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Item Type	article;event
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Download date	2024-06-23 20:04:19
Link to Item	https://hdl.handle.net/20.500.14394/48420

Building Travel Marketing Collaboration Success via Dedicated Alliance Functions

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Introduction

The United States as a destination for international leisure travelers has lost significant market share during this decade. Ineffective marketing actions via inter-organizational collaboration in the U.S. international tourism industry can lead to significant adverse social and economic outcomes. There have been calls for action from both the U.S. government, and the private travel sector, for greater collaboration in order to compete for the world's international leisure traveler. Dedicated alliance functions have been found to improve inter-organizational collaboration. This study was designed to (a) apply this concept to the international leisure travel industry, (b) determine if organizations with dedicated alliance functions were more successful than those firms that did not have a dedicated alliance function, and (c) to determine if the experience level of dedicated alliance functions related to collaborative marketing success rates.

Literature

The United States as a destination for international leisure travelers has lost significant market share among worldwide travelers since the beginning of this century. The Travel Industry of America (2007) estimated that since the year 2000, approximately 200,000 jobs and \$25.9 billion in payroll have been lost annually in the United States as a result. Travel Industry of America (2007) suggested part of the United States' inability to re-establish international traveler relationships centers on the lack of marketing coordination in the industry, including collaboration among the private and public sectors.

In a period of declining market share, researchers suggested that alliances and collaboration can provide a vital framework for industry organizations to enhance their effectiveness (Dobbs, Karakolev, & Raj, 2007; Morgan & Hunt, 1994). Marketing alliances and collaboration may also improve the competitive position as noted by several researchers (Dabaub, 2002; Darby, 2006; Porter, 1985). Inter-organizational collaboration may be defined as multiple firms' planned combination of skills and resources implemented in a manner to create new and incremental value (Gulati, 1998; Gulati & Gargiulo, 1999).

Research on dedicated alliance functions within organizations have shown to improve collaboration success and effectiveness. A study has presented that collaborating organizations with a dedicated alliance function have a 25% higher long-term success rate versus organizations without a dedicated alliance function (Dyer, Kale, & Singh, 2001). A dedicated alliance function was defined as consisting at the minimum of a full-time management employee with the sole role of developing and managing inter-organizational collaboration. At the more collaboration-active end of the spectrum, a dedicated alliance function may incorporate an executive level position

with a dedicated department or division solely involved with inter-organizational collaborative practices and planning (Dyer et al., 2001). No identified previous study has pursued the effectiveness of such dedicated alliance functions in the U.S. international travel industry.

Beyond the generic benefits of inter-organizational collaboration, research has shown that organizations that create a dedicated alliance function may further enhance collaborative effectiveness (Dyer, et al., 2001; MacCormack & Forpath, 2008). Many studies have been accomplished on the topics of inter-organizational collaboration, alliances, and partnership (Hunt, Lambe, & Wittmann, 2002; McKenzie & Van Winkelen, 2006; Rahman, 2006). Of theoretical interest, significantly fewer studies have focused specifically on service organization-service organization collaboration (Lovelock & Gummesson, 2004), studies in the substantial international travel industry segment (Carson, Gilmore, Ascencao, & Fawcett, 2004; Coviello, Winklhofer, & Hamilton, 2006), and fewer yet on the affect and measurement of having a dedicated alliance function (Dyer et al., 2001).

Methodology

The targeted population was organizational or marketing leaders in the international inbound travel and tourism industry that are based in the U.S. RSAA and ATME members served as the population sample representing multiple sectors within the leisure travel industry. An additional key qualification of participation was that the organization must be practicing inter-organizational collaborative efforts currently or have done so within the past 5 years. An original online survey was designed and administered to 1200 active members in the U.S. international inbound travel industry.

This quantitative study used descriptive statistics and ANOVA tests ($p < .05$) to determine if a difference exists in self-reported inter-organization collaborative success between firms that have a dedicated alliance function and those organizations that do not, and if collaborative experience impacts success. Within the context of this study, collaboration effectiveness is operationalized as the practicing collaborators' perception that the lived experience of joint marketing efforts have been successful.

