The Challenge of coordinating connectedness amongst different stakeholders in dispersed networks: The Case of Finnish Tourism Enterprises

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Abstract

This paper investigates the challenges the Finnish Tourism Companies are facing today in the form of the twin dynamics of globalisation and e-commerce. Co-operation and networking are seen as an instrument of choice for small, medium and micro sized tourism enterprises (SMMTEs) to manage dis-economies. The theoretical framework of the network is applied in a tourism business context. The article examines how to foster and coordinate connectedness amongst different stakeholders and how to build a network identity in dispersed networks. In the case study, both strengthening of the network’s identity and synergetic electronic communication can be seen as steps towards effective and efficient coordination. Narrative interviews, evaluation of web sites and participative observation are used as methods for data gathering.

Keywords: coordination, e-commerce, value creation, networking, tourism business
Introduction

Throughout history, dispersed communities have sought to connect, in order to create and exchange value. Such connections and interdependencies demand coordination (Thompson, 1967; van Fenema, 2002). An additional issue arises: how to foster and coordinate connectedness in dispersed communities, providing tourism services that are intricably bound with the economic processes of production, circulation and exchange. This paper analyses how the production of 'staged' tourism experiences is dependent on the interaction between small, medium and micro sized enterprises in local tourism networks in Finland, Åland and Sweden. Particularly, it explores the challenge, how tourism enterprises might be able to collaborate in a network to realize and distribute a themed historic attraction: “The Great Postal Route”.

The paper reports on a series of narrative interviews amongst the network’s actors, including the coordinator of the Finnish side of the network. Another source of data is provided by participatory observation in the meetings of the leading group, where the coordinators from Finland, Åland and Sweden took part. Also the website evaluation of the Great Postal Route and its Finnish enterprises is conducted as a student task. Within this theoretical framework we are especially interested in understanding the tourism network coordinators’ and actors’ perception of the authentic network identity. The tourism network producing authentic experiences represents an example of introducing and developing the concept of ‘Staged Authenticity’ (MacCannel 1999); it is relevant in that markers refer both to information and the vehicle of information; the latter in this case is the fine-grained information the entrepreneurs have of their locality.

This paper adds to the literature on managing business relationships (Ford et al, 2003) as well as tourism network theory. It builds on the IMP approach, which holds that the management process in any enterprise is interactive, evolutionary and responsive (Ford et al, 2003:6). It consists of six sections and takes a social constructionist, inter-actionist view. In the second section the focus is on highlighting the need for coordinated cooperation that the small, medium and micro sized tourism enterprises (SMMTEs), are facing at the local and regional destination levels, in order to create and sustain competitiveness. The third section examines the network theoretical discussion, relating relevant theories to the tourism business context, which is comprised of a complex, knowledge and relation intensive, service network, with both global and local dependencies. In the fourth section both the research goals and the research methodology are presented. In the fifth section the network of Finnish enterprises facing the twin dynamics of globalization and e-commerce is presented as a case. In order to enable rapid response capacity, an overall architecture for an e-Commerce Tourism Platform is designed. The sixth and final section concludes the article.

Tourism Business Enterprises – cooperating and virtually networking

Tourism entrepreneur cooperation enhancing competitiveness

Small, medium and micro sized enterprises (SMMTEs) dominate tourism networks throughout Europe. In Europe SMEs (small and medium-sized enterprises) account for 90% of all tourism businesses and 94% of them are micro operators employing fewer than ten individuals (Cooper et al. 2005 ). From an evolutionary perspective, the fundamental question is how these SMMTEs can survive in hotly contested tourism business markets. (Buhalis 2004; Keller 2004). The rapid developments in Information Technologies (ITs) introduce both opportunities and threats for traditional SMMTEs. The former provide enterprises and organisations with tools to develop interfaces with their stakeholders and enhance the efficiency and effectiveness of both the management and marketing functions. However, SMMTEs often lack the expertise, know-how and resources to take advantage of these opportunities and improve their competitiveness (Buhalis 2004). In this context strategic aspects including market strategies, innovation and co-operation can be seen as the main factors determining success for the European SMMTEs (Keller 2004).

Also Buhalis (2000) argues that the enhancement of local co-operation, such as developing partnerships between the public and private sector, is a necessary step to achieve the strategic goals for all stakeholders in destination marketing. Training of human resources and also co-operation between competing and complementary destinations enable regions to learn from each
other and adapt to demand requirements. De Araujo and Bramwell (2002) state that partnerships in planning for regional development can bring together stakeholders representing interests at national, regional, and local geographic scales. The authors have examined a regional tourism development partnership in Northeast Brazil. The partnership focused on coordination among government organizations at different spatial scales and with various functions, with participants largely confined to the public sector. Bramwell and Sharman (1999) have also discussed whether or not specific collaborations in local tourism reduce the power imbalances between various stakeholders.

Middleton (1989) focuses on the tourist attraction marketing issues of the 1990s and forecasts a greater level of professionalism in marketing and taking advantage of economies of scale by cooperation among smaller attractions as necessary. Greer (2002) reflects on the future of cross-border cooperation in tourism on the island of Ireland by outlining important lessons for developing tourism partnerships across national, regional and local administrative boundaries. Greer argues that by formulating inclusive and integrated tourism strategy, cooperation can be maintained, establishing partnership balance, understanding political sensitivities and developing a participative partnership approach at the local level.

As for Bastakis, Buhalis and Butler (2004), they examine the relationship between small and medium sized tourism accommodation enterprises and European tour operators. Briedenhann and Wickens (2004) argue that the clustering of activities and attractions, and the development of rural tourism routes, stimulates cooperation and partnerships between local areas. Holder (1992) considers the regional cooperation between public sector and private sector important. Also Buckley and Witt (1989) see the value of cooperation between the public and private sectors in tourism development resulting in considerable job generation. Saxena (2004) examines different attitudes of actors towards partnership building and their perception of cross-sector networks, arguing that sustainable tourism product is territorially embedded in ongoing social networks and relationships.

