network cooperation may change.

The strict requirements within EU projects, such as the minimum-quality requirement in the Cruise Baltic and the sustainability requirement in the Scandinavian Islands projects, encourage more permanent forms of cooperation. The partners have invested a lot in order to fulfil the requirements and it seems logical for them to continue their activities.

5.2 The cognitive dimension

Table 3 lists the empirical counterparts – ‘operationalizes’ – the special knowledge mastered in terms of visible traces such as taking advantage of the

seasonal variations. Informant 2 highlighted the opinion of the United Minds network (www.unitedminds.fi), which was that there should be a more even spread over the four seasons. As she stated: *“The summer is always the same, whether you are in Åland or in the Canary Islands, but it’s only here in the North that you can experience all the four Seasons.”* The informants pointed out the need to emphasize the attractions of the low seasons in promoting the Åland destination: the darkness, the peace and quiet, the howling wind in the outer archipelago – these are the characteristics that represent for some of the tourists an exotic if not unique experience they cannot get anywhere else. There was also some criticism of the over-emphasis on summer activities in Mariehamn in marketing the destination, and the under-emphasis on what the outer archipelago is able to offer during the low seasons.

As mentioned earlier, there are different kinds of projects going on in Åland involving leading companies and other coordinating organizations. Informant 3 talked about the owners of the hotel she represented. All six were from Sweden, as was the VD, and were able to use their relationships and networks in Sweden in order to develop the business activities in Åland. Moreover, the Scandinavian Islands project provides training for the employees of the ten participating pilot enterprises. One of the major shipping companies is also involved in the project and thus meets the objective of sustainability. Another shipping company has quotas in the hotel Informant 3 represented.

Informant 4 expressed a wish for more intensive cooperation with the leading companies. She had the feeling that because her company was situated on the opposite side of the island from where the leading shipping company docks, it was obvious that selling her accommodation services was neglected to some extent. She also had a suggestion for cooperation with the major shipping company: Swedish tourists coming to this part of the island, which is close to the Finnish mainland, could easily take the ship from Stockholm to Turku and then travel by bus from Turku to Lappo, instead of driving across the whole of Åland. However, she was well aware that this kind of cooperation would need coordinative actions that an individual entrepreneur could not handle. Cooperation with others would give her enterprise more negotiating power with the leading companies, and would also make them a more attractive potential partner.

As Informant 5 pointed out, the major shipping companies had invested heavily in their own booking systems. It would therefore take time to implement a system allowing at least partial integration with the tourist companies’ systems. She emphasized the fact that such a system should be maintained by a commercial actor and not the Tourism Board, which is a public body. Thus, in terms of preparedness for e-commerce adoption among the SMMTEs, it is important to understand what would be required to make

the leading companies part of a common booking system. This empirical finding also confirms our theoretical discussion that reservation engines are crucial but are difficult for tourism enterprises, especially small ones, to develop.

The maintenance of long-term relationships is one of the visible traces of cognitive social capital, especially with regard to the problem-solving procedures, identified in Table 3. This, in our opinion, has a lot to do with changing attitudes towards ways of doing business. As Informant 1 stated: *“When the projects are over there has to be some permanent form of cooperation, maybe in the shape of a limited company or an association, but there has to be someone to take the lead and coordinate it.”* Informant 2, as a native of Sweden, perceived in Åland an atmosphere of mutual social concern, which she said was typical in Sweden in the 1960s. She also pointed out that the best forms of cooperative networks were those that were not funded by the EU or some other organization. She referred to the United Minds networks, which she said required a change of attitude at the beginning. The members had to learn to take the initiative themselves, and not wait for somebody else to tell them what to do.

It is also worth noting the strong lingual identity in Åland. Swedish is the only official language, and is a strong component of the relational dimension of social capital.

In some cases and to some extent the strong position of the Swedish language is a competitive disadvantage in the marketing of Åland to mainland Finland. However, Informant 1, whose mother tongue is Swedish, speaks Finnish well, and the interview was conducted in Finnish. Informants 3 and 4 are also able to communicate in Finnish if they have guests who cannot manage in Swedish. As Inkpen and Tsang (2005, 158) maintain, the overall effect of cultural diversity should encourage knowledge transfer in the long run.

Another identity symbol apart from language in our ‘operationalization’ is female entrepreneurship. Although not all members of the United Minds network are entrepreneurs, it still serves as a good example of a female network united by a common ideology. They have also started a mentoring activity involving experienced members supporting newcomers to the business, for example. It is a clear aim to develop the business competence of the members, but also, as Informant 2 put it: *“to have fun”*.

The informants shared a sense of pride in their own cultural heritage, which is evident as a visible trace in our operationalization (Table 3). It was made concrete in their pride in the Åland destination, which Informant 5 referred to as an official trademark. It also could be seen as a destination brand.

Informant 5 pointed out that all the SMMTEs were well aware of the importance of uniting under a common umbrella brand, on the website Visit Åland for example. In a similar vein she also pointed out that as Mariehamn was a minor actor in the Cruise Baltic network and benefited from its cooperation with the major cruise destinations, the smallest entrepreneurs would also benefit from being part of a common platform. Pride in their own cultural heritage also surfaced in the way Informants 1 and 2 referred to the Mail Road project, pointing out its potential and its very interesting history. “*The Mail Road has a soul and it could be something very big*”, Informant 2 concluded.

5.3 The relational dimension

In terms of joint motives and collective goals for building cooperative networks, Informant 2 emphasized that the members of the United Minds network all shared a love of Åland. Their prime goal was to develop the area, including tourism. The network actors had constructed scenarios depicting the future of the province, and in the best of these depicted it as the pearl of the Baltic Sea. The network has its own website, maintained by a member with the relevant expertise, and its members exchange and share common knowledge resources. It is not only in business life that they help each other, however, they also turn to each other with problems in everyday life. Informant 1, again, thought that the municipalities should show more interest in the entrepreneurs’ problems in order to keep them in business. This would be one way of making the municipality more attractive.

There was no evidence of formal contracts and controls, given that the notion expressed by Informant 3 could not be classified as such: in the context of the Scandinavian Islands project she mentioned that “different political questions take a great deal of the time”. In terms of joint explicit norms we could refer to Informant 1: the Mail Road project ended prematurely because making arrangements with the EU organisers took too much time. There were also some other conflicts with the EU, which complicated the coordinators’ work.

The visible traces of joint implicit norms in our operationalization included common values, flexibility, cost avoidance and lifestyle adaptation. Common values connect the members of the United Minds network: as the name suggests, their minds are united and they want to help each other. The network is very flexible, and if any of the members need to call one of the others for some reason they are free to do so, to make contact and to invite her over. Cost avoidance also comes into the picture in that the members share their

expertise. Moreover, as Informant 5 pointed out, the common platform was a very cost-effective communication mechanism. Something that also united the informants, and seems to be very typical in Åland, is the fact that many of the entrepreneurs were so-called life-style entrepreneurs, combining different ways of making their living. According to Informant 2 this has been typical of people in Åland for centuries. Living in an archipelago requires creativity, and they have learned to apply it.

On the relational dimension the concept “coopetition” deserves specific attention. It is a combination of the words “competition” and “co-operation”: the same actors and companies have to work together on some issues, and to compete on others. This fact of life is well documented in the literature on networks (Goldman et al. 1996; Hamel 1991; von Krogh et al. 1996). The whole tourism network in Åland is built on simultaneous co-operation and competition.

6 CONCLUSIONS

The focus of the study was on the role of social capital in enhancing the implementation of an e-co-destiny in one geographical area defined as a destination. The structural, cognitive and relational dimensions of social capital characterize the cooperation and competition among the SMMTEs in Åland. Our analysis is based on our 'operationalization' of social capital (presented in Tables 1 and 3) and its dimensions. In discussing these dimensions we explore the visible traces of their occurrence and quantify their manifestation in the empirical data. The data was gathered in the form of narrative interviews with five informants representing both the private and the public sectors of the tourism industry in Åland.

