

# **Distributed and dynamic supply chains in the heritage tourism: the case of “distributed hospitality” (albergo diffuso) in Italy.**

**Andreina Mandelli**

Sda Bocconi Milan and USI Lugano  
Via Bocconi 8, Milan and via Giuseppe Buffi 13, Lugano  
Italy and Switzerland

[Andreina.mandelli@sdabocconi.it](mailto:Andreina.mandelli@sdabocconi.it)  
[Andreina.mandelli@lu.unisi.ch](mailto:Andreina.mandelli@lu.unisi.ch)

**Antonella La Rocca**

USI Lugano  
Switzerland

[antonella.la.rocca@lu.unisi.ch](mailto:antonella.la.rocca@lu.unisi.ch)

## **Abstract**

This paper is concerned with the study of heritage networks at local level. This is a case analysis that wishes to give a contribution to our understanding on the formation, evolution and performance of business networks and network-based markets.

We offer our contribution to building understanding on these critical questions, studying the networks emerged in the heritage tourism, and in particular the networks formed under the general formula named “albergo diffuso” (distributed hospitality) in Italy. For this study we have applied the IMP conceptual approach to business markets, and the ARA methodology for the analysis of network relationships, with a comparative approach.

We can define the networks’ structures (boundaries and organization) that we have studied as complex and evolutionary; they have emerged as complex socio-cognitively constructed outcomes of social adaptations,. The networks, in fact, are not built out of abstract, static and overimposed “identities” of the local communities, but - instead – they have emerged from the interlinks between the local heritage and a “vision” of the territory that the network initiator proposes to the local and non-local communities. The different openness of the networks and their translocalism (that is culturally driven) makes the biggest difference in the processes and the outcomes. Managerial implications are discussed.

**Keywords:** destination tourism, heritage tourism, strategic networks, business networks, service marketing

## **Introduction**

This paper is concerned with the study of heritage networks at local level. This is a case analysis that wishes to give a contribution to our understanding on the formation, evolution and performance of business networks and network-based markets. As Monge and Contractor nicely put (2003, pag. 253) "Interest in organizational forms and populations raises questions about how organizations come into existence, how they attain *fitness* and *survive* ... the conditions that lead to their *demise*, and their eventual re-creation or replacement by successors".

Critical questions, in this area of research, are:

- From where do business networks emerge?
- How do they form their structure and coordinate their relationships?
- How do they evolve?
- How do they define their boundaries?
- How do they create value for the partners?
- How do they differentiate and build competitive advantage?
- What is the role of the local territory in these processes?

These questions are important for the understanding of these new organizational forms (Monge and Contractor, 2003) in general, and for the understanding of how this organizational innovation can foster the development of heritage tourism, in an age of continuous transformation of tourist expectations on one side, and the increased awareness of how the sustainable tourism development can help improve the economic future of many marginalized territories.

We offer our contribution to building understanding on these critical questions, studying the networks emerged in the heritage tourism, and in particular the networks formed under the general formula named "albergo diffuso" (distributed hospitality) in Italy. We studied 17 networks, located in different parts of the countries, analyzing their different structures, processes and performances. Then we studied three of these cases (all located in Sardinia) more in depth, collecting information about the history of these networks and how, in this specific case, the structure and the results have emerged from the complex dialectics of self-organizing and directed actions, in a symbolic social construction of the networks itself and its environment. For this study we have applied the IMP conceptual approach to business markets (Håkansson, ed, 1982; Håkansson, & Snehota, 1995 and the collection of papers at [www.impgroups.org](http://www.impgroups.org)), and the ARA methodology for the analysis of network relationships (Håkansson, & Snehota, 1995). We suggest to enhance the explanatory power of this method through a comparative approach to the analysis.

## **A network theory of firms and markets**

Inter-firm networks have been studied in different fields of management science, with different research objectives. "The boom in network research is part of a general shift, beginning in the second half of the 20th century, away from individualist, essentialist and atomistic explanations toward more relational, contextual and systemic understandings." (Borgatti and Foster, 2003, p. 991). The areas most studied have been the "social embeddedness" of network relationships (Granovetter's, 1985) and the processes of generation and combination of knowledge (Ilinitch, D'Aveni & Lewin, 1996; Kale et al., 2000; Kogut, 2000), in the resource-based tradition (Barney, 1991) and the Schumpeterian view of the innovation and competition processes (Grandinetti and Rullani, 1996; Vicari, 2001).

A central theme in the "embeddedness of business relationships" research is that the linking of social and business relationships creates a logics of exchange that differs from the pure market relationships and must be understood in its specificity (DiMaggio & Louch, 1998; Uzzi & Gillespie, 2002). The learning perspective argues that inter-firm network structures and processes (not just dyadic relations between firms) affect learning and innovation (Kogut, 2000; Powell et al., 1996), and therefore the competitive capabilities of the networks (Lorenzoni, G and A. Lipparini, 1999).

In fact, a firm's network can be thought of as the source of inimitable and non-substitutable value and as an inimitable resource by itself (Gulati, 1998). Network relationships in this view, and according to the RBV of management (Barney, 1991), is the source of competitive advantage of the single companies and the network itself.

But given that business networks are an important source of strategic heterogeneity, more questions are left to be answered; among them:

- From where do business networks emerge?
- How do they form their structure and coordinate their relationships?

- How do they evolve?
- How do they define their boundaries?
- How do they create value for the partners?
- What is the role of the local territory in these processes?