Murphy (1988) has found evidence of a synergistic working relationship between tourism industry and communities and gives examples of effective cooperation in British Columbian communities. Tommasi (1987) describes the future role of national tourist offices and the way in which cooperation with the travel trade will develop. The new promotion activities of the Italian State Tourist Office are described to provide an example of future working methods. Kendell (1987) states, that marketing in tourism must be more competitive, and the activities of planners, developers and marketers should be coordinated. Also, better cooperation between public and private sectors will be necessary.

Agarwal (1999) investigates the regeneration of seaside tourism in U.K. examining the achievements and outcomes of three similar attempts to stimulate local economic development. Jamal and Getz (1995) apply the theoretical constructs of collaboration to tourism destinations, offering insight into interorganizational collaboration for planning and development of local, community-based tourism destinations. Go and Williams (1993) point out that tourism organizations specifically have to learn how to share knowledge required to create and provide products and processes better and at a lower cost and risk. The authors view the move towards the application of the network concept as a crucial means to bring about collaboration, which, in turn, is a necessary condition for (tour) packaging, partnership, and interactive marketing, resulting in value-creation.

**Virtual networking**

*Virtual organization* describes the network of independent companies that constitute and market a tourist destination. The outcome of this cooperation is the composite tourism destination product. According to Tremblay (1998) networks allow firms to find a balance between cooperation and competition, leading to a reduction of competitive uncertainty without stifling the incentives to innovate and invest in common tourism assets. Many destinations based SMMTEs have realized that they are not necessarily competing against each other, but against SMMTEs in other destinations. This has given rise to cooperative spirit among SMMTEs at the destination where they cooperate, but also compete – ‘coop-etition’. (Cooper, Fletcherer, Fyall, Gilbert and Wanhill 2005). The emergence of the Internet enables innovative small organizations to build their ‘virtual’ size and
expand their reach globally (Buhalis 2004). Internet also makes it possible for SMMTEs to form a virtual network.

The twin dynamics of globalization (Crouch and Ritchie, 1999) and e-commerce, have shifted the centre of gravity of production from the factor capital to the factor knowledge and information (Go, 2004). It affords SMMTEs the opportunity to mitigate their size disadvantage (Bieger 2004) and address scale and scope issues through effective network cooperation at the local and regional destination levels in order to create and sustain competitiveness. It is therefore critical to understand how inter-organizational relationships and partnerships within networks should be formed and managed and how these evolve over time (Pavlovich 2003). Crouch and Ritchie again (1999) recognize an emerging shift in the global tourism paradigm that demands greater cooperation and collaboration at the local and regional levels to ensure a quality tourist product that can compete effectively at the global level.

The referred studies above highlight the need for cooperation and virtually networking amongst the small, micro and medium sized tourism enterprises. The entrepreneurs, the actors in the network have to learn to collect their resources in an effective and efficient way in order to manage the harsher and harsher competition, and furthermore the competition between networks. In order to achieve as effective and efficient cooperation as possible, the management of the network has to be coordinated. In the following section some of the IMP-schools network theoretical models and discussions are applied in the context of tourism business networks. These discussions are proposed to give the tools of analyzing the roles and positions of the actors as well as the coordination of a tourism business network.

Network theoretical discussions applied in SMMTEs

Value System Continuum framework

The way economic activities are carried out has fundamentally changed. Collaboration between organizations has increased dramatically leading to different forms such as alliances, dyadic partnerships, supply chains, marketing or distribution networks, product-development networks, different competitive coalitions and strategic or value nets. (Svahn 2004, refers to several earlier researches, f.eg. Ford 1997, Jarillo 1993.) Collaboration is defined as cooperative, interorganizational action that produces innovative, synergistic solutions, and balances divergent stakeholder concerns (Hardy, Lawrence and Grant 2005). Coordination is the process of arranging activities, the process people use to create, adapt, and re-create organizations (Quinn and Dutton, 2005). In this context the coordination is defined as arranging activities in tourism networks. In this paper a network is defined as ‘a structure where a number of nodes are related to each other by specific threads (Ford et al, 2003).

The Value System continuum (Möller and Svahn, 2003), can be modified and applied in emerging Small, Medium and Micro sized Tourism Enterprise Networks (SMMTEs). The model can be used in order to define the capabilities needed for managing and coordinating the collaboration in the tourism business network. Inkpen and Tsang (2005) 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. Hardy, Lawrence and Grant (2005) argue that effective inter-organizational collaboration emerges out of a two-stage process. In this process conversations produce discursive resources creating a collective identity and translate it into effective collaboration.

Svahn has analyzed and compared the value system characteristics in different types of business nets by validating and evaluating the Value System Continuum framework (Figure 1 adapted from Möller and Svahn 2003). As a result, new characteristics of emergence and added understanding on dynamics of the framework were identified. The findings also indicated that all the ideal types of nets can be seen as hybrid forms having several value system characteristics, not only efficiency or...
Svahn (2004) discusses the managerial capabilities which are relevant in managing nets. These capabilities are related to the value system characteristics where the net operates. Lines in Figure 1 are numbered from 1 to 5. Line 1 shows the type of the net. In this paper the focus will be put to the third type, emerging business networks. Note that Svahn (2004) separates the term net from the term network referring to nets of companies opposite to the network as an industry; Ford et al (2003) again, claim that one cannot separate the so-called net from the wider network. In this paper the term net has been changed to the term network in emerging business networks (originally: emerging business nets). This is because of the emphasis in this paper is on the phase where a tourism business network is emerging. Especially the question of coordination and managing capabilities in this phase are in focus. Line 2 in Figure 1 presents what kind of value production occurs in each type. In this paper while the focus is on emerging business network, the value production is supposed to be, according to the adapted model, future oriented. Line 3 recaps the main goals of each net. In this paper, according to the adapted model, the focus will be on radical business innovations opening new business opportunities. The network managerial capabilities themselves are presented on two the lines 4 and 5. Line 5 refers to more traditional dynamic capabilities, and the line 4 to those needed in managing business interorganisational relationships and business nets (Svahn 2004). In emerging networks which this paper focuses on, it becomes more difficult, and sometimes impossible, to separate dynamic capabilities.