Along the structural dimension lie the identified networks, network permanence and the access threshold. In our analysis we have identified different types of visible traces of their occurrence, which we discuss with reference to the empirical data. The analysis showed that SMMTEs in Åland belong to a considerable number of networks, which are geographically concentrated. Some of them are permanent networks of companies, but most are temporary, formed in connection with EU or other projects. There were also signs of permanent forms of cooperation once the projects had ended. Furthermore, it seems that a cooperative way of working is very natural for people in Åland. These manifestations of the structural dimension of social capital enhance preparedness for the implementation of different e-applications and an e-co-destiny. Several networks have their own web site. The importance of reservation engines was also evident. In some cases project-initiated web sites are still functioning even if the project has ended, and in others the cooperation, including web-based cooperation, is continuing regardless of whether or not the network actors receive external funding. The major companies have a heavy responsibility in maintaining reservation engines and integrating the service offerings of small companies.

However, the entrepreneurs seemed somewhat tired of the irregular nature of the networks, which are externally funded. Some of the informants hoped for more permanent forms of coordination than the short-term EU projects. Others were quite sceptical about their continuance, and thought that there was no point in re-activating the cooperation when the result would always be the same: when the project ends the cooperation ends. One of the entrepreneurs

believed that the 'volunteer' networks, which have no external funding, were more likely to continue than the funded networks.

Along the cognitive dimension of social capital we differentiated specific knowledge mastered and procedures for problem solving. In these the visible traces included taking advantage of the seasonal variations, tight cost control, networking with each other and with leading companies, and maintaining long-term relationships. The entrepreneurs would prefer more advantage to be taken of the seasonal variations. Some of them criticized the fact that the promotion of the destination as whole placed too much emphasis on the capital Mariehamn and the summer activities at the expense of the more peripheral areas of the province and what they could offer during the low seasons.

The SMMTEs could probably exploit the seasonal variations, and emphasizing the uniqueness of the archipelago would benefit the whole destination. The key issue addressed in this work is the need for more intensive networking, especially with regard to developing a common platform for the whole destination. This is one of the most cost-effective forms of communication. As far as the leading companies in the destination are concerned, the major shipping companies are in a key position with respect to the SMMTEs. An important issue concerns the role of the leading companies in implementing an e-co-destiny. More intense cooperation with them would offer new potential, but would need to be coordinated effectively in order to be successful. Developing a more advanced e-booking system with a well-functioning reservation engine could offer a strategic competitive advantage.

Identity symbols, shared meanings, a common language and collective goals are classified in Table 3 as the cognitive dimensions of social capital. The five informants specifically emphasized their pride in their cultural heritage in the interviews: it motivated them to cooperate and to produce the Åland brand as a destination.

Joint motives such as surviving in Åland were placed on the relational dimension of social capital. Actors in the voluntary networks were motivated to develop the destination as 'the pearl of Baltic Sea'. The informants described the Mail Road as being deeply anchored in the history of Åland with its annual postal rowing events. Joint motives strengthen social capital, and would thus make it easier to implement an e-co-destiny in all of its forms. All the informants agreed on the importance of the Internet in their everyday entrepreneurial activities. They were willing to use it and to extend their use of it. However, the SMMTEs needed learning support in building their websites and using video material, for example. There is a high level of technical readiness for the more extended use of e-commerce and mobile services in Åland.

We also identified the absence of formal contracts and controls and joint explicit and implicit norms on the relational dimension of social capital. Joint values and long traditions of combining different ways of living are factors that motivate cooperation and networking. A common platform for a tourism destination is a shared symbol of joint values. Many of the tourism enterprises in Åland are represented not only through their own websites but also on the common site of the Åland Tourism Board. The entrepreneurs have realized that in many cases potential visitors are seeking information from the destination website as well as or instead of from a particular firm. As Lee, Cai and O'Leary (2006) state, the website of the destination has become a crucial branding channel.

Flexibility and coepetition as visible traces of occurrence are among the key issues that must be resolved before actors in the tourism industry can fully utilize the implementation of e-co-destiny. Being part of networks has taught the entrepreneurs to cooperate with those they might consider their competitors. In terms of the common promotion of a destination all stakeholders have to learn to appreciate the benefits of co-opetition.

In this paper we have discussed the dimensions of social capital first as a stock of shared resources, secondly as advantageous for individuals and groups belonging to a social structure, and finally as a prerequisite for e-co-destiny in terms of building, cooperatively, a more advanced e-booking system and thus gaining competitive advantage. This research contributes to the literature on eTourism in analyzing the components of social capital in terms of enhancing the preparedness for different forms of e-applications among small, micro- and medium-sized tourism enterprises. It would be interesting in future studies to compare the building of social capital and its dimensions in several destinations. It would also be worth investigating the process of building an online brand identity as way of enhancing the competitive advantage of a destination.

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Article 6

The Role of the DMO in Creating Value in EU funded Tourism Projects.

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Forthcoming

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The Role of the DMO in Creating Value in EU-funded Tourism Projects

Arja Lemmetyinen

Abstract

In the network society national, regional and local destination marketing organizers (DMOs) are under severe pressure to decide how to promote their destination due to increased competition. However, by integrating their activities and resources in cooperative processes DMOs are able to coordinate destination marketing effectively and efficiently. Networking activities also support the value creation process and contribute to regional development but must not be seen as simple and spontaneous.

This study focuses on examining the role of a regional DMO in coordinating cooperation and enhancing the value creation process in projects partly funded by the EU, in Finland, Åland, Sweden and the Baltic region. The case analysis, in the three networks explored, found that the influence of EU funding, in the first case study, has remained on the level of providing basic information regarding the needs and strengths of the participating entrepreneurs. In the second, the influence of EU funding has generated a network of interactive and learning destinations. In the third, the project's knowledge and experience has been transferred to similar projects.

By taking active roles in project management the DMO is able to enhance the value creation process through integrated marketing efficiency. In order to fulfill the needs of the entrepreneurs, an effective follow up is necessary. When creating value through network learning it is essential to map the educational needs of the actors in order to benefit all the participants.

Key words: DMO, EU-project, Nordic tourism, Turku Touring, value creation

INTRODUCTION

In the tourist industry EU structural funds have become a key resource and instrument that is combined with national regional policies (Östhol, Svensson & Halkier, 2002). Multilateral co-operation and networking have been emphasized in both regional development strategies and the criteria of the EU structural funds (Kompula, 2000). EU funding is often the catalyst for co-operation amongst actors in tourist industry networks whether these actors represent the private or public sectors or belong to destination marketing organizations (DMOs) at regional, national or international level.

A considerable amount of actors in tourist industry networks represent small, medium and micro sized enterprises (SMMTEs), which dominate tourism networks throughout Europe (Cooper, Fletcher, Fyall, Gilbert & Wanhill 2005, 748). From an evolutionary perspective the fundamental question is how these SMMTEs can survive in the hotly contested tourist industry markets (Buhalis 2004, 235; Keller 2004, 7). Go and Williams (1993, 238) have specifically pointed out the role of destination marketing organizations. They argue that DMOs have to learn how to better share required knowledge in order to create and provide products and processes, and that they must do so at lower costs and with less risk. This means that better co-operation between public and private sectors will be necessary (Fyall and Garrod 2005; Wang 2008) in order to create value for the different stakeholders within DMOs.

A finding the researchers have in common is that they see tourism moving towards the co-operation and network concept. The concept of combining packaging, partnership, marketing and collaboration in order to create cultural and non-cultural

opportunities in one place and/or at one time is crucial for creating a tourism destination. According to Tremblay (1998, 837–859) networks allow firms to find a balance between co-operation and competition, which leads to a reduction of competitive uncertainty without stifling the incentives to innovate and invest in common tourism assets. More recently Wang (2008) has combined networks with collaborative destination marketing. Many region or destination based SMMTEs have realized that they are not necessarily competing against each other, but against other SMMTEs in other destinations. This has given rise to a cooperative spirit within SMMTEs at the destination where they cooperate and (let us not forget) compete, and has even seen the phrase, ‘coop-etition’ being used to describe the process (Bengtsson & Kock, 2000; Cooper, Fletcher, Fyall, Gilbert & Wanhill 2005, 749).