The research has raised the important distinction between emergence and intentionality in network structure. "Networks are rarely formed by design, but rather they emerge initially in response to the institutional and technological opportunities of an industry or field. During this process of formation, relationships develop out *informational* properties that drive a matching process among firms. However, over time, knowledge that is initially information gradually becomes encoded in persisting structures that influence subsequent behavior in two distinct ways: as a conduit of information and as the basis of *coordinated action*." (Kogut, 2000, p. 413)

More recently a "cultural approach" to network has been sponsored in the organization literature (Weeks and Galunic, 2003). In this perspective "The defining difference between a market and a firm, in other words, is not merely one of control. It is also an issue of *identity*. That firms provide an identity for their members is a key insight of the knowledge-based view (Kogut and Zander 1992). As Kogut and Zander (1996) conceptualize it, this identity is expressed in such things as shared coding schemes, language and cognitive schema, the conventions and rules by which people coordinate their behavior and decision-making, shared moral values and convergent expectations. It reflects participation, in other words, in a shared culture. The knowledge-based view makes the claim that it is the presence of this shared culture that affords firms lower knowledge-based transaction costs than markets, but it leaves culture exogenous in its theorizing. This is an important omission." (p. 1309)

### ***The IMP approach: a perspective and a methodology***

The IMP approach has its roots in research carried out at Uppsala University, Department of Business Studies, during the last decades of the 20<sup>th</sup> century, but is today embraced by scholars across Europe as well as other parts of the world. In this perspective on business networks "The network structure as a form of organization is different from a 'hierarchy' in which components are assumed to be invariably linked. It is also different from the 'market' as a form of organization that is generally assumed to be an atomistic structure in which all links between components are instantaneous and where few, if any, impediments exist to any of the components being connected to any other." (Håkansson, & Snehota, 1995, pag. 33)

But in the IMP approach networks don't become simply a "third form" of coordination, besides market and hierarchy. In Håkansson and Snehota (1995) and Snehota (2004) both markets and firms are considered networks of relationships; in these authors' perspective, much of what traditionally was thought to be within the boundaries of the firm now, we discover, is built in the "between". Here is how they explain their view:

1 The role, development and performance of companies will be explained by their ability to develop relationships, that is, from the networking process in the market. Traditionally it has been assumed to be a function of how they autonomously exploit a given set of resources.

2 The resource development appears to take place to a large extent between companies. Traditionally it has been thought to take place within companies.

3 Efficiency in the performance of internal activities such as production is to a large extent dependent on the supplier and customer relationships of the company. Traditionally it has been regarded as an internal technical matter.

4 In the network perspective, the more successful the counterparts are, the better it is for the company. The more a company can help its counterparts to develop and become successful, the greater are the chances it will become successful itself. That is not the way a company has traditionally been advised to look at its counterparts." (Håkansson, & Snehota, 1995, pag. 17)

Central in the authors' approach to networked markets is the idea that networks are based on "mutual orientation" and "commitment", since the mutual interdependences of outcomes cannot be controlled

unilaterally. This is why management in networks means management of relationships. Handling relationships, their development, their impact on the company and on its strategy affects the economic performance of companies. This is also why the unit of analysis, in network analysis, should be networks relationships and their dynamics.

Håkansson, & Snehota (1995) suggests to analyze the dynamics of change and outcomes in networks according to a methodology that they called ARA (Activities, Resources, Actors). This method (tab. 1) starts from the idea that the substance of relationships is made by different layers of nodes (activities, Resources and Actors) connected by different arcs (links, ties, bonds). We should study the interactions among these layers in order to understand change in relationships and therefore the dynamics of networks. This dynamics affects three levels of agency: Actor, relationships and Networks (for a richer explanation of the methods see Håkansson, & Snehota, 1995).

Tab. 1 The ARA methodological framework

	ACTOR	RELATIONSHIPS	NETWORK
ACTIVITIES	Activity structure	Activity links	Activity pattern
ACTORS	Organization structure	Relationship bonds	Web of actors
RESOURCES	Resource collection	Resource ties	Resource constellation

As they explain: “Actors carry out activities and activate resources. Activities are resource-consuming and evolve as the capabilities of actors develop. Resources limit the range of activities an actor can pursue. The existence of bonds between actors is a prerequisite for them to actively and consciously develop strong activity links and resource ties. Activity links make it likely that bonds can develop, and so on. The interplay of bonds, ties and links is at the origin of change and development in relationships. Actor bonds evolve, resource ties and activity links change and the three become mutually adjusted. The interplay of the three dimensions is a driving force in the development of business relationships. Changes in connections account for much of the dynamics in business relationships.”( Håkansson, & Snehota, 1995, pag. 48)

### ***The “albergo diffuso” model: a sustainable destination tourism option***

Heritage tourism is defined as the type of tourism activities through which tourists may learn about, witness and experience the cultural heritage of a destination (Greenwood, 1982). Heritage tourism provides tourist experiences with authenticity by offering a narrative about the past in the present (DeLyser, 1999). This narrative may be a re-interpretation of the past. The cultural assets inherited from the past are irreproducible and highly specific to the local historical and cultural context. They can become the source of competitive advantage of destinations in the tourism competition.

The “Albergo diffuso” (distributed hospitality) model of destination tourism conforms to this definition and goals. We can read this introduction to one of the projects examined: “The goal is to establish a new form of compatible tourism which ensures that its development minimises the negative effects of environmental and cultural degradation”. Two are the distinctive characteristics of this formula:

- 1) the decision to network small existent buildings (historical restored homes), instead of building new big hotels;
- 2) the decision to include the hospitality services in a broader perspective, which also leverages the local resources in the agri-food and cultural areas.

The albergo diffuso projects have been initiated by local entrepreneurs, under the stimulus of funds provided by national and European union agencies, with the goal of promoting the restoration of historically valuable buildings, in villages situated in areas interesting for the development of tourism<sup>1</sup>.

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<sup>1</sup> “la realizzazione di un albergo diffuso è incentivata principalmente da programmi di sviluppo rurale promossi dall’Unione Europea, tra i quali riveste un ruolo di primo piano, l’iniziativa LEADER, che per il tramite dei Piani di Sviluppo Locale posti in essere dai Gruppi di Azione Locale in qualità di beneficiari dei fondi disponibili e responsabili della loro attuazione. Ogni Regione, inoltre, predispone delle misure a favore del

The first experience of “albergo diffuso” is attributed to the case of San Leo, in Montefeltro Italy (Deidda, 2003), when the municipality decided to promote the territory and its culture through the use and the restructuring of old but culturally relevant buildings, in the center of small historical villages, instead of building new tourism oriented constructions. These networks are considered very important for the local development, because they integrate local cultural and other heritage-based services (excursions, local museums, other cultural events, typical agri-food producers, artisans, etc.) around the hospitality offer, within a sustainable tourism philosophy (see the website maintained by prof. Dall’Ara at [www.albergodiffuso.com](http://www.albergodiffuso.com)). According to the first analyses of the phenomenon this model of destination tourism is already proving to create interesting results for the local communities. Villages that were going to disappear from the maps because they were abandoned by their inhabitants, for economic and cultural reasons, are now returning to become vital.

