

Factors and motivations influencing the formation of marketing strategic alliance: Evidence from independent hotels in Egypt

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ABSTRACT

Inter-firm strategic alliance has undergone immense growth in both domestic and international settings in various industries. To date researches pertaining to these alliances have scoped conventional theories that mostly involve transaction cost analysis from a general perspective. This paper focuses on the study of strategic alliance motives that shift the balance of lodging metrics to independent hotels. It explores marketing strategic alliance formation that stems from resource sharing by independent hotels in Egypt to sustain economic growth and remain competitive with larger rivals.

Specifically, the study explores how the formation of marketing strategic alliances between independent hotels in Egypt improves their service levels, enable them to enter new markets, share marketing experience and resources, and gain competitive advantage. The study also examines the relationship among seven success factors for marketing strategic alliances. A sequential mixed-methods strategy involved collecting data using qualitative and quantitative research techniques within two phases, whereby the data collected in phase one contribute to the development of research hypotheses and the selection of prospective participants who can best provide data in phase two.

Thirty-five qualitative semi-structured interviews with hotel key personnel involved in the operational aspects of independent hotels were conducted. The analysis of these entirely open-ended interviews generated interesting insight into the motivations and barriers of joining a hotel marketing strategic alliance. Further, quantitative data was collected using a structured questionnaire with a selected sample of independent hotel employees in four major tourist destinations in Egypt. Descriptive statistics were primarily used to describe survey responses and summarize results with respect to hypotheses. Means, medians, standard deviations, and confidence intervals are reported where appropriate. Otherwise, simple frequencies were tabulated and summarized for other measures.

Spearman's rank correlations were used to assess interrelationships between ratings of importance for the dimensions of marketing strategic alliance formation.

Major findings of this study suggest that hoteliers are highly motivated to join marketing strategic alliances and that they have positive attitudes towards them. However, data also reveal that hoteliers in this sample lack some knowledge about their own strategic alliances. Respondents rated all the dimensions measured on the survey very highly.

Key Words: Marketing strategic alliance, independent hotels, Egypt

1. INTRODUCTION

In today's troubled economies characterized by intense competitive environment, many independent hotels are facing major challenges in attracting customers and building brands. Indeed, small hotels, although lack resources, have many advantages in terms of building a personal relationship with customers because of their size, the way they are managed and the opportunity to more easily personalise their interrelationship with the customer. Lack of time, knowledge or resources and uncertainty about commercial confidentiality can all present barriers to the exchange of information among small hotels. The nature of these hotel businesses and their limited investment in management and marketing challenge them to fully exploit the potential of many successful strategies used by larger hotel chains specifically with managing resources, developing marketing and branding strategies and applying new technologies. These strategies can potentially offer the small independent hotel operator a lifeline for business survival, providing an avenue for small independent hotels to compete against larger chains. This is particularly the case of the Egyptian hotel sector that is facing market challenges on all fronts due to political instability and slow economy. In Egypt, independent hotels have limited resources and capabilities due to capital constraints and therefore are unable to withstand commercial pressure exerted by large hotel chains that use finance as a tool to shrink the industry and capture bigger market shares. However, there are a number of ways in which small independent hotels in Egypt can overcome the branding issue and work to enhance penetration into the marketplace. One avenue for small hotels, that is proposed by this research, is to become part of a marketing strategic alliance with an established brand image. As a counter measure, independent hotels have incorporated strategic alliances from both marketing and resource perspectives. The evolution of strategic alliances has been seen as a key success factor as the hospitality industry would not have been able to venture as far as they have without the formation of strategic alliances with tactical business partners. The hotel industry has thrived for centuries and over the course of history it has played a fundamental role towards human progress in social and economic paradigms. The effectiveness of these alliances however, has not been gauged by and examined by specific research and therefore remains in 'grey areas'.

This paper aims to study the motives of independent hoteliers to join a marketing strategic alliance. It explores how the collaborative marketing of independent hotels, through joining a marketing strategic alliance, can improve their service levels as well as how the expansion and diversification of resource usage allows them to enhance the business units in their value chains and gain competitive advantage. Moreover, the study investigates the relationship between a set of important dimensions of a successful marketing strategic alliance for independent hotel.