The dynamism of cooperative networks demonstrates the need for a more universal education for all those who wish to make informed decisions, whether they are consumers, entrepreneurs, citizens, or governments. It can certainly help buyers and vendors make better decisions in relation to the delivery of tourist services e.g. through an interactive strategy and dialogue. In that sense, the main challenge of globalisation for European companies lies in the realisation that ‘a developmental transfer of education and knowledge and competences represents a dynamic mechanism for continuous improvement’ (Haywood & Mäki 1992, 231–248). Such restructuring within the tourism value chain achieves greater efficiency and equity both at local and on a global (national) level (Go, Lee and Russo 2003, 10). Furthermore, the integrated marketing efficiency of the actors, their activities, and the resources (Håkansson & Johansson, 1992) applied in the context of destination marketing create value for the heterogeneous stakeholders in the networks (Lemmettyinen, Go & Brooker, 2006). Cooperation in networks enhances the possibilities for participation in more higher-

level learning than small and micro sized firms can organize on their own (Florén & Tell, 2004).

In this mission the supra national EU policy with its structural funds has the potential to play a major role. A relevant question is, how the actors of the EU funded networks evaluate the co-operation, and what is the value-added they receive from EU funded projects. The perceptions of the value creation process depend, presumably, on how the project is administrated and who takes the lead in the project. Also, the fact of how the experiences drawn from the EU funded projects are utilized in new projects depends on whether co-operation is coordinated in a way that allows the flow of information and the transfer of knowledge between network members.

Destination marketing has long been structured and had its strategies influenced by tradition, i.e., the co-located perspective of distribution processes and passive customers. King suggests that the customer is now very much the active partner in the marketing process and destination marketers need to engage the customer as never before by providing them with new types of information and experiences (King 2002, 105–108; Fyall & Garrod 2005, 284–287). As Go and Williams (1993, 233) state: “In order to offer customers satisfying experiences, the various suppliers require on-going and excellent communications, shared values, and a customer-driven vision”. In particular, information communication technologies (ICTs) will be able to provide a seamless process between the connection with and the final conversion of the customer (King 2002, 105–108).

Despite much research on cooperation and networking amongst the private and public sectors the explicit question of a DMO's role in administrating EU funded projects has not been raised in tourism research. The discussion above justifies the purpose of this study, which is to examine the value creation role of a destination

marketing organization (DMO) in coordinating co-operation in EU funded tourism business projects. It is proposed that the relevant research questions are:

1. How does the networking in EU-funded projects enhance the value creation processes regarding the actors, resources and activities of the network?
2. How does the co-operation coordinated by a DMO create value for actors in the network?
3. How does the influence (or lack of it) of EU funding affect the value creation process in the network?

CREATING VALUE IN A TOURISM INDUSTRY NETWORK

The role of DMOs in the network society

In tourism research, the concept of destination refers on one hand to a place visited by tourists. On the other hand, destination can be defined as a local network of businesses in the tourism industry that offer a supply to satisfy tourists' demands. The term destination can be applied to a country, a region within a country, a city or a coastal resort (Lumsdon, 2000). A tourist organization is defined by reference to the interests of a geographical area as a tourist destination (Middleton, 2001). Hitherto, destination marketing organizations (DMO) have focused on marketing a place itself and academic research emphasis has been on the image of "the locale whose form, function and meaning are self-contained within the boundaries of physical contiguity" (Castells 1996, 423).

In the network society a destination's heterogeneous stakeholders, i.e. the actors representing both the public and private sector are facing a new situation due to changed operating conditions. The relevant questions are who is going to take the lead in this new situation, who are the decision makers and what kinds of social innovation will be needed to enhance the competitiveness of the destination? Recently the way in which innovation has been perceived has changed. Instead of looking for internally focused new product development innovation now includes the joint creation of value between a producer and a consumer and between the producer networks' actors. This also implies a new form of integrated marketing efficiency.

The rapid development of information technology (IT) has introduced both opportunities and threats for traditional small and micro sized tourism businesses. The former provide enterprises and organisations with the tools to develop their interfaces with their stakeholders and to enhance the efficiency and effectiveness of both their management and marketing functions. However, SMMTEs often lack the expertise, know-how and resources to take advantage of these opportunities to improve their competitiveness (Buhalis 2004, 241). In strategic aspects, including market strategies, innovation and co-operation, can be seen as the main factors determining the success of European SMMTEs (Keller 2004, 7). An interesting question from the viewpoint of the purpose of this study is to examine and find out what the role of a DMO is in enhancing the value creation processes of EU projects in a direction that enhances the integration of the marketing efficiency of small, medium and micro sized tourism enterprises.

Besides the private sector participants the public sector actors play significant roles in the networks of the tourism industry. Therefore partnerships and co-operation between the private and public sectors are widely focused on in tourism research and literature. As destination competitiveness becomes increasingly critical in the global economy, so does the focus on understanding how inter-organisational relationships and partnerships are formed and managed and how they evolve over time (Pavlovich, 2003; Bastakis, Buhalis and Butler, 2004; Briedenhann and Wickens, 2004; Saxena, 2005).

Kendell (1987, 140) states that marketing in tourism must be more competitive and the activities of planners, developers and marketers should be coordinated. Fyall and Garrod (2005) again, present some of the areas which these type of collaborative relationships often focus on as being: information gathering, product development,

product marketing and promotion, visitor management, training and employment initiatives, networking and encouraging stakeholder support. Wang (2008) has studied the roles of DMOs in collaborative destination marketing and introduces the following general themes as interpretations of these roles: funding agent, partner and team builder, network management organization, information provider, community brand builder, convener, facilitator and liaison of community tourism activities, catalyst of the collaborative initiative, advocate of the tourism industry and organizer of destination marketing campaigns. These roles are applied in this study in the context of the case study networks. They shed light on the value creation processes that are enhanced by the activities performed by the DMO.

In the following, the integrated marketing efficiency of network actors is illustrated through the industrial network model. Integrated marketing efficiency is facilitated by DMOs and potentially leads to an enhanced value creation process for actors that come from both the private and the public sector.

The value creation process through integrated marketing efficiency

Håkansson and Johansson (1992, 129–135) present a model of industrial networks called the ARA model, which consists of the actors, resources and the activities in a network. The main aim of the model is to facilitate an integrated analysis of stability and development in an industry. Lemmetyinen, Go and Brooker (2006) presented, in a modified form of the ARA-model, the integrated efficiency of the actors, their activities and the resources of various networks, as applied in the context of destination marketing. The model's basic categories of variables are actors, activities and resources. These variables are related to each other in the overall structure of networks. Actors are defined as those who perform activities and/or control resources.

Resources are the means used by actors when they perform activities. Through these circular definitions a network of activities and a network of resources are related to each other. A major challenge of co-operation for stakeholders in a tourism business network is that it requires the coordination and execution of interactions performed with the available resources. It also means that stakeholders must have knowledge of such resources and be able to handle them and combine them (Knoke & Kuklinski, 1991; Go & Williams, 1993; Riege & Perry, 2000).

The network approach offers a way of studying local destination actors and their roles in balancing the interests of various stakeholders (Kandampully 2000, 14). The nature of a networked tourism product is, in a way, an instrumental one. The end result is value added to a consumer's experience by turning the inadvertent network into a voluntary one that learns and develops its services according to their customers' desires (Gnoth 2003, 3–4). Smeral (1998, 374) points out the importance of perceiving the whole bundle of experiences of a destination as being produced by flexible production technologies, as opposed to single supply components *per se*. Organisations that have supported traditional functions of destination advertising e.g. publicity and promotion, information servicing, distribution channel development and servicing, which in turn provided one-directional mass communication, will need to reconstruct from the ground up (King 2002, 108).