This network formula is also said to improve the economic results of the local entrepreneurs because:

- 1) through the enrichment of the service package the tourism operators are able to increase their revenues;
- 2) with the new service packages and targeting new markets it is possible to deseasonalize the distribution of business along the year, increasing both revenues and productivity.

These networks have been studied less than the corresponding organizations in the industrial markets: the industrial distretti. Both models are based on the territory as their principal source of differentiation and advantage, but in the tourism case this link with the territory is even more important. One could say that in this case the territory (and its social and cultural identity) is not only the source of product differentiation, but rather is the product itself.

The evolutionary and socio-cognitive perspective is assumed as critical, considering that the literature on the local distretti has showed that the networks’ socio-cognitive identity is crucial for the understanding of the networks’ formation and evolution (Samarra and Biggiero, 2001).

Another important lesson that comes from the study of the local industrial distretti networks is concerned with how to handle the negative impact of globalization on local markets. Only the distretti that have been able to open their networks toward the new global opportunities, without losing the culturally-based uniqueness of their formula, can survive in this new world. In short only translocalism can save the local uniqueness and advantage (Rullani, 1997). We would try to understand if this lesson can be applied to the tourism networks, too.

Studying the albergo diffuso formula (Fig. 1 and Fig. 2) we can see that all the resources invested in the projects and all the management decisions are leveraged by the network idea and the network identity. The network initiator (the entrepreneur or the collective actor who promotes the network) launches the project around an idea of how it is possible to integrate the tourism business with the economic and cultural development of the area. The characteristics of the territory become resources if they are consistent with the cultural project, but the relationship is also the other way around: the project is built around the resources available to the network. We can find the same complex relationship between the knowledge/competence variables and the other resources. The resource constellation (fig. 2) describes just this complex pattern of relationships.

Fig. 1 Albergo diffuso – The dynamics and evolution of activity links and network pattern

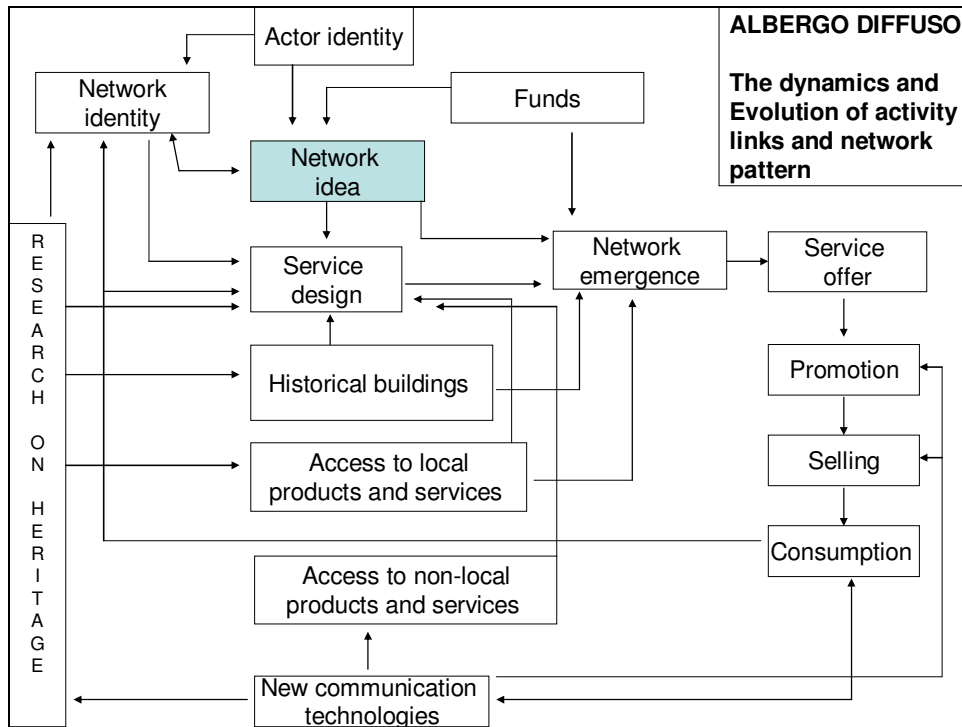
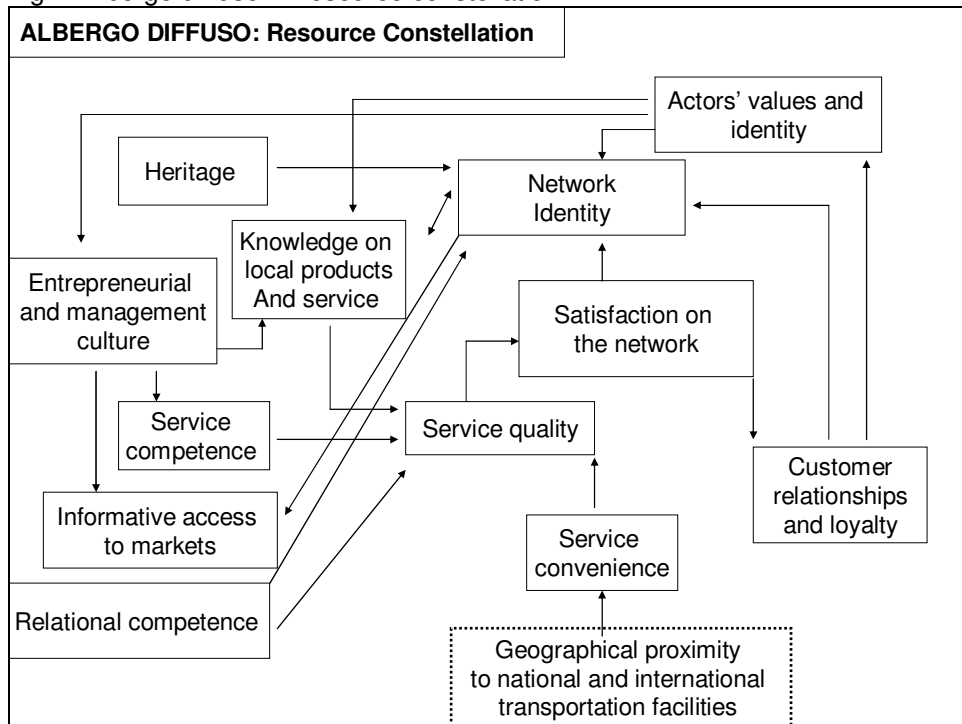