2. LITERATURE REVIEW

2.1. Marketing Strategic Alliance Definition

Strategic alliance has gained the attention of many researchers during the last few decades. Porter (1990) defines strategic alliances as long term organizational agreements beyond market activities with no merging intentions. These forms of alliances include joint ventures, licences, and long-term supply agreements. Dussauge & Garrette (1995) agrees with the same definition and relates the strategic alliance to independent firms with a determined project through which partners exchange knowledge and share resources to enhance their competences. Douma (1997) confirms that firms representing an alliance must remain independent aimed at avoiding uncertainties and achieving specific organizational strategic objectives by executing common activities of the two companies. Other authors used the term inter-organizational relationship to describe a relationship between partners with common orientation (Faulkner, 1995; Phan, 2000). A common definition is also provided in the work of Crotts et al. (2000), they view alliances as a critical strategic skill of two firms with synergistic strategic value.

“Strategic alliances, relationships, strategic partnerships, and joint ventures all describe the coming together of two firms into a deliberate association that has some synergistic strategic value.” (Crotts et al., 2000:2).

In simple words, a strategic alliance is referred to as partnership that provides firms an opportunity to join forces for mutually beneficial partnership and sustained competitive advantage (Wei, 2007). However, since there is a plethora of definitions, this paper adopts Hsu and Tang (2015:153) definition of marketing strategic alliance:

“Two or more than two companies develop long-term relationships in order to capture potential synergies for integrating the marketing resources and capabilities of each partner, including access to retail systems, marketing knowledge, professional skills, and marketing activities, and for sharing risks, benefits, and trust in order to develop competitive advantages in marketing strategy and create a potential market for gaining the greatest profit from their relationship.”

This definition applies to the case of independent hotels. According to Dunning (2006), hotel marketing strategic alliances are usually formed between hotels of small and medium size in the form of joint venture, licencing agreements, voluntarily hotel operators and other forms of equity and non-equity partnership.

2.2. Strategic Alliances and Independent Hotels

Strategic alliances are broadly used by independent organizations to acquire competitive advantages, sustain higher return on equity and enhance their productive capacities (Morrison, 1994; Tremblay, 1998; Webster, 1999; Weber & Chathoth, 2008; Zamir et al., 2014). Successful alliances are formed with precise objectives that lead towards increasing the economic benefits of allying parties (Vikas & Lather, 2010; Zamir et al., 2014; Niesten & Jolink, 2015). Many authors strongly agree that alliances can be considered as growth vectors that provide avenues to mitigate risk and advocate cost sharing (Conti & Micera, 2005; Weber & Chathoth, 2008; Sambasivan et al., 2013; Zamir et al., 2014). Therefore, motives behind formation of strategic alliances specifically address environmental uncertainty to a large extent (Ernst & Young, 2014) encouraging independent businesses to re-establish themselves in competitive domains especially when markets are mature (Mowla, 2012).

In such competitive domain setting, the role of alliances can be seen from the perspective of strategy formulation, allowing firms to keep up with the pace of new developments (Kotabe & Scott 1995; Harbison & Pekar, 1997; Ghasham et al., 2016) with the objective of creating value for the firm (Ghasham et al., 2016). The scarcity of resources, along with the need to build strengths to sustain value has driven independent firms to use alliances as a key strategy to gain a competitive advantage. Notably, alliance networks with competitors, suppliers and customers, and firms in other industries have been used as key strategies for value creation (Lewis, 1990; Dyer & Singh, 1998; Ghasham et al., 2016).

The hospitality industry has made extensive use of this strategic option, and managers need to employ it even more in the future as an effective strategy to sustain the value addition in growing and mature markets (Lee-Ross & Lashley, 2010). Strategic alliances need to be established in a manner that would gain advantages of scale therefore reduce cost, lead generation venues to increase guest stay, diversify the hotel business via the introduction of new product and services and the development of collective markets (Bugnar et al., 2009; Liana et al., 2009).