Möller and Svahn (2004) see that the network theory would benefit cultural studies examining the influence of different cultural patterns on inter-organizational communications and behavior. According to Grönroos (1994), marketing is a process which includes several parties or actors, whose objectives have to be met. Inherent in this notion is a view of the service providers interacting in a network (Ford et al 2003). As regards studying relationships (in a network), a dynamic approach is necessary, in order to provide an understanding of how a relationship evolves over time (Ravald and 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 and Johnston 2004). A web of network relationships forms the foundation of effective and efficient flows of information, experience, knowledge and ideas (Morton et al. 2004). According to Möller and Wilson the network approach suggests that industries should be described as networks of interlinked actors (Möller and Wilson, 1995).
A focal firm's position in a network can be examined by analyzing its direct and indirect relationships to other actors (cf., Easton 1992). Soisalon-Soininen (1999) studies roles and positions in the emergence of networks and further, a case of developing a tourist product. She points out that the several actors in the network have different interests and different views. Since positions can be defined for all the actors in the network, the concept can be used to characterize network actors (Johansson and Mattsson 1992).

The Network approach is highly relevant to studies of tourism destinations, as they are constructed from multiple supplier activities crossing many types of businesses and sectors (Pavlovich 2003). Regional development projects and the criteria for the EU subsidies made networking and cooperation the key words in tourism industry (Komppula 2000). Destination marketing organizations will probably have a more direct role in developing and managing comprehensive inventories of products and experiences. They will certainly have a greater role in customer servicing and contact and, rather than leaving the conversion process to take care of itself, they will possibly enter into strategic relationships with industry partners, which can provide a seamless process between the connection with, and final conversion of, the customer (King 2002).

**ARA-model**

Håkansson and Johansson (1992) present a model of industrial networks, the ARA-model consisting of the actors, resources and the activities in the network. The main aim of the model is to facilitate an integrated analysis of stability and development in industry. 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. The authors point out that this overall structure is mainly a matter of definition. Actors are defined as those who perform activities and/or control resources. In activities actors use certain resources to change other resources in various ways. Resources are 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. The ARA-Model is presented in Figure 2.

![ARA-model](image)

Anderson, Havila, Andersen and Halinen (1998) are concerned with the dynamics within business networks arguing that the dynamics in networks can be understood on a basis of the interaction between the positions and roles of the actors. The authors state that the two concepts of position and role are inseparable and that they have to be defined in relation to each other. The position concept represents the stability concept in business network and the role concept, again, represents a change dimension.
Florén and Tell (2004) have found that co-operation in networks produces better possibilities for higher-level learning than what small firms can organise on their own. The learning in networks is based on trust and has emergent prerequisites. Ballantyne (2004) emphasises that marketing needs to help create dialogical space within social, economic and technical network structures through which relationship specific knowledge, trust and knowledge generating processes may continue and evolve. Svahn discusses the managerial capabilities in managing nets. Managerial capabilities are postulated to the proposed ideal types in the Value System Continuum. The capabilities are believed to be cumulative, which means that to be able to produce the capabilities at the right end, also the capabilities at the left end are required (Svahn 2004). Still, although the research of networks in mainstream business research has increased, there is a relative dearth of research which addresses the issues which the actors of collective tourism business networks encounter within a particular destination (Tinsley and Lynch 2001). As small tourism businesses represent an important factor in most Finnish tourist destinations, the present research study is both relevant and much needed.

**Building network relationships, identity and staged authenticity**

Fyall, Callof and Edwards (2003) state that the special feature of the destination product complicate the building of relationships with the tourist and diminish the value of such efforts while promoting the value of greater inter-organizational collaboration. Page, Forer and Lawton (1998) again, argue that the relationship between tourism and small business remains terra incognita because much of the existing research is published in diverse sources and fails to explicitly contribute to methodological development in this area. Carey, Gountas and Gilbert (1997) state, that sustainable tourism is dependent on the effective cooperation of all the stakeholders in the industry, for example, suppliers, intermediaries, public sector and consumers.

Silversides has found (2001) some key issues, which label successful networks of small and medium sized enterprises: networks need an identity that take time and trust. Networks also need pride in the group’s identity and reputation. Moreover, networks provide learning and constant development for individuals and firms who are reflective. The creation of trust between local and global systems (Ganzaroli 2002) and in the management of business relationships has become crucial for most firms (Batt and Purchase 2004; Ford et al, 2003). Huemer (2004) identifies a number of trade-offs associated with trust and identity when developing business relationships in networks.

Li (2005) researched different effects of trust and shared vision on knowledge-transfer and found that in managing knowledge transfer, trust is a more influential factor in inter-organizational relationships, while shared vision, in contrast, is more influential in intra-organizational relationships. According to Tell (2004) an organization’s identity is seen as a stabilizing resource, whereas network identity is an activity that may lead to increased variety. Trust, as well as identity, is built up over time and it is a result of interaction, which is needed in order to cope with the dependency of connected actors. Furthermore, it offers a sense of continuity (Tell 2004).