Fig. 2 Albergo diffuso – Resource constellation



**The comparative case analysis**

In our study we followed the approach of grounded-theorizing through exploratory case studies and comparison (Glaser and Strauss, 1967; Miles and Huberman, 1994). Case studies are well suited to capture and describe how network processes occur in real-world settings, why and how they are formed, how they develop and the results they produce . The overall purpose of comparative case

analysis is to discover and highlight higher-order phenomena or patterns that transcend the analysis of an individual case. Comparative case analysis provides a method that enables the development of more generalizable results and testable theories than individual or disjoint case studies alone can provide.

We prepared a list of the relevant cases, using all the sources available (print, web and research reports). We found 17 networks that fell under the category of *albergo diffuso*, for which it was possible to reach a responsible. Then we developed in-depth individual semi-structured interviews (all in October 2004) with the general managers of each network, who were directly responsible for the network strategy and relationships. We also conducted follow-up interviews to clarify details and resolve discrepancies. We also relied on published accounts of the activities, offer and results of these enterprises. We analyzed the 17 “*albergo diffuso*” enterprises, comparing the different networks, trying to understand their commonalities and their uniqueness. In particular we were interested in comparing the different business performances with the different organizational and market structure (network Initiator, network coordination, service variety, geographical reach of demand, and geographical reach of supply network).

In a separate phase we studied three of these cases more in detail, collecting data through in-depth personal interviews (from August to October 2004). In the analysis of the three cases we applied the ARA methodology explained above. Our contribution to this methodological approach is the suggestion to apply a comparative approach, in order to help identify different dynamics in different specific networks, and analyze the sources and consequences of these differences. We mapped the different webs of actors, focusing on the bonds between the different actors, and separating the local from the non-local ones. Then we compared the three layers of the different networks: activities, resources, actors.

The results of these analyses follow.

### ***The 17 albergo diffuso networks***

We structured the comparative case analysis around few variables that we considered relevant, in order to try to link network results and organizational features.

We analyzed in particular the variables concerned with the structure of the organization, and the network performance:

- 1) Network initiator (we found out that they were either a single entrepreneur, the municipality, or an association);
- 2) Coordination of the network (we considered centralized the coordination when there was a single actor, in the network, who made most of the strategic choices autonomously);
- 3) Service variety (we define varied the service network when the offer included services besides hospitality and restaurant);
- 4) Geographical reach of demand (either international, national or local);
- 5) Geographical sources of supply (only in one case the products and services included in the network offer were provided by international suppliers);
- 6) Management results (we considered in particular the results in terms of customer loyalty and deseasonality, because they are the most relevant economic goals in this industry, see Andreoletti and Cestari, 1998).

Tab. 1 The comparative case analysis (17 cases)

CASE	Network initiator	Coordination of the network	Service variety	Geographical reach of demand	Geographical source of supply	Management results
Il Gruccione	Entrepreneur	Collaborative but with strong cultural leadership by	High	International	Local, national and international	Customer loyalty Deseasonality

		the owner of Il Gruccione				
Sas Benas	Entrepreneur	Centralized	Low	Local	Local	Customer loyalty Deseasonality
Corte Fiorita	Entrepreneur	Centralized	Medium	International	Local	Deseasonality
La Casella	Entrepreneur	Centralized	High	Local	Local	Cust. Loyalty
Residenza In	Entrepreneur	Centralized	Medium	International	Local	Deseasonality Cust. Loyalty
S. Lorenzo	Municipality	Collaborative	Medium	Local	Local	No
Ogrylle	Entrepreneur	Centralized	Medium	International	Local	Deseasonality
Comeglians	Association	Collaborative	Small	Local	Local	Cust Loyalty
Sieti	Municipality		Medium	Local	Local	
Case albergo Sulmona	Municipality	Collaborative	Small	International	Local	Cust Loyalty
Smerillo	Municipality	Collaborative	Small	Local	Local	
Casette al colle	Entrepreneur	Centralized	Medium	Local	Local	cust. Loyalty
Soandri	Entrepreneur	Collaborative	Small	Local	Local	cust. Loyalty
Monte Prât	Municipality	Collaborative	Medium	Local	Local	cust. Loyalty
Santa Maria	Municipality	Collaborative	Medium	Local	Local	cust. Loyalty
Riace	Association	Centralized	Medium	Local	Local	
Sortino	Association	Centralized	Small	Local	Local	cust. Loyalty

All the networks analyzed have been formed out of the objective of making the heritage tourism offer more appealing to the customers and more profitable for the vendors, leveraging the heritage resources of the local community and territory. So we can say that all the analyzed networks have had both *exploitation* objectives and *exploration* goals (March, 1991), since the network agents are aware that their competitive positioning is based on their possibility to exploit the economic sinergies with the other organizational and institutional actors but also on their ability to participate to the culture and identity of the local community.

The results of this part of the study indicate that there are significative differences in how these exploitation and exploration goals are pursued, and that these differences shade light on the issue of our interest, since they relate different network performances to different network structure and organization.

Almost all the networks studied have achieved good results in building customer loyalty, since their formulas is based on the quality of relationships with the customers and their promotion is based mainly on word of mouth. But only few of them have achieved a very important managerial result: the reduction or elimination of the strong seasonality that characterised this business in the past, and that challenges any future hypothesis of building good economic results from these activities. Our analysis shows that the networks that have achieved the best results are the networks with the largest geographical boundaries, at both the demand and the supply side. There is also an important relationship between the economic results of the networks and the type of coordination: the most successful networks are either organizationally centralized or coordinated through a strong cultural leadership.