The common strategy partners have agreed on may have an expression of new priorities and combinations of resources, i.e. coordination dynamics of a new kind (Östhol, Svensson & Halkier, 2002). Fyall and Garrod (2005) see inter-organizational collaboration amongst stakeholders as a necessary prerequisite for successful destination marketing in the future. As such, public-private sector partnerships and collaboration is a popular strategy for DMOs and their interested parties.

Go & Williams (1993, 238–239) see that each of the service providers in a network contributes specific core competencies to the value chain or network. The value creation process is affected by the possibilities of higher level learning, which reinforces trust amongst actors within a network. Trusted co-operation strengthens the ability and capacity to learn much more than those situations where entrepreneurs work without the support of a network.

The value creation process through network learning

Network learning can be defined as learning by a group of organizations as a group. In a network-centered view, changing network-level properties, such as shared practices and processes, indicates network learning (Knight & Pye, 2005, 369). Networking increases learning, because the group discussion can be multidimensional and multifaceted compared with the interaction taking place e.g. in a dyad, a single relationship (Håkansson, Havila & Pedersen, 1999, 450). Interaction amongst actors in a network provides a context for learning (Saxena, 2005, 277). Inter-organizational (joint) learning can be viewed as the collective acquisition of knowledge among a set of organizations (Jones, Chonko & Roberts, 2003, 339). Furthermore, Inkpen and Tsang (2005, 146–165) identify structural (network ties, network configurations and network stability), cognitive (shared goals and shared culture) and relational (trust) dimensions affecting the transfer of knowledge between network members.

Florén and Tell (2004, 292–307) have found that cooperation in networks produces better possibilities for higher-level learning than small firms can organize on their own, as learning in networks is based on trust and has emergent prerequisites. Ballantyne (2004, 122) emphasises that marketing needs to help create dialogical space within social, economic and technical network structures through which

relationship specific knowledge, as well as trust and knowledge generating processes may continue and evolve.

As Ravald and Grönroos (1996) have found, the problem is to find an alternative to providing superior value that will improve the performance of companies in a network, as well as spark the interest of the customer. Saxena (2005, 1) argues that sustainable tourism is 'territorially embedded' in ongoing social networks and relationships. Kompola (2004, 174) sees commitment to co-operation as a key to effective networking in the tourism industry and dependent on the development of 'knowledge', 'feeling' and 'will'. Also Möller and Svahn (2004) argue that knowledge sharing is essential for the functioning of business networks, influencing the co-operation and outcomes that firms are able to achieve.

Previous studies of learning in networks, however, have not considered how the prerequisites for higher-level learning develop over time in networks. Florén and Tell (2004, 292) conducted their seven year participant observation study and came to the conclusion that learning in small firm owner/manager networks is based on trust and has emergent prerequisites. These prerequisites are reciprocity between the learning actors, the learning actors' capacity for being receptive and confronting problems, and the transparency of dialogue in their networks. Over time these prerequisites develop and create better opportunities for high-level learning. Relation specific knowledge between business counterparts is constantly updated and fed back into dialogue in iterative cycles of learning. Håkansson, Havila and Pedersen (1999, 443) have presented a study of learning within business relationships that concludes that the more each single relationship is part of a network, the more the company on average seems to learn from it.

In this study the collaborative approach to destination marketing is adopted in the context of EU funded tourism projects. The main point of the analyzed EU projects is that the actors in these projects form social, economic and technical networks. Cooperation in the networks produces better possibilities for learning than individual project participants could organize on their own.

The regional destination marketing organization (DMO), Turku Touring

Turku Touring (www.turkutouring.fi) is a marketing and sales organization that covers regional tourism for the entire province, and provides expert advice on tourism in South-West Finland, which adds value to the tourist industry for residents and for visitors to the region. Turku Touring's organizational structure is that of a company as the major local tourist industry actors are amongst its principal shareholders. However, only the tourism director has been directly hired by the DMO company; the rest of the personnel are in the employ of Turku City Council. This serves as an example of how the destination marketing organization itself is a mixture of private and public sector management systems. The complexity of the organization is added to by the fact that the DMO acts as a local contact and coordinator for several EU-funded projects.

METHODOLOGY

Case-based network research

In this study the target is to study the different roles of a DMO in coordinating the co-operation of EU funded projects and in creating value for actors in a network. In order to set boundaries and to make case comparisons (Halinen and Törnroos, 2005) in this study, three case networks have been chosen: The Mail Road, the Cruise Baltic project and Yachting in the Archipelago. These networks represent projects, which are at different stages as regards their starting and ending points. The Mail Road project began in 2002 and ended in 2004. The Cruise Baltic Project started its first three year project in 2004 and ended in 2007. The participants will continue with the basis of the project regardless of whether they will receive further EU funding or not. The Yachting in the Archipelago project began in 2005 and ended in 2007.

Despite these networks, the target of the research is also the regional destination marketing organization, Turku Touring, which is responsible for the promotion of tourism in South-West Finland. With regard to this research the author has followed how the regional destination marketing organization has in ten years time evolved from a public sector tourism organization into an effectively run enterprise encompassing more and more externally funded projects, in which the personnel of the DMO takes on different kinds of roles when coordinating co-operation. In spite of the narrative interviews described below the author has had the interactive possibility of receiving comments on her analysis from both the director and the project manager of the DMO, who are in charge of the projects analyzed in this paper.

The projects differ with respect to how closely they are connected to Turku Touring. The Mail Road project had the loosest connection to Turku Touring. The Cruise Baltic project, as an international network, and also as a local network has rather close contact with Turku Touring. Yachting in the Archipelago was led by the project manager of Turku Touring and thereby was in very close contact with Turku Touring.

In order to understand the complexity of the networks (Halinen and Törnroos, 2005) only the themes of the value creation processes and the role of the DMO in enhancing them have been discussed in this study. With reference to the time period (Halinen and Törnroos, 2005) the interviews in the Mail Road project and the Cruise Baltic project were conducted when the projects were active (real time data collection). In the Yachting in the Archipelago project the interviews were conducted retrospectively, after the project had ended.

The interviews were conducted by using a narrative approach meaning that the informants were encouraged to tell their stories as participants in the network, as well as describe their relationship to other actors. The qualitative methods and narrative approach are seen as keys in order to know how the actors experience the development of the network and its coordination in the three case studies, respectively.

Qualitative research based on narrative interviewing

O'Donnell and Cummins (1999, 82) argue that the concepts of network and networking could be better investigated by using more qualitative methods. Ereaut, Imms and Callingham (2002, ix) define qualitative research as a form of research that seeks to explore and understand people's attitudes, motivations and behaviour, the 'why' and 'how' behind the 'what', by using methods that seek to reach

understanding through dialogue and evocation (rather than measurement). Qualitative research generally attempts to make sense of and interpret phenomena in terms of the meanings people bring to them. This paper also attempts to clarify that by asking question of those involved in the projects. To achieve that, the actors of the Mail Road and the Cruise Baltic network were asked to tell their “stories” about co-operation and coordination in the network in personal in-depth interviews. In the Yachting in the Archipelago project the interviews were conducted via telephone and the interviewees were asked to give their perceptions of the management of the project and of the role of Turku Touring in running the project.

Furthermore, the director and the project manager of Turku Touring were involved in discussions concerning the Cruise Baltic and Yachting in the Archipelago projects as the EU-funded project was coordinated by them. Qualitative interviewing allows people to tell their own stories in their own words – given that the research framework is not over directive. Hence, what they choose to say and how they say it, gives an idea of their own priorities and frames of reference (Chrzanowska 2002, 24).

In the study the perceptions of the individual entrepreneurs and the DMO and other public sector representatives were sought and examined. This is in line with how Kelly (1955) sees that the concept of the corollary of individuality asserts that no two people will construct the same exact meaning of an event (Kelly 1955). The meaning of an event, as well as the words to describe that meaning, has evolved from an individual’s unique set of social circumstances. Consequently, each individual can be expected to have a slightly different interpretation of something and give it a slightly different meaning since diversity in social backgrounds and geographic origins is inherent, particularly in the context of tourism. Therefore, there is considerable evidence that the constructs which are elicited from subjects individually are more

meaningful personally than the constructs derived from group consensus (focus groups) or supplied to subjects from other sources (standard lists of dimensions). The interviewer can thus come to understand experiences and reconstruct events he or she has never taken part in, and learn about different ways of experiencing the world.