Also Quinn and Dutton (2005) emphasize the importance of the conversational dimension in coordination. Particularly, they propose that the energy that people generate and deplete as they coordinate affects both how conversations unfold and the effort that people devote to coordinated activities. Identity means that a community, which is connected by a network has a common goal that differs from others’, i.e., a goal the members, the actors in the network support and don’t want to change. According to Kapferer (2000) identity can be defined by asking the following questions: What is the clear vision and meaning of the community, the network? What makes it different? Which needs does it fulfill? What is its lasting nature? Which are the meanings that make people aware of it? Which are its core values?

Åberg (2000) states, that when the goals are communicated they can be a strong factor for profiling the community, the network. Today, not only goods or services are communicated under an umbrella brand and its identity, but in tourism business, branding is also used as a means of emphasizing the feel of the place, developing a personality of the destination (Slater 2002). Developing the personality of the destination is elementary in the process of commoditization of experiences. The novelty lies in the fact that ‘experience’ is designed, and intentionally produced (staged). Experience emerges from the interaction between destinations and tourists – with destinations as ‘theatres’ at which experience takes place, and tourists as ‘actors’ who have to play
their own role. The whole process, compared to the standard production of the conventional tourist product is new and innovative. Experience involves the creation of a myth, a narrative over a text of signs. This is a knowledge-intensive process that is neglected if the focus lies on service-provision (Stamboulis and Skayannis 2003).

Aas, Ladkin and Fletcher (2005) have examined stakeholder collaboration and management roles as well as the interdependence of the heritage conservation and tourism development. The case study network of The Great Postal Road is an example of introducing and developing 'Staged Authenticity' (MacCannell 1999), emphasizing the fact that what is relevant is that the markers refer both to 'information' and 'the vehicle of the information' - the latter embodied in tourist entrepreneurs who have 'fine-grained' information of their locality. Therefore an important question is whether and to what extent entrepreneurs have knowledge of relevant information about a site (Postal Road) and are involved in sharing it with other entrepreneurs and customers?

This paper aims to contribute to the IMP-discussion, by applying the value system continuum in the context of emerging tourism networks. The ARA-model is used in order to analyse the activities, resources and actors in the network. The basic question is: What kind of managerial capabilities are needed to coordinate the connectedness of dispersed communities amongst different stakeholders of emerging tourism business networks. Managing the network in this context is regarded more as coordinative actions in order to achieve collaboration between the actors in the network. Coordination gives energy and push power, which strengthens the collaboration. The strengthened collaboration gives birth to discourses which grow the trust creation in the relationships and help the participants of the network see their common goals. In an ideal case, the ties between the actors are tightened and the common cultural identity, communicated under a common brand identity, is building.

**Method and data collection**

*Research goals*

The theoretical discussions in this paper are based on the IMP theoretical research approach with an emphasis on the coordinative aspect in building an authentic network identity in tourism business. It investigates the case study network, particularly the changes which actors perceive and how these impact on their network. The following data collection phases were carried out: Participant observations in the network meetings in Finland (the leading group of the Finnish network and the constitutive meeting of the Great Postal Route association) and in Sweden (the leading group of the whole network); in depth interviews (four actors of the network including the coordinator); and the web page evaluation as a student task.

Also the modified Value System continuum framework (adapted from Möller, Rajala and Svahn 2004) was applied in the context of an emerging tourism business network. Building on knowledge, from which trust flows, and scripting technique offers methodological support and illustrates the strategic meaning of knowledge and helps make clear that tourist entrepreneurs have to make choices about competences and capabilities and to improve the effectiveness of internal(within enterprise) and external (within network) knowledge flows.

The study examines the strategic meaning of the knowledge factor for building trust, which is a prerequisite for developing authentic identity. It illustrates how strategic knowledge objectives can be laid down in the knowledge ambition of both coordinators and entrepreneurs who are part of the network. The knowledge ambition gives answers to the expectations and questions which entrepreneurs and coordinators have, “Are we doing the right things?” that corresponds to the concept of efficiency in the Value Continuum The second basic question is: Are we doing the right things right?” relating to the concept of effectiveness in the Value Continuum.

**Stream of research**

Gilmore and Carson (1996) discuss the advantages of using “integrative” qualitative methods in a services context. They also combine the notion of integrative research methodology with the idea of a “stream of research”, or research which builds on earlier studies and explicitly allows the researcher to evolve and develop through distinctive stages over a given time period. Breen, Bull
and Walo (2001) compare the results of recalled expenditure survey data using individual vs. individual but within-group interviews, with a view to establishing the extent to which 'social bravado' or peer pressure affects the results. Ladkin (1999) states, that, despite a well-established use of life and work history data as a research method in social science research, it has received little application to hospitality and tourism research.

In this paper the qualitative research methods can be described as “a stream of research”. One of the authors has interviewed four of the actors in the Finnish side of the network in a narrative way, where the entrepreneurs have been able to tell, in an open-ended way, their relationship to the network, and also to the coordinator of the network. Despite the interviews, the author has also been accessed to participate in different meetings of the actors and coordinators of the network. And, finally, one of the authors has, in cooperation with the coordinator of the Finnish side of the network, tutored a student task, where the websites of both the Great Postal Route and its entrepreneurs were analysed.

**Narrative interviewing**

One of the authors has interviewed the actors in the Great Postal route -network in Finland in order to get their opinions as to who they consider to be their coordinator in this project, and also, how this coordinator contributes in building and promoting the identity of the brand. The interviews were completed in September 2004. The network of SMMTEs in the Great Postal Route is coordinated in a seemingly effective way by an experienced person, who has been able to acquire the financial EU-support for the project. The critical point in the evolving of the network will, consequently, be the stage when the network will have to be able to manage by its own, without the coordinative support. What, then, are the critical success factors of the network under study?