### ***The comparison of the three Sardinian in-depth cases: the web of actors and actor bonds***

From this first analysis it is clear that some of the variables concerned with the structure and culture of the network deserve deeper understanding. We have tried to reach it studying three of the original cases more in depth, and analyzing their network relationships according to the ARA model.

All the three Sardinian cases studied, Corte Fiorita in Bosa, and Il Gruccione and Sas Benas in Santu Lussurgiu, are characterised by the strong imprint of the entrepreneurial culture (more service oriented and commercial the first one, more environmentally and socially concerned the second one, and more attached to local history and traditions the third one).

The network initiators (entrepreneurs in all the three cases) built their networks around their hospitality service, connecting local museums, artisans, and typical product vendors, besides any other operator useful for completing their service package. The networks that they have built are influenced by their vision of the territory, besides by their values.

Bosa is a small city, on the western side of the Sardinian coast, close to the sea. The Albergo diffuso Corte Fiorita is built around four restored historical houses, all owned and managed by an entrepreneur, who has returned to Bosa with his family after having lived for long out of the island. "Holidays at 'Corte Fiorita' open for our guests a window in the heart of the most charming and best preserved historical centres in sardinia. The taste shown in the restauration and furnishing of this Bosa hotel with modern air conditioning system, satellite TV, Internet link in every room, giving our guests an opportunity to spent a holiday rich in history and atmosphere, without renouncing the pleasures of modern comfort." (From the La Corte Fiorita website)

Corte Fiorita is very involved in networking with all the local and international operators (for ex. online booking services) that can help build the best integrated service for their customers. It builds its positioning on the quality of service and the convenient location (close to the Alghero Airport), besides leveraging the beautiful landscape and the historical heritage of the Bosa city.

Santu Lussurgiu is a village located on the mountains of the Muntiferru, in the province of Oristano. A beautiful and intact territory connect the Sinis coast (where tourism is prevalently based on marine traditional services), and this secluded site, with strong traditions in the horse and cattle breeding, the artisanal craft of knives and the production of a typical cheese called Casizolu. The village has one of the best historical centers in Sardinia, with its houses anciently inhabited by the nobles of the area, with their hearthbreaking gardens and courtyards.

Il Gruccione in Santu Lussurgiu tries to build a network not only with the local service operators (producers of the cheese Casizzolu and meat from Bue Rosso) but also with the other Sardinian typical producers (for ex. the producers of Fregola in Riola, on the coast and producers of olive oil in Seneghe) and even with the eco-solidal trade producers from south America.

This albergo diffuso connects three restored houses in the center of the village, the most important of them – a 1700 ample residence – was historically owned by the family of the Il Gruccione entrepreneur, who started this project after her return from Rome. Her decision to live in Santu Lussurgiu can be considered at all the effects the starting point of this project. Her vision of the territory is in fact based on a vision of life emerged from her life experience and her values. In this albergo diffuso customers find also seminars on local food preparation and craftsmanship (this is a central point in the project presentation on the web). The identity of the project is deeply informed by the history of this local community and their encounter with other cultures, in search of an idea of life that is consistent with the entrepreneurs' values, who in fact states: "the history is a starting point in our project, not a constraint".<sup>2</sup>

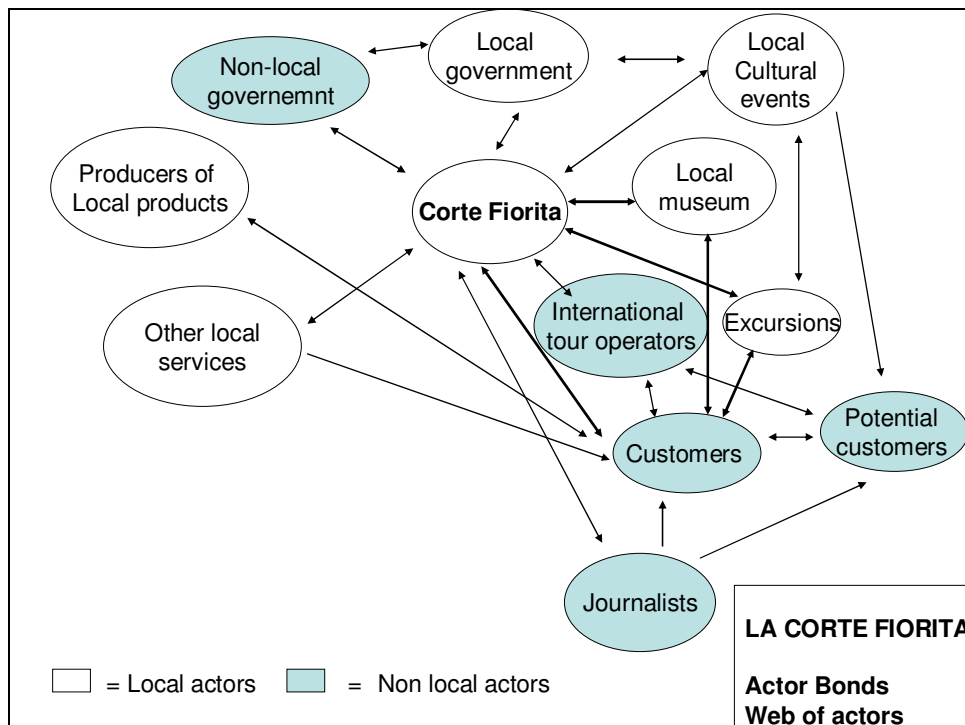
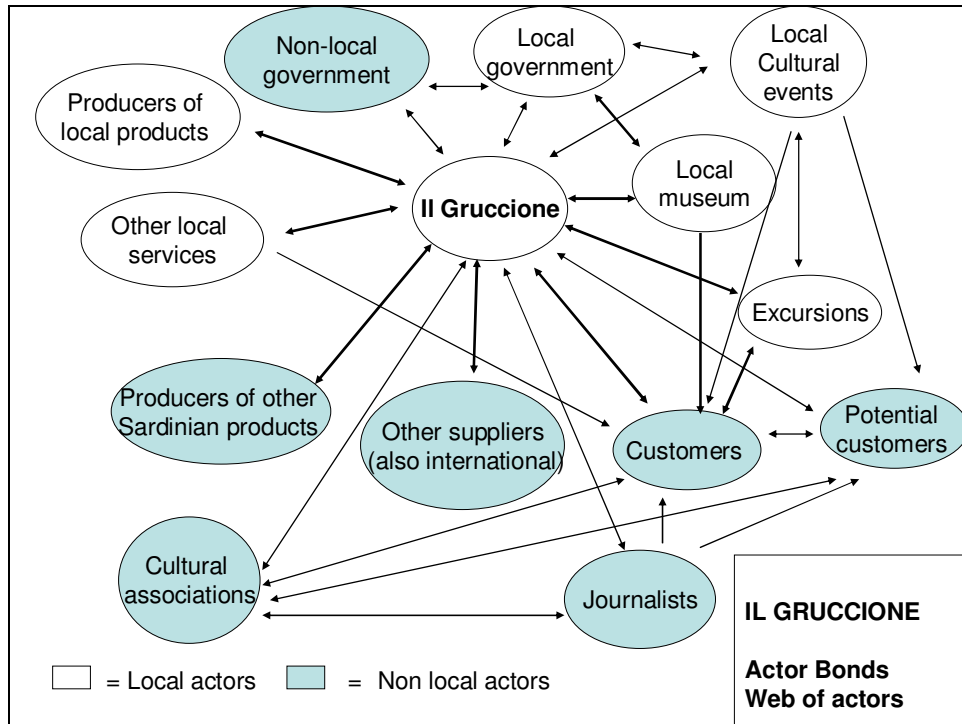
Sas Benas was the first albergo diffuso network in the area. The network leader has a strong background in the ancient local music, and organize an important event in this area, in collaboration with the local institutions. It is the network most attached to the community's past and traditions but perhaps just for this reason is the one more closed on the entrepreneurial objectives and less open to external influences. The network is small (almost exclusively connecting the distributed houses and the restaurant) and coordinated in a very centralized style by the network leader. The service is built around the restaurant, which offers a typical menu, that merges quality and tradition. If you search for