The narrative interviewing used in this study means that the participants of the interview engage in an evolving conversation, the narrator and the listener/questioner collaboratively produce and make meaning of the events and experiences that the narrator reports (Riessman, 2004; Elliott, 2005). Holstein and Gubrium (1998) emphasize the interviewer's role of activating the narrative production. Narrative interviewing can be characterized as having more in common with contemporary ethnography than with the mainstream social science interviewing practice that relies on discrete open-ended questions and/or closed-ended questions (Riessman 2004, 705).

Investigators' definition of narratives leads to different methods of analysis, such as thematic analysis, structural analysis and interaction analysis. In practice, different models can, however, be combined (Riessman 2004, 706). In this study, the analysis approach is thematic in a sense that the author is trying to find common thematic elements across research participants and the events they report. One of the emergent themes was the role of DMO in creating value for the actors of the EU-funded projects.

In the Table 1 the interviews of the three case networks are presented.

Table 1 The Interviewees in the three case networks

Interviewees	Mail Road	Cruise Baltic	Yachting in the Archipelago	Total amount
South-West Finland	4 entrepreneurs 1 public sector repr.	3 DMO repr.	5 entrepreneurs 1 DMO repr.	14
Åland	3 entrepreneurs 4 public sector repr.	1 DMO repr.	No activities in Åland	8
Sweden Roslagen, Stockholm	4 entrepreneurs 1 public sector repr. 2 DMO repr.	3 DMO repr. 1 port repr.	No activities in Sweden	11
Other countries on the Baltic Sea region	No activities in other countries	14 DMO and port repr.	Activities in Estonia, but no interviews	14
Total amount	19	22	6	47

In the three case studies there were a total of 14 interviewees in South-West Finland, of whom there were 9 entrepreneurs and 5 DMO or public sector representatives. In the Mail Road project there were three entrepreneurs and four public sector representatives from Åland and in Sweden three entrepreneurs and two DMO representatives. In the Cruise Baltic project there was a total amount of 22 interviewees representing all the 10 countries around the Baltic Sea. They represented their respective DMOs and ports. In the Yachting in the Archipelago project only Finnish representatives of the project were interviewed. Of them, one represents the DMO and five are entrepreneurs. These interviews were conducted over the telephone interviews and took about half an hour.

All the other interviews were conducted face to face and took, on average, from half an hour to two hours. The interviewees represent both the public and the private sector. The private sector was strongly represented in the cases of the Mail Road and Yachting in the Archipelago, where the participating members in the networks were entrepreneurs. In the Cruise Baltic project the network on the regional level consists of the representatives of the DMOs and the ports in the respective countries. The local

cruise network representatives were not interviewed for this study, because they are not primarily part of the EU funded network.

All of the interviews were audio taped and transcribed. Additional data has been gathered at seminars and meetings as well as from the web sites of the respective networks. Besides interviews, the activities of the networks have been studied through their web sites.

EU funded tourism projects in South-West Finland

The Mail Road's (www.postvagen.com) activities started as cooperative action led by a tourist business entrepreneur in Åland and one in Finland. They took an initiative and succeeded in persuading Vaddö Folk Academy in Sweden to take the official lead in the project. In 2002 the coordinators received funding from the EU and the project began. The project involved communities located along the old postal route in the regions of Stockholm, Åland and South-West Finland. The goal of the project was to profile the route as a cultural tourism route with services available year round. This project entails at the same time the notion of staged authenticity as it is based on regional heritage and culture assets. The purpose of the entrepreneurs was to create a brand full of quality with a strong knowledge of history and culture. They also wished to make the postal route convenient and attractive for tourists. The project ended in 2004 and at that time several members in each of the networks in Sweden, Åland and Finland founded associations around the Mail Road theme. However, the activities the associations have organized have remained rather sporadic. Nevertheless, the web sites still function and when talking with other entrepreneurs along the route they seem to believe in the ideology of the Mail Road. Unfortunately, the network in this form lacks the coordinated activities that the exogenous EU-funding brought.

Cruise Baltic (www.cruisebaltic.com) is a collaborative development project aimed at integrating the Baltic Region's cruise tourism industry into a sustainable growth strategy. The participating members in the project represent the 10 countries that surround the Baltic Sea, comprising 26 destinations and 46 partners. The Baltic cruise industry has grown at the phenomenal rate of over 50 percent since 2000. The aim of the project is to jointly improve the destinations' facilities and to coordinate the international marketing of the Baltic cruise product. The first of the three-year projects began in September 2004, while the second began in 2007. The project is partly financed by the EU. The goal is an average 20% increase in cruise ship passengers coming to the region (www.cruisebaltic.com). The project partners come from Finland, Sweden, Denmark, Germany, Poland, Estonia, Latvia, Lithuania, Russia and Norway, Turku Touring being one of the participating DMOs.

Yachting in the Archipelago (www.balticyachting.com) is a project that is administered by Turku Touring and is designed to develop the archipelago around Turku and Western Estonia. The goal is to make the archipelago better known among tourists from St. Petersburg, as well as Sweden and Germany. The entrepreneurs in the archipelago and its guest harbours are the target group for the project. The project is designed to develop local product packages, common to both Finland and Estonia, build up the skills of the entrepreneurs by providing training opportunities, and to market the archipelago as an attractive tourist destination. The project also aims to increase practical co-operation between entrepreneurs and travel organizations, and to spread the best practices of both nations, as well as the principles of sustainable development in planning and marketing their guest harbours and organizing services. During the first phase of the project, those interested in the project were identified and assembled to form a network. The products of the businesses in the network were

gathered together and presented in brochures and on web pages. The entrepreneurs were then provided with opportunities for training and benchmarking.

ANALYSIS OF CASE NETWORKS

In the following, the value creation processes in the case networks, the Mail Road, the Cruise Baltic and the Yachting in the Archipelago projects, are firstly analyzed by adopting the ARA-model and describing the actors, resources and activities of the networks. Secondly, in Table 2 the roles (Wang, 2008) of the destination marketing organization (DMO) are discussed in the three case networks, which all are partly EU funded projects. Moreover, the roles of the DMO are discussed from the viewpoint of the value creation process through integrated marketing efficiency and network learning. Finally, the analysis is completed by evaluating the affect of the EU fund's role in the value creation processes.

The *actors* in the partly EU funded project (Interreg IIIA program Archipelago 2000-2006) of the Mail Road represented on the one hand some public services, e.g. museums and other cultural attractions along the route. It is worth mentioning that the Tourism Board in Åland and Museum Bureau in Åland were the initiators of the EU funded 5 b-project, in which the route of the Mail Road had provoked great interest. On the other hand the actors consisted of enterprises, which provided accommodation and restaurant services along the old postal route from Stockholm to Norrtälje and Grisslehamn in Sweden and continuing on via Åland to Gustafs in South-West Finland and finally to Turku.

A characteristic of the Mail Road project was that the coordinators in Åland and South-West Finland were private entrepreneurs, who took the lead in searching for partners and activating their network co-operation. They realized the value of co-operation and partnerships for their tourism businesses. Interestingly, in the Turku

region it was not until the project itself had ended that the DMO Turku Touring took part in promoting the Mail Road as a tourism product on its web site.

With regard to the *actors* in the Cruise Baltic project, which was partly funded by EU (Interreg IIIB the Baltic Sea Programme), the original initiators of the project were the DMO and port representatives in Copenhagen and Stockholm. These people took the initiative to contact all the other destinations around the Baltic Sea. The Cruise Baltic network differs from the Mail Road in the sense that all the members represent a city or town, a port or a public tourism sector at their respective destination. All the destinations are committed to forming a local network where there are, however, representatives of the private sector, as well. In the Cruise Baltic network the regional DMO in Turku has been active from the beginning of the project in 2004. Significantly, all the members have agreed to continue their co-operation irrespective of whether they receive EU funding for a second three years period or not.