A qualitative research method, narrative interviewing, was chosen and the actors were encouraged to describe their subjective experiences about the development of the project. The informants were asked how the network has evolved into the present stage and encouraged to participate in an evolving conversation with the interviewer. When the interview is viewed as conversation – a discourse between speakers – rules of everyday conversation apply; turn taking; relevancy; a story world. One story can lead to another; as narrator and questioner/listener negotiate spaces for these extended turns (Riessman, 2004). An interview with individual entrepreneurs makes it possible to get their accounts about how they feel the coordination of the network is and should be functioning in a most efficient way and also how, and to what extent, according to the entrepreneurs, the coordinator is promoting the relationships between the actors. The compilation of the stories or narratives of different actors will represent a ‘complete picture’ of the Great Postal Route Network brand as a whole.


Besides the four completed interviews, three actors were asked to give an interview but they refused. One of them explained that she was going to move on to other activities and would leave her present work where she was an actor in the network. This interviewee would have been of special interest because she had been active in the leading group of the network both locally and also internationally. The second one to refuse was a owner R who didn’t feel that he belonged to this network especially closely. He pointed out that he had had previous cooperation with the Coordinator and assumed that this was the reason why he had been asked to participate also in this network. The third one who didn’t want to be interviewed represented the guide association in one of the municipalities belonging to the network.

The majority, nine altogether, of the Great Postal Route enterprises are situated in the municipality called Kustavi, five in Taivassalo and the rest of them are dispersed in four different municipalities. Two of the interviewees represent Kustavi and two Taivassalo.

The enterprises in the Great Postal Route can be categorized as manor, craft shop and art gallery owners (eight), the accommodation and restaurant owners (nine), trawler owner (one) and associations (four). As to their entrepreneurial activities, the interviewees were chosen to represent:
1) Coordinators (the Finnish part of the route);
2) The manor, craft shop and art gallery owners; owner J represents also the educated Great Postal Route guides;
3) The accommodation and restaurant owners;
4) Trawler owners and associations (owner A represents both categories).

Each of the interviews was tape recorded and transcribed. The discussions took time from one hour to two hours.

**Participatory observation in the meetings**

One of the authors of this paper participated in the meeting of the leading group of Great Postal Route in April 2005, where coordinators from Finland, Åland and Sweden discussed the cooperation forms for the projects, and also planned how the projects will be carried out in the future. Each of the three networks has founded an association, where all the enterprises can participate. One of the authors was able to take part in the constitutive meeting of association in the Finnish part of the network in May 2005.

**Evaluation of the websites as a student task**

The website of the Finnish side of the Great Postal Route network, as well as the sites of the entrepreneurs belonging to the Finnish side of the network, was evaluated by the first year students in Turku School of Economics and Business Administration. The student task was tutored by one of the authors and commented by the coordinator of the Finnish side of the network. The student task was to compare the sites of each entrepreneur, their quality and functionality and also how the enterprises' websites were linked to the website of the Great Postal Route and vice versa. The notions of the students’ evaluation report are included in a subsection of the following section.

**Great Postal Route Case**

**Case description**

The Great Postal Route (Suuri Postitie in Finnish) -project started in the autumn of 2002. The project involves communities located along the old postal route in the regions of Stockholm, Åland and Southwest Finland. The goal of the project is to profile the route as a cultural tourism route with services available round the year. This project entails at the same time the notion of staged authenticity, based on regional heritage and culture assets. The purpose of the entrepreneurs is to create a brand leaning on quality and strong knowledge of history and culture. They also wish to make the Postal Route convenient and attractive for tourists. Therefore, attention has to be paid to developing services and means of communication. The entrepreneurs aim to create a collaborative network that would carry on the work even after the project is finished. It is important that all the actors (the entrepreneurs) under the common brand share the same values than concerning the brand. In other words, it is essential that the representation of the brand identity is of a common and unambiguous nature, in order to enable, first, the coordinator to support the building of the common brand identity amongst the different network actors and, secondly, the network’s target groups to interpret the brand identity in an effective manner. Fostering networks means managing the context rather than all the details of the process. The coordinator assesses the health of the network on a regular basis and acts as a catalyst connecting network members (Büchel and Raub 2002).

**The stories of the actors analysed in a modified ARA-model**

Below in figure 3 the ARA-model forms a core of an analysis model, a modified ARA-model, in which the actors, resources and activities of each interviewed actor in the network are analysed. In addition to the analysis of the ARA-dimensions, also the structure of the network as well as the management skills of the actors, and the roles and positions of the Coordinator and the actors will be discussed from their own point of view of the informants themselves.
The focus of the interviews was to ask the viewpoints of both the actors and the coordinator as to how the network had evolved, what was the role of the coordinator in promoting the relationships between the actors, and how the entrepreneur saw his/her own role in the network activities. The actors were encouraged to tell the narratives, their own stories in order to find out how a local tourism network consisting of small, medium and micro sized entrepreneurs is managed and who the actors in a tourism network consider to be the network coordinator. The problems concerning the twin dynamics of globalisation and e-commerce were not explicitly asked. Each interviewee was expected to reflect on their relation, as one of the entrepreneurs, with the whole network, that is they had the choice to bring up anything they regarded as relevant in that respect.

**Emerging network and Organizational change**

The coordinator shall leave her job, association is founded, this will change the structure of the network, who will be promoting relationships building identity, promoting staged authenticity. A relevant question for SMMTEs building and co-operating within and between networks is, how to manage and coordinate business relationships within such networks (Ford et al 2003). Especially challenging is the situation, when the actors of the network, the providers of a tourism brand, represent different nationalities and cultures, which is the case in the present study.