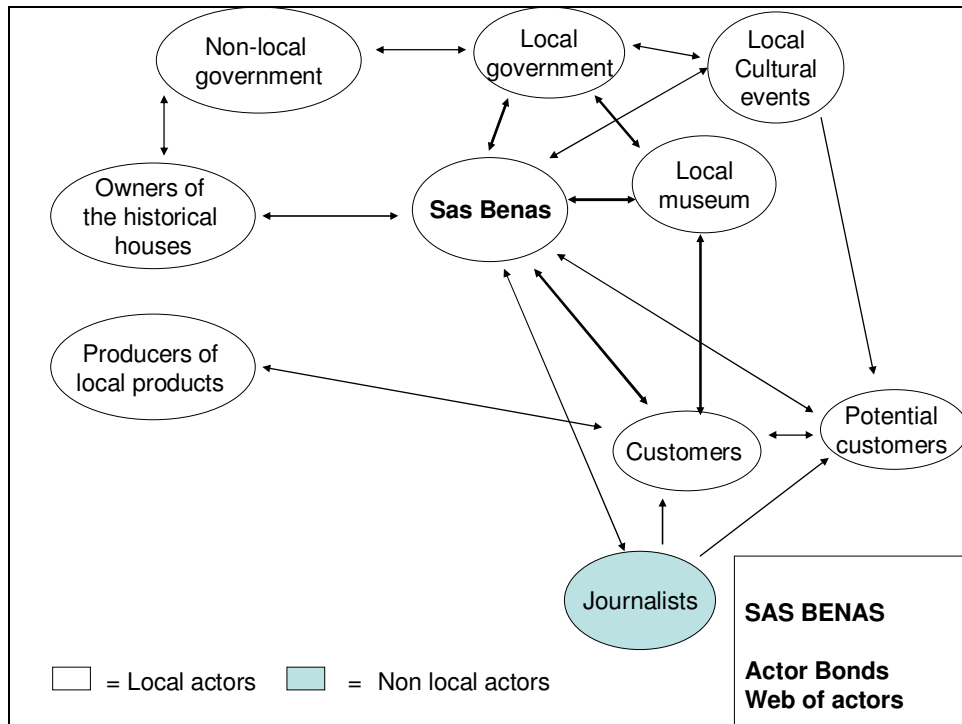
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<sup>2</sup> "Ho voluto realizzare un luogo creativo" dice Gabriella Belloni "uno spazio costruito con amore nel rispetto della memoria che si rinnova, che si propone come un luogo lontano dalle consuetudini in cui maturare e realizzare un incontro sempre nuovo, dove è possibile anche promuovere esperienze di crescita individuale nel contesto di una vacanza ricca di attività a favore del benessere olistico dell'individuo". (from an interview for La Repubblica)

the albergo diffuso Sas Benas on the www you don't find a proprietary page for the hotel. You find dozens of citations of the restaurant, with rich descriptions of its typical local menu. The image of the albergo diffuso is also strongly influenced by the image of the restaurant.

Following are the analyses performed according to the ARA model.





From these analyses we can see that the networks have different structures and geographical boundaries. Sas Benas has a smaller and more local network. La Corte Fiorita entrepreneur is connected only to local actors on the service side, but very open to international alliances for the promotion and commercial activities. Il Gruccione connects more actors, both local and international, around its cultural project. Bonds are mostly interactive and collaborative, even though there is a strong leadership by the network initiator.

**The comparison of the three Sardinian in-depth cases: relating layers and units of analysis**

The ARA methodology recommends to analyze the three units of analysis (activities, resources and actors) for the three different networks layers: Actor, relationships, and network.

