

Network Activities in Tourism Firms: A Cluster Segmentation Approach

Doris Gomezelj Omerzel

University of Primorska, Faculty of Management, Slovenia
doris.gomezelj@fm-kp.si

Tina Bratkovič Kregar

University of Primorska, Faculty of Management, Slovenia
tina.bratkovic.kregar@fm-kp.si

In the last decade, there has been increased interest in using the network approach to study the evolution of the tourism industry, especially in the field of destination management. The tourism industry represents the ideal context to investigate the importance of networking, since only a networked collaboration among various stakeholders within tourism destinations (e.g. tourism firms, travel agents, tourism offices, etc.) allows for the delivery of a holistic product to tourists. However, there is still a lack of empirical support for the positive benefits of networked collaboration in tourist destinations.

The aim of this study is to shed light upon the importance of networking among firms operating in the tourism industry. In order to achieve the goal of this study a cluster analysis to model clusters of tourism firms in regard to their network activities was performed. Data were collected among the tourism companies from three Mediterranean countries – Croatia, Italy and Slovenia using a quantitative method.

The sample of 421 tourism firms was classified into three distinct groups based on their networking activities, namely Non-networkers (group 1), Great Networkers (group 2) and Limited Networkers (group 3). The research results show that tourism firms from these three groups differ from each other based on the firm's country of origin, industry, age, size, and performance. Italian tourism firms, for example, are much more inclined to networked collaboration than are Slovenian and Croatian tourism firms. Further, we found that large firms (more than 250 employees), in comparison to small and medium-sized firms, are more active in networking. Regarding industry, the research results indicate that firms operating as travel agencies and tour operators are much more active, connected in networks and collaborative than firms operating in other industries. In regard to firm age, we found that younger firms (less than two years) more actively cooperate with their internal and external environments than older firms. Regarding firm performance, our study shows that among the firms whose market share in the last three years was increasing or quickly increasing, the largest number of firms were located within group 2 (Great networkers). Similarly, firms showing higher profitability than their competitors were more inclined to networked collaboration than firms exhibiting lower levels of profitability. These findings might indicate that there is a positive relationship between network activities and firm performance in terms of market share and profitability.

According to the results, we may be able to advise firms operating in the tourism industry regarding how to increase their collaboration with their internal and external environment in order to achieve better firm performance.

The current study is mainly focused on networking at the inter-organizational level, while the continuation of this research should aim to analyze more thoroughly the role of personal, informal networks, since there is evidence that tourism firms use both types of networks to support their business.

Keywords: tourism industry, networking, cluster analysis