**An interactive, evolutionary and responsive Network Management process was carried out in the emergence of the Great Postal Route –network**

The management process in the emergence of the Great Postal Route –network, has been interactive, evolutionary and responsive (compare Ford et al, 2003:6). The Coordinator started the activities in 2002 by contacting potential project leaders as well as potential network members. She was able to take advantage of her earlier contacts and co operations and was able to enroll Weddö School in Sweden as an official applicant for EU-funding. She used her diplomatic negotiating skills and persuaded the County Museum in Turku to become a local contact for the project. She sent
letters to 80 enterprises along the route, of which 20 were willing to participate. The EU-funding she succeeded in gaining, represents for her the main resources of the project.

As one form of resource she points out the importance of the joint meetings with the entrepreneurs in the network. Also, the managerial team meant a resource to her although she emphasized the difficulties in dealing with the different management cultures. The assistance was of great value to the coordinator. An important resource is also the training and education (see e.g. Riege and Perry 2000), which is organized especially to the guides along the route. The Actors in the network include, in addition to the entrepreneurs, also the earlier cooperation forms, such as the manors and the museums, the leading group members, the main coordinator of the project, the regional coordinators, the bus firms, the guides and so on. Riege and Perry (2000,) emphasize in the trade-oriented approach, focusing on the distribution channel, knowledge transfer to tourism service providers. The process of putting together and supplying cultural services is one in which considerable skills and "localized" knowledge is required. The local operator is responsible for keeping cultural tourism linked to the economic production of cultural contexts (Go, Lee and Russo 2003).

As to the Role of the Coordinator, she sees her role as that of the matchmaker (compare creative learning organizations in Go, Lee and Russo 2003), bringing the different actors together. She knows the needs of the customer and she has the contacts with the regional coordinators. Her role is also to manage the product development. Compare Go and Williams (1993) “no channel structure can compare with the speed and flexibility of networks to link suppliers (and intermediaries and buyers)”. The Coordinator admitted that her work is still in a beginning stage where the cooperation between the enterprisers is evolving but has not achieved the stage of smooth striving towards a common goal. The Coordinator has a clear mission and a vision of the network and how it should action. She is going to continue with a new stage of EU-project, including the plans of educating the other actors to deal with her vision and to develop the relationships amongst the actors (compare Riege and Perry 2000). The Coordinator is the most important actor of the network in its transnational or international context because she is an expert of the local and national cultural knowledge towards the transnational actors. Cultural tourism development is characterized of some very definite unbalances. On one side, it depends on localized and hardly reproducible resources. On the other, it is governed by an industry that is increasingly both “global” in nature and disconnected from the sources of cultural capital (Go, Lee and Russo 2003).

The Coordinator acts as a link to the networks in Åland and Sweden. This can be seen as a start to network model, which enables the network actors to “balance global reach and local adaptability” (Go and Williams 1993): As Go and Williams (1993) state, network transactions for value-added skill and knowledge purposes are critical in the tourism industry firstly to assess marketing opportunities, secondly to acquire more detailed knowledge of local markets and finally to create an organizational structure that sees its brand’s mission, markets, and requirements as both local and global. The Coordinator is aware of that the websites for the brand as a whole are very elementary. In order to achieve a global recognition as a brand the network should invest more to this point. As individual enterprisers they have much better sites, but this doesn’t enhance the whole network.

As stated by Go, Lee and Russo (2003) coordinating mechanism based on ICT helps to achieve a more globally responsible paradigm for a tourism industry as a viable encounter of cultures. Also according to Riege and Perry (2000) the most important services offered to the intermediaries were: 1) expertise in product information, 2) involvement in familiarisation trips 3) training seminars for, and regular meetings with, intermediaries, and 4) the provision of collateral material and the involvement in sales promotions for direct sales support.

The activities in the present network do not coincide with the expectations of Owner J. For her, the earlier existing cooperation with other manors has been more important. According to her, the cooperation should be much more intensive than what it is. She is, however, aware of it that such cooperation takes a long time to develop. As a very important Resource she sees the fact that her manor is situated along the original, old, mail road. She is also an educated guide and values education highly. She has a strong belief in the network, and regards the cooperation as rewarding. She thinks that 50 euros is a very moderate sum of money to be paid for belonging to the network. As to the Actors in the Network, she does not have very many contacts. The earlier networking with other manors has been more successful in leading to different kinds of joint packages. As to her
relationship to the Coordinator, she thinks that there are common meetings too seldom. She is slightly disappointed with the Role of the Coordinator, and feels that the expectations she had have not been achieved. She has also felt uncertain about belonging to the network. However, she is committed to the network and is going to continue in it when asked by the Coordinator.

For Owner K the idea of the great mail road is always present and presented in his activities as well as the King’s Road ideology. However, he sees other networks as giving more Resources, such as fishing packages, Sky Horse and Rotary Club. He points out that the Post Office as a sponsor should provide more resources. He emphasises the role of Word of Mouth as an effective marketing channel. He has networks in several other directions, not so much with the Great Mail Road. Owner K has Internet site where the information is in six languages. He is very effective in using his own personal contacts in his business. For him the Role of the Coordinator and the network doesn’t carry very much weight, but he doesn’t have great expectation, either. For him the role of the municipal project coordinator means more. Still, he is going to continue in the network when asked by the Coordinator.

As to the Activities, to Owner A, the idea of the great mail road has been present and presented since 1994. He uses the media actively in order to get publicity not only for his own business but also to the ideology on the background. The life and values of the Archipelago are very important to him and he is one of the founders of the archipelago association. As Resources he uses the publicity and also the opinion leaders. He sees that the Post Office should invest more resources in the network. Also the State should support the entrepreneurs’ investments more. He sees stronger ties to the Actors across the sea and does not have so much cooperation with the other actors in this network. Even though he sees the Role of the Coordinator authoritarian he feels outsider. Also he is going to continue in the network when asked by the Coordinator.