Hypothesis H1 : Travel organizations with a dedicated alliance function have statistically significant higher self-reported, perceived collaboration effectiveness as measured by the ANOVA test ($p < .05$) of identified success factors than travel organizations that do not have a dedicated alliance function.

Hypothesis H2: Travel organizations with a significantly experienced dedicated alliance function will have higher self-reported, perceived collaboration effectiveness than travel organizations that have limited inter-organization collaboration experience in their dedicated alliance functions, as measured by the ANOVA test ($p < .05$).

Results and Discussion

Success via Dedicated Alliance Functions

The results indicate that dedicated alliance functions positively impact inter-organizational success. Seventy eight qualified and complete surveys were analyzed, with 40% of the participants being executives, 50% were from manager levels, representing 90% being decision-makers. Firms with a dedicated alliance function reported a success rate (51.8% very

successful plus 30% successful collaborations) for a cumulative rate of 81.8%, far exceeding that for firms without a dedicated alliance function (25.8% very successful, 26% successful) cumulative success rate of 51.8%. An analysis of variance (one way ANOVA, $\rho < .05$) test was conducted on each of the success levels to address hypothesis H1. Travel organizations with a dedicated alliance function have statistically significant higher self-reported, perceived collaboration effectiveness for very successful and successful collaborations.

Experience Levels in Dedicated Alliance Functions

The first measure of experience was operationalized by the *number of collaborations completed*. The results indicated that experienced firms with dedicated alliance functions with experience levels measured by the number of collaborations completed, were significantly more likely to be successful than firms with a limited number of collaborations completed (one way ANOVA, $\rho < .05$). This finding reinforces the importance of learning via multiple actual collaborations to enhance strategies and procedures.

An alternative measure for experience researched was operationalized via *years of experience* as a measure of collaboration experience. The results indicated that there was no significant difference between those firms that used dedicated alliance functions that had a relatively small or large number of years of experience (one way ANOVA, $\rho < .05$). This finding indicates that dedicated alliance functions do not necessarily improve with time, and years of experience do not alone drive successful collaborations.

Conclusion

Previous studies indicated that dedicated alliance functions have a positive effect on outcomes (Dyer et al., 2001; Kale et al., 2002). Findings from hypothesis H1 echo the results from these previous studies. The study results indicated that organizations that have dedicated alliance functions have significantly more inter-organizational collaboration success than those firms that do not have such a function. Fundamentally, dedicated alliance functions serve as an organization's experts in effectively leveraging the collective resources of collaborating parties.

Multiple studies have indicated that the more experienced a firm is with participating in inter-organizational collaboration, the more successful the firm will be (Kale et al., 2002; McCormick & Forbath, 2008; McKenzie & Van Winkelen, 2006). Dedicated alliance functions present the opportunity for firms to concentrate experiences in a continuous learning mode. Hypothesis H2 results confirmed the previous findings that collaboration experience influences success, using the number of inter-organizational collaborations that took place over the previous 12 months as the measurement of experience levels. The implications of the research support the need for dedicated alliance functions, and that as the firm gains more experience with inter-organizational collaborations, results may be expected to be enhanced. In contrast, years of experience in dedicated alliance functions do not predictably improve success rates.

This study's significance to industry is that dedicated alliance functions are of significant value in travel firms' organization design. Results suggest that not only may it be critical to invest in a dedicated alliance function, it is as critical to nurture experiential learning development to leverage even greater success probability. Effective inter-organizational collaboration means a likely improvement in organizational outcomes. In the context of the U.S.-based international travel and tourism industry, this may translate into slowing or avoiding the

continual loss of global market share experienced over the past several years. Insights in inter-organizational collaboration effectiveness may prove to be a vehicle to enhance results in the highly competitive, fractionalized, and complex international leisure travel industry.

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