	Actor: Il Gruccione	Actor: Sas Benas	Actor: Corte Fiorita
Activities	<p>It is a family business but it is starting to become also a kind of “cultural movement”.</p> <p>It owns the historical houses used for the hospitality services.</p> <p>The package includes services and products.</p> <p>It doesn’ t include a restaurant open to the public.</p> <p>Promotion mainly by word of mouth, publicity and the Internet.</p> <p>The market reach is national and international.</p> <p>The economic results are</p>	<p>It is a family business.</p> <p>It doesn’t own the historical houses used for the hospitality services.</p> <p>The houses’ owners participate to the project in exchange for the restoration of their houses.</p> <p>The package is mainly service-based and includes only few products.</p> <p>Promotion only through word of mouth.</p> <p>It includes a</p>	<p>It is a family business.</p> <p>It owns the historical houses used for the hospitality services.</p> <p>It doesn’ t include a restaurant open to the public but this will change in the near future.</p> <p>The package is mainly service-based and includes only few products.</p> <p>Promotion mainly through international tour operators (connected via the Internet), publicity and word of mouth.</p> <p>The market reach is national and international.</p> <p>The economic results are very positive.</p> <p>Good performance in terms of</p>

	starting to be positive. Good performance in terms of deseasonality.	restaurant open to the public. The restaurant good image and notoriety pushes the others. The market reach is mostly Sardinian. The economic results are positive for the restaurant but less for the hospitality business.	deseasonality.
Actors	The owner organizes directly most of the operations with few local employees.	The owner organizes directly most of the operations with few local employees.	The owner organizes directly most of the operations with few local employees.
Resources	International relationships. Relationships with journalists. High education and cognitive sophistication. Deep research in the local history, culture and resources. Ecological and solidaristic culture. Indirect local culture (the owner has returned to Santu Lussurgiu after having lived around the world). Commercial goals less important than cultural and political goals	Local relationships. Deep knowledge of the local history and culture. Local culture. Music culture.	Sophisticated managerial knowhow. Relationships with journalists. Commercial orientation. Indirect local culture (the owner has returned to Bosa after having lived out of the island for long).

We can see from the analysis we have done at the actor level that the most important differences among the three focal actors are at the resource and culture level. The three entrepreneurs have a very different history and personality and bring these histories, identities and values into their projects.

	Relationships: Il Gruccione	Relationships: Sas Benas	Relationships: Corte Fiorita
Activities	The different products and services are integrated in the offer package, but the suppliers remain autonomous.	There is little integration with the services offered by autonomous suppliers but there is a trend toward vertical integration (launch of new proprietary labeled products).	There is a strong intervention of the owner of la Corte Fiorita in setting the service standards for the different services included in the package.
Actors	The bonds among the actors are, in most of the cases, strong and informal, based not only on the familiarity and long-term relationships but also on cultural similarity. High customer loyalty.	The bonds among the actors (both on the supply and the demand sides) are formal. High customer loyalty.	The bonds among the actors (both on the supply and the demand sides) are formal. High customer loyalty.
Resources	The symbolic interaction in	The music	The managerial culture of the

	<p>the network is developed around the cultural goals of the owner and her partners. There are frictions (misunderstandings and potential conflicts) between two visions of the network, one “commercial” and “short-term”, and one more cultural.</p> <p>Interpersonal communication among the local actors.</p> <p>The communication with the other Sardinian partners and the international partners is developed through phone and digital channels.</p>	<p>background of the owner creates opportunities for the differentiation of the network.</p> <p>The cognitive and cultural mediations in this network are facilitated by the cultural homogeneity and low number of the actors involved.</p> <p>Interpersonal communication among the local actors.</p> <p>Word of mouth with the non-local actors.</p>	<p>owner (mostly external to the local culture) creates new opportunities also for the other actors in the network.</p> <p>The symbolic interaction in the network is developed around the business goals of the owner and his partners.</p> <p>There are more cultural homogeneity with the international partners than with the local partners.</p> <p>Interpersonal communication with the local. The communication with the international partners is developed using mainly digital channels.</p>
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The coordination of the activities regarding the service package is very centralized only in one case, Sas Benas, but also Corte Fiorita and Il Gruccione have a very centralized approach to the service offer, when we speak about the control on service standards.

The geographical reach of both Il Gruccione and Corte Fiorita is wider (international) than the one of Sas benas but in a different way. Il Gruccione has built an informal network with non-local actors based on cultural homogeneity, while La Corte Fiorita has built a formal network with non-local customers and suppliers through commercial relationships.

The symbolic interaction in the three networks is constructed around the three different missions of the projects. For Il Gruccione network the interactions are driven by the cultural goals of the owner and the necessity to diffuse and reinforce these values in the local and non-local communities. This is why there also are cognitive and cultural frictions with some of the local partners. The owner of Il Gruccione plays a role similar to a “mediator” between local and external cultures, and between cultural and commercial cultures on the network. In the Sas Benas case is the local culture and music specialization of the entrepreneur that creates the platform for the construction of the network. In La Corte Fiorita case, instead, is the business and commercial culture of the owner that facilitates the relationships with the international partners and the international customers.

New communication technologies play an important role in two of these networks (Corte Fiorita and Il Gruccione), since Internet is the most important media for building and maintaining the connections with non-local actors. Both network leaders, even though they are not technologically sophisticated, have a clear understanding of how these new communication technologies can help develop their projects. .

There is an important difference also in the role of customers in the networks. Customers, both for Sas benas and La Corte Fiorita, are service users, while for Il Gruccione they can be considered co-producers, since they are actively involved in the design of the services.

	Network: Il Gruccione	Network: Sas Benas	Network: Corte Fiorita
Activities	<p>The chain/pattern of activities is dynamic, and organizes around both the changing boundaries of the owner’s “projects” and the dynamic expectations of the different customers.</p> <p>The customers are completely integrated into</p>	<p>The activity pattern is simple and pretty standardized, and builds around the restaurant service.</p>	<p>The chain/pattern of activities is dynamic, and organizes around the dynamic expectations of the different customers.</p>

	the service network (co-producers).		
Actors	The number of actors is high and not only local. Il Gruccione includes in the network also suppliers of local typical products from other Sardinian areas, and even from South America, if they are culturally homogeneous to the culture of the network. There are not promotion and commercial partners.	Very few actors and only local. There are not promotion and commercial partners.	The number of actors is not very high. The suppliers of services and products are only local. In this network is important the role of the international tour operators and promoters, connected through digital communication.
Resources	This network builds its unique strategic positioning on its service flexibility, sophisticated knowledge capabilities and the cultural nature of its project. The identity of the network builds around the idea that “going back to live in these small and historically rich villages is a cultural and social alternative to the dominant style of life”	This network builds its unique strategic positioning on the image of the restaurant, but also on its deep linkage to the local history. The identity of the network is strongly linked to the restaurant and its willingness to be considered one of the best “restaurants” of the area, wellknown for its active research on traditional food	This network builds its unique strategic positioning on its “service capabilities” and its access to international-level resources (information on international markets and closeness to convenient transportations facilities for customers). The identity of the network is built around the image of Bosa, the beautiful city where the Corte Fiorita albergo diffuso is, and around the service quality of the hotel.