The entrepreneurs’ perceived impact of the network and their roles in relation to the identity of the Great Postal Route, is still in emergence. Each of the interviewees seems to have trust that the collaboration will continue, and also sees the positive effect of a joint brand. However, the process of coordinating the capabilities and skills towards the strategic goals of the whole brand is more a vision of the Coordinator than concrete business plans. Still, the interviewees understand that the successful cooperation will take its time and effort and all of them are interested to go on with the work. All of the actors also see the importance of the cultural heritage that the joint brand represents. It seems that the role of the Coordinator makes sense as a key actor of the network and moreover, the actors wish that there would be more coordinated activities in the future. The identity reflected by the stories needs still stronger ties and trust amongst the actors and strong leadership of the coordinator. As the Coordinator stated herself, she is still no more than a matchmaker having gathered the partners together, and plans that at the next stage the connections between the actors need to be strengthen.

**Website evaluation of the Finnish side of the Great Postal Route and its enterprises**

Within a multi-layered and complex network, the **Coordinator** of the network has to be able to create a responsive network community with its own identity. In order to enable rapid response capacity, an overall architecture for an e-Commerce Tourism Platform shall be designed and implemented. From the perspective of the coordinators this platform provides: a means of attracting tourists to Finland, Åland and Sweden. From the perspective of the enterprises this platform provides: an efficient, cost effective way of presenting itself to a world-wide audience; an efficient means of booking its services and the financial transactions associated with them. The e-Commerce Tourism Platform facilitates both the coordination and control of centralized or decentralized information and supports actors in managing the relationships amongst themselves in the network. A relevant question is whether and to what extent the entrepreneurs have knowledge of relevant information about a site and are involved in sharing it with other entrepreneurs and customers.

ICT and Internet offer a way for the entrepreneurs to reach customers within such a geographically wide and dispersed community as the Great Post Route. By common Tourism ePlatform, the entrepreneurs are gathered together under a common umbrella brand. Internet also makes the distance between the entrepreneurs and customers shorter, as everybody will be able, with their
own PC get acquainted with the service offerings along the route. Internet also brings the entrepreneurs along the route closer to each other, and makes it possible to cooperate more efficiently. Postal Route and its Finnish site form a kind of portal for the sites of the enterprises (www.postvagen.com). Criteria for a functional and satisfactory cohesion that pleases customers are: a clear navigations system, possibility to give feedback, and links that lead to the sites of the enterprises themselves. Although these criteria are met rather satisfactorily there is always something to improve in the functionality. The home site would be the most logical place to inform that the links (accommodation, shopping and attractions) are localized in a map, where you can find these services. The Finnish version of the sites includes the description of the Postal Route as it is now, and its history. In the historical part there are some old photos. The service and information on the sites could be increased considerably, for example with photo galleries and the narrated experiences of tourists. It is of importance for the actors in the network, as well as for the customers, that the sites consist of useful and interesting information, which is up to date.

The sites of the entrepreneurs along the Great Postal Route in Finland vary largely in their quality. Some of the sites include an almost overwhelming amount of information, whereas the other extreme are enterprises, which lack sites altogether. The most high-quality sites give very detailed information about the actions and events in the enterprise. Then again, many of the entrepreneurs have underestimated the possibilities of internet as a media for knowledge diffusion. Utilizing of the potential value increase offered by the new information technology is a common problem for micro tourism enterprises in particular (Boxberg et al. 2001). However, it is evident, that IT and the Internet offer greater marketing advantages unmatched by other distribution channels (Buhalis 2004).

The most elementary problem from the viewpoint of the Great Postal Route network is that almost every one of the enterprises lacks or has a very indistinct mentioning of the network in their own sites. Because of this it is impossible to access to the sites of enterprises with any searches targeted for the network itself. This is also problematic from the viewpoint of the common network identity building. If anywhere, the common idea of an authentic networking should be communicated at the site of every single enterprise. However, none of these enterprises has been founded only for the cohesive Postal Route identity, but they all have also their own culture and policies. Still, the linkages from the sites of the enterprises to the Postal Route site should be the minimum way of showing commitment to this cooperative network, together with the logo of the Great Postal Route representing the sign of the umbrella brand.

Managing web-based network collaboration

Managing web-based enterprise network collaboration can be understood as the usage of the web both in the internal interactions and also externally as a media and distribution channel for purposes of interacting with both tourists and suppliers. The web also offers significant possibilities to facilitate the interactions within the network. For example, the network members can use the web as a way to distribute knowledge. When everybody can communicate with each other great synergetic advantages are achieved. Internet offers the most effective way of spreading the knowledge. Using e-mail makes the ways of communication faster, cheaper and more efficient. On the other hand, in order to get the web to function effective, a certain basic learning level is required.

Managing the Great Postal Route network would be much easier if every one of the entrepreneurs would use the modern ways of web mailing. This raises the issue of the impact of new technologies on society and creates a challenge to develop the knowledge of entrepreneurs to actually use the internet. For this, the entrepreneurs could search support from ESR-funding and also from cooperating with the local schools and universities. But before that it would be of great importance if the entrepreneurs realized that value in the present market place is knowledge-based.

And the internet offers a fast highway of knowledge and its diffusion amongst the nodes of a network. The access to common network data sources, via virtual information desks, would help the individual entrepreneurs to plan and implement their activities in more effective and efficient ways (e.g. reduced transaction costs) and simultaneously support their common network goals. In summary, the coordination of a network entails various tasks, including can the coordination of a vision and cohesiveness of a network, furthermore the coordination of common knowledge and
lastly the coordination of building, jointly, the authentic identity of the network. The latter provides a central viewpoint which is necessary to pinpoint the network’s strengths and weaknesses, and undertake the actions which are needed to ensure the network’s continuity. The question of managing and coordinating the network is a fundamental problem. Somebody has to provide the leadership and set the goals albeit in cooperation with other actors.