The *actors* in the Yachting in Archipelago are Turku Touring as the main partner in Finland. Läänemaa Arenduskeskus is the main partner in Estonia. The EU Interreg IIIA Southern Finland and the Estonia Programme provide financing for the project. Other financial partners include Region Åboland, Haapsalu Turism, Kuressaare, Orissaare, Kärđla, Noarrootsi, Tõstamaa, Varbla, Paldiski and Padise. In the Uusimaa region, Eteläkärjen Matkailu Oy is the partner that co-ordinates other partners.

In the area of the archipelago of Turku and Western Uusimaa, there are 24 visitors' marinas (facilities include; a minimum of 10 berths for visitors, water and electricity supply, laundry services and toilets, shops selling groceries and fuel). Many of these have been awarded the Blue Flag symbol. In addition to the visitors' marinas, there are more than a hundred smaller harbours suitable for visitors (marinas with services,

quays for visitors or natural harbours). In addition to marinas and harbours, there are hotels, agri-tourism farms, restaurants, shops and other services in the archipelago, such as holiday villages, a winery, boat hire, seaside resorts, yacht docks, and companies that specialize in guide and tourism services (www.balticyachting.com).

In the Mail Road project the total budget for the period from 2002 to 2005 was 5.8 million Swedish crowns (approximately 513 000 euros, exchange rate 24.2.2009). The national official financing was 2.8 million SEK (approx. 247 000 euros, exchange rate 24.2.2009) and the same amount was sought from the EU Interreg IIIA (Board meeting, Vaddö Folk Academy, 22.3.2005). In addition to monetary *resources*, EU co-operation also offers knowledge and intangible resources and benefits for its participants. It would seem that the co-operation brought about by the Mail Road project has positively influenced attitudes towards cooperative activities and networking in the respective areas. The participants found the co-operation rewarding and wished that there would be more regular meetings. Educational events during the project were also well respected and the actors of the network had faith in the tourist concept of the old postal route. Although associations were founded in every sub-area, their co-operation still lacks coordination and leadership.

In the Cruise Baltic project the total budget for three years (2004–2007) was 1.6 million euros. In the EU Interreg IIIB project the funding from the EU amounted to 40%, while 60% came from the partners. The lead partner was Wonderful Copenhagen and there were two commercial partners: SAS Group airlines as the project's official carrier and the Radisson SAS Group as the project's official hotel partner (Cruise Baltic Workshop, Baltic Tourism Conference, Vilnius, 9.10.2006). One of the strengths of the Cruise Baltic project is strong management, which is due to the project managers being highly professional experts in sales and marketing. The

participants thus value the work of the secretariat as a coordinator of activities. Hence, the actors in the network have been able to agree on a common vision and strategy.

In the Yachting in the Archipelago project the total budget for three years (2005-2007) was 430 000 euros. In the EU Interreg IIIA project Finland's contribution to the funding was 300 000 euros with 50% from national funding and 50% from EU funding (www.balticyachting.com). The aim of the project was to help the guest harbours and enterprises in the archipelago of Finland and in western Estonia improve their service and marketing, as well as their opportunities for training. All these have been seen as requirements for more intensive cooperation and collaborative marketing.

The Mail Road project was active from 2002 to 2004. During that time there were plenty of *activities* both in Sweden, in the area of Roslagen, in Åland and in South-West Finland (for example postal exhibitions in Stockholm, Eckerö in Åland and Raisio in South-West Finland) and the coordinators were able to attract different media and thus the project activities have been well documented in publications. The other leading partners in the project represented the Postal Museum in Åland, the County Museum in Finland and Vaddö Folk Academy in Sweden, which was the official principal organizer of the project. Unofficially, the leader of the project was the main coordinator of the project whose own enterprise (providing accommodation services) was situated along the Mail Road in Åland. Although the project itself has already ended he as the former coordinator has taken on responsibility for maintaining the web sites.

Activities in the Cruise Baltic project started as a partly EU funded project in 2004. Since then the members have had regular meetings both face to face and conducted telephone conferences. The meetings are well organized and effective. The members

discuss the issues of the agenda in small groups and present their solutions to the other members. In the beginning there were several meetings per year but nowadays they have been able to restrict the meetings to two annual ones. Most of the members attend the annual cruise trade fair in Miami. The project manager represents the network with respect to public relations and marketing issues. Cruise liners in the USA and Great Britain are the primary target groups for Cruise Baltic. The cruise industry respects the work of Cruise Baltic in developing the market and now has one voice for the whole region of the Baltic Sea. This makes it much easier for cruise liners to negotiate cruises and ports of call.

The *activities* in the Yachting in the Archipelago project have consisted of five educational seminars (with a total of 130 participants) and three different themes: the planning and development of small visitors' harbours, packaging and marketing, customer service and communication. The marketing material that has been produced consists of the joint brochure, a website in six languages, four sea tourism brochures (Haapsalu, Kuressaare, Hiiumaa ja Noarootsi), a map for boating in the Archipelago in three different languages. The project has participated in ten tourism trade fairs, within two years, in Germany, Sweden, Estonia and Finland. Forms of tourist services based on the idea of sustainable development have been created through team work.

In order to answer the second research question; "How does co-operation coordinated by a DMO create value for actors in a network?" three different EU projects were analyzed in relation to Turku Touring as a coordinating organization. In Table 2 the roles of a DMO presented by Wang (2008) have been adopted for the study of the projects partly funded by the EU, the Mail Road, Cruise Baltic and Yachting in the Archipelago.

Table 2 The Roles of the DMO

<p>The role of the DMO Turku Touring</p>	<p>Mail Road 2002-2004</p>	<p>Cruise Baltic 2004-2007 2007-</p>	<p>Yachting in the Archipelago 2005-2007</p>	<p>Value creation process through integrated marketing efficiency and/or network learning</p>
<p>1. Funding agent</p>	<p>No role at the beginning of the project.</p>	<p>No active role at the stage of searching for funding.</p>	<p>The project manager of Turku Touring was actively searching for funding.</p>	<p>In this role the DMO encourages a variety of collaborative marketing activities by providing supporting and matching funds (EU funding in this case) especially for collectively marketing and promoting the project on a larger scale, either alone or with other funding sources. The possibility to enhance the process of integrating marketing efficiency, if the DMO takes an active role.</p>
<p>2. Partner and team builder</p>	<p>No active role as partner and team builder. The entrepreneurs see the need for coordination in the projects</p>	<p>Turku Touring has actively combined partners and built teams in its local cruise network.</p>	<p>The project manager of TT contacts the partners and building partnerships among the actors. The entrepreneurs see the need for coordination in the projects.</p>	<p>This role of DMO could be characterized as a role of 'matchmaker' that brings the partners together in EU funded projects. The closer the cooperation amongst the partners the better the possibilities there are for network learning. The needs of the various stakeholders should also be mapped. Partnerships and teamwork between public and private sectors enable the transfer of expertise, know-how and other resources, which improve the competitiveness of small and micro sized enterprises.</p>

3. Network management organization	The autonomous firms in the network have been left uncoordinated.	The local cruise network is able to provide a joint production of marketing activities.	TT has had this role during the time the project was active. The entrepreneurs see the need for the regular monitoring of the project.	This is connected to integrated marketing efficiency and enhances regional development; effective management combines the resources of heterogeneous stakeholders efficiently. Understanding how collective inter-organizational relationships and partnerships are formed and managed and how they evolve over time is a critical success factor for a project's competitiveness.
4. Information provider	Turku Touring has no more information about the Mail Road on its web site.	Turku Touring has information about Cruise Baltic on its web site. TT also provides other information for visitors regarding the quality standards of Cruise Baltic.	Turku Touring has information about Yachting in the Archipelago on its web site. The entrepreneurs would like to have proactive research mapping the needs of the various stakeholders.	The DMO's role as the information provider is connected to integrated marketing efficiency in the sense that it provides a platform where the heterogeneous members of the EU funded projects or networks are able to 'meet visitors' expectations'. By doing so this role enhances the value creation of e.g. small and micro sized enterprises, which often lack knowledge and know how about IT technology. This role can also be connected to information and knowledge sharing from one project to another, which again enhances a network's learning. At its widest a DMO's role as the information provider in EU funded projects covers the responsibility for doing research in the field, by identifying the needs for cooperation and networking and consequently for potential EU funding.