What we understand from this analysis is that, in all the cases we have analyzed, the networks are very dynamic (the web of the actors can be very different in different times), and organized around critical resource combinations when it is needed, under a strict coordination of the focal actor. This formula resembles what in the literature is called “latent organization”. (Starkey et al. 2000) “Latent organizations are forms of organization that bind together configurations of key actors in ongoing relationships that become active/manifest as and when new projects demand. Because latent organizations offer the means of reuniting key actors for specific projects, they constitute an important source of continuity and of guaranteed quality of output in industries ostensibly characterized by impermanence and change. ... of particular relevance to the changing structures and processes that constitute cultural industries.” (Starkey et al., 2000, p. 299)

This is interesting because it shows that the transformation of the organizations in the direction of a more flexible and collaborative format promises to change also tourism and service sectors.

The three networks are very different, with respect to number of actors, pattern of activity, and unique resources that builds their positioning, but most of all, they are very different in terms of network identity. These intangibles and symbolic heterogeneity of the networks (that influence the boundaries and the evolution of the collaborative organizations) are driven by the original differences at the focal actor level but also by the symbolic interactions on the networks. As Håkansson, & Snehota (1995, p. 18) write: “... managerial action is guided by how situations `are framed', the relationship perspective and the network approach are unquestionably of consequence to management. The frame of reference adopted affects the way in which the problems in different situations can be perceived and acted upon.”

The networks seem “formed” out of symbolic and cultural projects. What we have found is very consistent with a socio-cognitive view of network organizations, well described in Håkansson and Snehota (1995), where – citing Weick -1969- they state that “activity structures emerge spontaneously, in the sense that various actors develop their own activities in reaction to how

counterparts are performing theirs. Activity structures thus emerge over time as one's activities become modified, adapted and related to those of others. The emergent pattern is then somehow rationalized; given a meaning that keeps the activity structure together. The adaptations of activities in interaction with others are gradual, on the spot, often implicit while done but given a meaning with hindsight." (Håkansson and Snehota, 1995, p. 53)

### ***Conclusion and managerial implications***

Our study has arrived to the following conclusions

- 1) Hospitality networks can help economic and community development, in areas where the territory is the most (and sometimes the only) valuable resource;
- 2) The organization of these networks is a complex outcome of the self-organizing dynamics of the networks' nodes and the coordination effort of the network leaders. The coordination power is not based on hierarchy but on a socially constructed role of the network facilitator, based mainly on his ability to invest in developing the critical resources for the network (knowledge and relationships) and in the communication infrastructure;
- 3) The cultural and cognitive maps of the network initiator (his/her values, his/her history, his/her social world) defines the boundaries of the network both on the side of the geographical reach of the demand market and on the side of the supply chain (even its translocalism);
- 4) The role of the network leader is more in terms of building opportunities for the entire network, than in the form of authority. The management of the network is more a matter of "cultural proposal" than of "organizational decision";
- 5) In these "touristic distretti" (confirming what the research has already found for the industrial distretti) there is not a simple "local-global" dynamics, but rather a trans-local development trend, which is based on the idea that communities can be built also "at a distance", because "... what makes community is not a geographical space but, rather, values and a vision of the world";
- 6) This translocalism can develop if the networks can leverage the connecting power of translocal communication networks; if the firms involved are SMEs, the convenient and cheap access to digital network technologies is crucial, but also this becomes a "cultural variable".

Our conclusions support the idea that these business networks behave as complex evolutionary social systems. The networks' structures (boundaries and organization) that we have studied are complex and evolutionary, since they have emerged as complex outcomes of social adaptations, but also because they are socio-cognitively constructed. The network, in fact, is not built out of abstract, static and overimposed "identity" of the local communities, but - instead - it emerges from the interlinks between the local heritage and a "vision" of the territory that the network initiator proposes to the local and non-local communities. This unique vision becomes not only the basis of social aggregation and symbolic constructions, but also the main source of competitive advantage. This identity is socially constructed through the communication that develops in the networks and between the networks and the external environment. The different openness of the networks and their translocalism (that is culturally driven) makes the biggest difference in the processes and the outcomes.

A communication approach helps explain not only the subjectivity of networks, and the different "visions" conceived as frozen frames of reality, differently perceived by different actors, but rather it addresses these visions as social constructions, where the cognitive maps of the actors work as both dynamic capabilities and the nodes of a cognitive and cultural collective process; their couplings work as communicative and evolutionary actions.

Monge and Contractor (2003), who studied networks from a communication perspective remind us that identity constitutes an important aspect of the organizational forms. Identity "form" organizations. In our case we can say that identity forms the networks.

The implications of these results for the management of networks and for the management of heritage tourism are significant.

Our findings call for a renovated effort to include communication and socio-cognitive approaches in the study of strategic and business networks. From these results it is clear that, in order to better understand the complex process of formation and structuration of networks, we should be able to study the relationship between network formation and network identity building. As Czarniawska and Wolff (1998) suggest, we need to address the "relational" dimension of identity.

But this is important also for the management of heritage tourism projects. Managers should conceive markets as constellations of resources and constellations of cognitive maps; they are called to build the networks that creatively and successfully combine these resources and these cognitive maps. But these networks are not just the direct and rational outcome of management's decision, but rather they emerge from the symbolic interaction of management decisions/investments and other nodes' decisions/investments. These networks can be coordinated, but this coordination requires cultural leadership and investments on symbolic processes and resources more than control.

Networks can help to improve our ability to leverage the cultural roots of communities; but this requires that we invest in the cultural identity of these projects.

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