Analyzing the managing capabilities in three phases of the Great Postal Route case

The tourism enterprises are facing new realities in the form of the twin dynamics of globalization and e-commerce, and the need to strategize and reorganize their activities. One of the main inputs in a model of the reconstructed tourism business is the identity of the product, or brand. In the tourism business network the accounts of the entrepreneurs can strengthen social capital and brand identity. In a case were the brand consists of the offerings of several actors in the network, the role of the coordinator is fundamental in promoting the brand identity amongst the actors. The interviews of the four actors in the Great Postal Route network revealed that the entrepreneurs are well aware of the meaning of cohesive brand identity. The ideology of the brand has been present and presented in their activities even before the cooperative project was started.

In Figure 1 the key managerial capabilities of an emerging tourism business network are analyzed in the context of the Great Postal Route case. The emergence of this network has been divided into three phases. The first one of the phases is called the pre-stage. This phase started in the year 2002, when the coordinator of the Finnish side of the route was appointed to lead the collaboration amongst the network participants. She has been the energy and power behind the actions, spreading the knowledge and information. Today, the coordinator is resigning the task, the association of the Postal Route has been founded and the coordination will take a new form. The managing capabilities for this phase are illustrated in the middle of the Figure 1, where the leadership is transferred into the hands of the association and its governance. The value production (line 2) is future oriented when building the brand identity and staged authenticity the enterprises along the route will be capable to create more value for the customers seeking for the authentic experiences. The actors in the network are searching for radical innovations opening new business opportunities (line 3), they are realizing the possibilities the Internet and common eCommerce Platform can offer, especially if they are collaborate in this area. The third phase in the figure illustrates the future vision the network is aiming at.

Looking at the network managing capabilities on lines 4 and 5, the capability of deep partnering has been in focus a long time before the network itself has emerged. The coordinators have been lobbying and searching for partners, financial support, sponsors and co-coordinators. The innovation capability, again, has been in incremental stage, when the coordinators have planned the future activities in order to build the staged authenticity and identity of the network. In the phase of emerging business network, the situation is, that the actors (entrepreneurs) themselves must deal with the issue of distributed knowledge and particularly how to bridge the communities of the practices between different cultures, physical distance, possible governance differences, which complicate the ‘sharing’ of common ideas concerning the brand’ in the communities involved.

The capabilities of joint knowledge creation in form of deeper cooperation (association is founded) and radical innovation capability (the possibilities technological support of Internet and eCommerce Platform are offering) are fundamental. In the third phase in Figure 1 the future of emerging tourism business network is envisioned. To get towards that vision, the capabilities, which are in focus, are network visioning capabilities, abilities to see the future trends and challenges. In order to manage the cooperation amongst the dispersed actors, it is of crucial importance that the members of the network are able to realize the wisdom in this form of working towards the common goals, in the form of building a cohesive identity and communicating it under a common brand. Also the absorptive capacity is important when the actors are supposed to produce staged authenticity, which ought to be presented at every encounter along the route. This will be possible only if the actors are able to learn explorative.

The accounts of the interviewed actors in the Great Postal Route Network showed that entrepreneurs are willing to continue the cooperation under a cohesive brand identity. However, they consider that more emphasis has to be given to the development of their mutual relationships.
As it is now, the dominant relationship forms are the dyadic ones between the coordinator and the actors and the relationships between the actors are rather rare. Still, the interviewees expected an even more intensive coordination and leadership of the coordinator. Cooperating in the network was clearly seen as a possible way of both learning and also sharing the entrepreneurial skills and capabilities.

Conclusions

This paper analyzed how the production of ‘staged’ tourism experiences is dependent on the interaction between small, medium and micro sized enterprises in local tourism networks in Finland, Åland and Sweden. Particularly, it explored the challenge, how tourism enterprises might be able to collaborate in a network to realize and distribute a themed historic attraction. The Great Postal route -network of SMMTEs was presented as an empirical study. A qualitative, narrative approach has been chosen, where the stories of the actors are supposed to form the ‘whole picture of the network brand identity’.

The stories were analyzed in a modified ARA-model, where the actors, activities and resources of each narrative are presented. The compilation of the stories mirrors the real picture of the brand identity. This picture can be compared to the strategized picture of the network, its vision. In order to be able to move towards the vision, to a common identity, it is important to perceive the present stage. This study has shown that using the network approach and its modified ARA-model helps to identify the gaps between the aspired and the present stage of the brand identity in tourism network, and to steer the resources accordingly. Educational resources, in particular, are important in the building of the identity. Equally, the role of the coordinator is elementary in steering the resources towards the strategized goals.

Also the modified Value System continuum framework was applied in the context of an emerging tourism business network. The study examined the strategic meaning of the knowledge factor for building trust, which is a prerequisite for developing authentic identity. It illustrates how strategic knowledge objectives can be laid down in the knowledge ambition of both coordinators and entrepreneurs who are part of the network. The knowledge ambition gives answers to the expectations and questions which entrepreneurs and coordinators have, “Are we doing the right things?” that corresponds to the concept of efficiency in the Value Continent. The second basic question is: Are we doing the right things right?” relating to the concept of effectiveness in the Value Continuum.

In summary, the coordination of a network entails various tasks, including can the coordination of a vision and cohesiveness of a network, furthermore the coordination of common knowledge and lastly the coordination of building, jointly, the authentic identity of the network. The latter provides a central viewpoint which is necessary to pinpoint the network’s strengths and weaknesses, and undertake the actions which are needed to ensure the network’s continuity.
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