5. Community (project) brand builder
- TT didn't participate in the brand building process at all.
- The entrepreneurs have a strong faith in the authenticity and value of the Mail Road brand.
- TT participates actively in the brand building process, which includes the different work packages, marketing, PR, quality standards etc.
- TT has taken an initiating role in the brand building process by developing the prerequisites for collaborative marketing. The entrepreneurs see the need for quality standards. There is not, so far, a strong commitment to cooperation among the partners.
- TT has brought together non-profit and other public organizations which are included in the project.
- TT actively sought the town of Turku's participation in the network. Also liaison between the harbour and visitors.
- TT did not have this role. The individual entrepreneurs took this role during the time the project was active.
- TT has brought together non-profit and other public organizations which are included in the project.
- TT actively sought the town of Turku's participation in the network. Also liaison between the harbour and visitors.
- TT did not have this role. The individual entrepreneurs took this role during the time the project was active.
- Creating a tourism project as a whole under one umbrella brand is connected to integrated marketing efficiency. The partners, who share the vision of a common brand, have to be committed to cooperation. The role of the DMO in leading the brand building process in the projects is to make the participants feel affinity and dependence on the development all the participants have agreed on.
- This role could be connected to the larger themes and discussions that connect actors in the EU funded projects. For example, in Cruise Baltic minimum quality standard requirements affect activities and services at the local network level. In the Yachting in the Archipelago project the themes of sustainable development and environmental protection have to be taken into special consideration. This role also covers the project specific sectors of tourism that e.g. cruise tourism and boat tourism have as their spokesman a DMO to represent them in regional and national tourism strategy plans. This enables the more effective integrating of marketing and also sets prerequisites for sector specific information sharing and learning.

7. Catalysts for collaborative initiative
 This role was taken by the individual entrepreneurs in the network.
 The catalysts in the project itself have been Copenhagen and Stockholm. At the local level this role was taken by TT when coordinating the local cruise network.
 TT acted as a catalyst for collaborative initiatives as long as the project was active. The entrepreneurs see the need for equal possibilities for high level learning.
8. Advocate of the tourism industry
 The individual entrepreneurs took this role.
 Turku Touring takes this role on the local level.
 Turku Touring took this role during the project was active. In the future project, in the same sector, the same role will continue.
9. Organizer of destination marketing campaigns
 The individual entrepreneurs took this role.
 Turku Touring takes this role.
 Turku Touring took this role. In the future project in the same sector the task of the role continues.
- This role covers the intensifying of the relationships between the public and the private sector, which enhances the possibilities for high-level learning. At its best cooperation leads to a balance between cooperation and competition, which reduces uncertainty regarding loss of customers amongst the participants within a network
- The DMO is an advocate of the tourism industry in that “it conveys the message of importance of tourism, and its impact on the area and on the local economy, as well as the advantages of tourism to the local economy”. The role is activated in different tourism sectors represented by the projects. For example in Cruise Baltic the cruise sector is emphasized and in Yachting in the Archipelago boat tourism takes centre stage.
- The DMO takes the role of organizing marketing campaigns that deal with the project specific sector of tourism. At its widest this role ensures customers have a positive experience through the receiving of continuous, excellent communication.

The first of the roles is as a “Funding agent” for collective marketing activities. In the Mail Road project TT didn’t have any role in this at all and an individual entrepreneur in the Turku area took the active role. For Cruise Baltic TT is an active partner in the network, although it didn’t participate in the application for funding. For Yachting in the Archipelago, TT actively sought funding.

The role of the “Partner and team builder” appears to be the most obvious role of the DMO, and the way that this role is developed greatly affects the quality of the marketing activities and the likely outcomes of such activities (Wang, 2008). For the Mail Road project TT did not take this role, which was taken by the individual entrepreneurs in the network. In the Cruise Baltic project TT acted as a ‘matchmaker’ for the local cruise network. For the Yachting in the Archipelago project TT’s project manager contacted the partners and built partnerships among the actors of the network. The entrepreneurs interviewed believe that a coordinating organization to run the various projects in the field is necessary.

TT did not take the role of the “Network management organization” in the case of the Mail Road, where the individual enterprises and the representatives of the public sector formed an association after the project itself ended. From the viewpoint of TT the firms were, however, left uncoordinated. For the Cruise Baltic’s local cruise network TT was able to provide the joint production of marketing activities coordinated. For the Yachting in the Archipelago project TT took this role during the time the project was active. The same Turku Touring project manager is planning a new project, which has its basis in the Baltic Sun Marinas and concentrates on environmental issues in the archipelago. It is crucial to remember that managing the network becomes real when partners are brought together. Furthermore, somebody in

a network has to take the leading role. The entrepreneurs interviewed also said that they would like to have concrete tools for monitoring the concrete achievements of the project.

The role of the “Information provider” means that the DMO is charged with the responsibility for doing research to, ‘identify their target markets’, ‘meet visitors’ expectations’, and ‘share information’ with local constituents (Wang, 2008). In the Mail Road project TT mentioned the project on its website as late as spring 2008. Because the marketing activities of the participants of the network have faded out, the DMO does not actively promote the enterprises of the postal route as an attraction. The role of the ‘Information provider’ also means that the DMO is an ‘information source’ for businesses who want to enhance what they are doing (Wang, 2008). In the Cruise Baltic project TT provides information for visitors regarding the quality standards of Cruise Baltic. From a visitor’s perspective a DMO is ‘a contact point’ for people who want to visit the area and it provides information for tourists through various channels, such as publicizing the information on its website, sending out information packets to potential visitors, and providing information at facilities people visit (Wang, 2008). In the case of Yachting in Archipelago, TT maintains the website of the project, gives information about it, what its goals were, how they were achieved, what activities were carried out and who the actors were. The entrepreneurs interviewed would also like to have a study made that maps the needs of the various stakeholders.

The role of the “Community (project) brand builder” according to Wang (2008) is determined so that the DMO is responsible for marketing the whole destination as one entity. For the Mail Road project TT did not participate in the brand building process at all. Wang (2008) states that due to the partnerships a DMO has at local and regional

level they can market a destination on a larger geographical scale, as well as on a bigger business scale than individual businesses can afford to do. For the Cruise Baltic project TT actively participates in the brand building process. This gives the local cruise network members the possibility to gain much wider visibility than they would have by promoting themselves individually, for example, at trade fairs. Wang (2008) argues that this role cannot be easily replaced by other entities in the community because if a DMO doesn't brand and market the entire destination, individual businesses will not take that role. In Yachting in the Archipelago, TT has taken an active and leading role in initiating the brand building process, and regards its aim as being the promotion of the archipelago of the Baltic Sea as a whole brand. Individual businesses invest in their own private businesses, so it is very challenging for them to think outside of their individual partners. According to the entrepreneurs interviewed common quality standards would be necessary.

The role of the "Convener, facilitator and liaison of community tourism activities" is according to Wang (2008) a role a DMO often plays on significant issues that may, or may not, result in further community action. The convening role usually includes a highly visible public discussion of community issues. Turku Touring did not take this role for the Mail Road project, although the individual entrepreneurs took this role when the project was active. Wang (2008) further argues that from a marketing perspective, a DMO is the 'facilitator' for marketing programmes for the local destination by offering a number of different marketing programmes in different markets. For the Cruise Baltic project, TT has actively sought the town of Turku's participation in the network. Moreover, TT acts as a liaison between the harbour and the visitors. This is in line with how Wang (2008, 198) sees a DMO as also being the 'liaison between the visitor and the community, between the local tourism industry

and the government'. As Wang (2008) further states, in this role a DMO attempts to help make collaborative destination problem solving efforts among non-profit, government, business, and other organizations possible and effective. In the Yachting in the Archipelago project TT brought together non-profit and other public organizations, which were included in the project.

According to Wang (2008) the role of the "Catalyst for collaborative initiative" becomes actualized, when a DMO uses its convening role to stimulate discussion with a long term strategy in mind. In the Mail Road project TT did not take this role. Wang (2008) argues that when an organization acts as a catalyst, it makes an early and clear commitment to participate in long term community problem solving that begins with an initial discussion of issues. In the Cruise Baltic project the roles of the catalysts in the project have been taken by those representing the DMOs and ports of Copenhagen and Stockholm. At the local level, however, TT took this role when coordinating the local cruise network. In line with how Wang further characterizes this role, TT acts as a catalyst for the Yachting in the Archipelago project and uses its influence and resource base to make the collaborative initiative 'real' in the minds of various other potential partners who may be waiting for leadership before making any commitment to an action agenda. TT is planning to continue the development of the boat tourism sector by searching for funding for a new project. The entrepreneurs in the field emphasized the significance of mapping the needs for training, which may vary in the different enterprises, regions and countries of the participants.

With reference to the role of "Advocate of the tourism industry" Wang (2008) states that in that role the DMO conveys the message of the importance of tourism. In the EU funded tourism projects TT did not take this role in the Mail Road. However, that role is activated in different tourism sectors represented by the projects. For

example, in the Cruise Baltic project the cruise sector is emphasized and for Yachting in the Archipelago boat tourism takes centre stage. Furthermore, the entrepreneurs also understand the various needs involved e.g. not all the harbours can take the larger boats and in these cases the archipelago is easier to travel by bicycle, while in other cases buses are the best way to transport tourists.

Finally, in Wang's (2008) classification the role of "Organizer of destination marketing campaigns" can be applied to EU-funded tourism projects that deal with the project specific sector of tourism. In the Mail Road project the local DMO did not take this role, although the individual entrepreneurs did. For Cruise Baltic, however, TT has participated in the marketing campaigns of the project, but has not taken a leading role. For Yachting in the Archipelago, TT clearly took this role. However, the entrepreneurs interviewed were weary of producing up to date marketing material and would hope to have more sustainable forms of marketing material.

The third research question in this study "How does the influence (or lack of it) of EU funding affect value creation in the network?" is discussed below.

In the Mail Road project the sign of a stable influence was shown in the change of attitude towards co-operation. This is, however, not enough if no official actor, like a DMO takes a lead in coordinating co-operation. In the region of Turku, the Turku Touring project managers plan to combine their resources in different EU projects in order to receive the benefits of synergy. Turku Touring is active in the projects of the Scandinavian Islands and Yachting in the Archipelago. In a situation where the leading partner is the same for several projects their experiences can be utilized for new projects and learning from the previous projects becomes more transferable.

In the Cruise Baltic project the DMOs of Copenhagen (Wonderful Copenhagen) and Stockholm (Visit Stockholm) were the initiators together with the ports of these

destinations and began co-operation with the representatives of other destinations around the Baltic Sea. In Cruise Baltic it is obvious that destinations have committed to the co-operation. This fact has enhanced their continuing co-operation since the first project ended in 2007. Another sign of a stable influence is the fact that local networks have been developed for destinations where there were no networks before the project started.

It seems that in the case of Cruise Baltic the actors have been able to integrate their resources with their partners in an innovative way, in the sense that former competitors have become cooperative partners. The network members are thus able to see their own destinations as a part of a regional whole that competes with other regions offering similar services and attractions.

For the Yachting in the Archipelago project the entrepreneurs interviewed were satisfied with the management of the project and the marketing material produced as high-level multi-language brochures. Also the different seminars and visits were respected by the members. On the negative side the entrepreneurs saw that the project, typically for projects, ended all too suddenly. They would have liked to have had some continuity and sustainability in the development process the project had started. They also saw the need for the regular monitoring of the effects of the project and realised that it would be very difficult to measure the effects of the project without having any tools for it. It is, however, possible to build on the experiences of this project in a new project that is planned to target the same tourism sector, i.e. boat tourism. Another possibility would be to target travel in the archipelago by using other means of transport, such as bicycles and buses.

DISCUSSION AND CONCLUSIONS

Based on the analysis of the three EU-funded projects in relationship to the regional DMO it can be concluded that networking in these projects creates value for the participants when the co-operation in the projects is coordinated in an effective manner and the coordinator maintains close contact with all actors. The entrepreneurs also wished to have education in business knowledge and co-operation with other entrepreneurs was regarded as a potential resource of learning. In the interviews the actors, representing both private and public sectors, emphasized the importance of stable co-operation and coordination. In particular, entrepreneurs in micro-sized and small enterprises were weary of projects that started and ended without continuance.

The possibilities for the actors in the network to enhance the process of integrating marketing efficiency increase when a regional DMO takes an active role in the project as the funding agent. This role encourages a variety of collaborative marketing activities by providing supporting and matching funds (EU funding in this case), especially for collectively marketing and promoting the project on a larger scale, either alone or with other funding sources. Also by taking the role of network management organization in the projects, the regional DMO enhances the regional development, supported by the projects.

The DMO's role as the information provider is connected to the integrated marketing efficiency in the sense that it provides a platform where the heterogeneous members of the EU funded projects or networks are able to 'meet visitors' expectations'. By doing so, this role enhances the value creation of, for example, small and micro sized enterprises, which often lack knowledge and know how

regarding IT technology. This role can also be connected to information and knowledge sharing from one project to another, which again enhances network learning. At its widest the DMO's role as the information provider in EU funded projects covers the responsibility of doing research in the field, identifying the needs for cooperation and networking and consequently the potential for EU-funding.

Creating a tourism project as a whole under one umbrella brand is, as well, connected to integrated marketing efficiency. The partners, who share the vision of a common brand, must be committed to cooperation. The role of a DMO in leading the brand building process in a project is to make the participants feel affinity and dependence on the development all of the participants have agreed on. The role of convener should also enable the more effective integrating of marketing, as well as find prerequisites for sector specific information sharing and learning.

In the role of the partner and team builder the DMO's role could be characterized as that of a 'matchmaker' who brings the partners together in EU funded projects. The closer the cooperation amongst the partners the better the possibilities there are for network learning. Partnerships and teams between public and private sectors enable the sharing of expertise, know-how and other resources, which improve the competitiveness of small and micro sized enterprises.

In the role of the catalyst in a collaborative initiative the DMO is able to intensify the relationships between the public and the private sector, which enhances the possibilities for high-level learning. At its best cooperation leads to a balance between cooperation and competition and thus reduces uncertainty about losing customers to project partners in a network. The role of the advocate of the tourism industry gives the DMO a voice in the project specific tourism sector. Also, as the organizer of a

destination marketing campaign, the DMO takes this role to deal with a project specific sector of tourism, such as boat or cruise tourism.

When discussing the influence of EU funding in the projects, different levels of coordination in the cooperation the participants in the networks have reached can be seen. At the most basic level the influence EU funding remains on the level of providing basic information regarding the needs and the strengths of the participating entrepreneurs. With no organization taking upon the role of network management organization cooperation will, however, have no opportunity to further develop, as was seen in the Mail Road project. Nevertheless, seeds of change have been created in the form of attitudes towards co-operation and networking with others.

Reaching for the second level, which is characterized by a strong commitment to cooperation and the active role of the DMO virtually ensures the continuation of coordination. In other words, the influence of EU funding generates networks that interactively share information and learning as can be seen with reference to cruise destinations in the Cruise Baltic project.

At the third level of coordinated cooperation the active and leading role of a DMO enables knowledge and experiences from one project to be transferred to similar projects involved in the same sector, or another sector of the tourism industry.

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