Differentiation has become a major factor in the hotel industry as hotels look towards 'branding' as an avenue to grow their businesses, reduce uncertainties, enter new markets and increase their profit margins (Jiang et al., 2002; Forsgren & Franchetti, 2004). Marketing initiatives based on communication, consistency, and core values coupled with differentiation have attributed to the rise and growth of the independent lodging sector which have generated interest from various areas in the industry (Morrison, 1994). Taylor (2002) confirms that resources and capabilities of small independent hotels are amplified enormously through strategic alliance motives that utilize core resources and capabilities which are intricate, difficult to replicate and essentially offers the hotel operators distinct ownership and control. For example, independent hotels embracing the boutique concept have become popular due to saturation in chain hotel concepts and changes in consumer expectations. The incorporation of strategic alliance formation into their business framework has also offered these independent hotels competitive advantage against bigger rivals (Özarslan, 2014; Ozarslan & Chuang, 2014). Conti & Micera (2005) confirm that if strategic resources are transferable and shareable, independent hotels could gain exponential competitive advantage that could change the current hospitality industry structure as a result of strength of these marketing alliances. The evolution of strategic alliances has ventured independent hotels an opportunity to achieve their organizational objectives better through collaboration than through competition (Crotts et al., 2000).

Although creating strategic alliances has evolved significantly over the last few decades, there are still some constraints to their formation. Nasser (2011) argues that the cohesion of different firms can be volatile if the objectives and criteria of independent hotels seeking alliances are not synergized. This synergy mismatch pertaining to cost, value, productivity, information and resources. Studies of Douma (1997) and Nasser (2011) indicate that despite the gap in the years between their research pertaining to strategic alliances, the fundamental issues have remained as a concern and alliance motives are not invincible and are as vulnerable to failures as they are to success. A considerable large number of strategic alliances fall short of expectations and are repeatedly revamped until they are either successful or disbanded. Reasons for failures are often attributed to the lack of transparency, inflexibility or financial damage to one or both parties of the alliance (Turk & Ybarra, 2011; Nasser, 2011).

Another disadvantage within the strategic alliance framework arises from the agreements between operators that involve the business units in their respective value chains. These agreements require vertical and horizontal integration that are balanced and provide win-win agreements. Conflict and limited understanding of ownership control and management may cause the alliance to eventually fall into disarray and fail (Steinhilber, 2008; Liana et al., 2009; Nasser, 2011). In most case scenarios, these disadvantages often lead to independent hotels being merged or acquired by larger independent hotel (Vögel & da Cunha, 2010).

2.3 Strategic Alliances Success Factors

Many authors (Volery, 1995; Crofts et al., 2000; Sivadas & Dwyer, 2000; Whipple & Frankel, 2000; Biggs, 2006; Hsu & Tang, 2010; Vikas & Lather, 2010; Vihenda, 2015) have identified the key factors for the formation of strategic alliances successfully. Although previous studies on strategic alliances success factors vary in specific details, they come to an agreement on common factors that contribute to the success of the strategic alliances. An empirical study by Volery (1995) grouped success factors of alliance formation into three dimensions as firm commitment, harmony between partners and feeling of security by both parties of an alliance. Factors relating to these dimensions contribute to the success or failure of a strategic marketing alliance.

Crofts et al. (2000) view the development and management of strategic alliance a critical strategic tool for hospitality and tourism and set forward a number of factors including performance capabilities, goal compatibility, trust, strategic advantage, amount of adaptations/non-retrievable investments, communication, cooperation and social bonding. The fact is that "*these variables must be successfully communicated or evoked in order to attract and retain the interest of a prospective partner in a joint alliance.*" (Crofts et al., 2000:6). Sivadas & Dwyer (2000) develop a list of alliance success factors including eight variables: trust, communication and coordination, governance and administrative mechanisms, partner type, dependence, type of innovation, institutional support, and complementarity of partner competencies. Their study concluded that No alliance can succeed unless the partners can coordinate their activities competently and communicate effectively.

Biggs (2006) identifies an extensive list of factors on which a model for critical success factors to achieve a successful alliance partnership is developed. The model included clear and common

vision, shared objectives, mutual needs, appropriate scope, shared control, among other variables. These factors when evident in the formation of a strategic alliance do generate cohesiveness and mutual coordination that leads to achieving the common goal of the alliance (Vihenda, 2015). Vikas & Lather (2010) propose a model (The Strategic Alliance Business Model) of strategic considerations for the formation of strategic alliances giving examples from the Indian travel and hospitality industry. The purpose of the model is to highlight the critical factors that allow travel businesses to form strategic alliances and gain competitive advantage. In their significant factors, they included: the core capabilities of the partner, leadership in the organizations, capital investment, legal procedures.

Having reviewed relevant studies and based on the discussion above, this study adopts Hsu and Tang's seven fundamental dimensions as critical attributes for the formation of marketing strategic alliances for independent hotels. These factors are:

Commitment

Commitment is a crucial dimension of marketing strategic alliance. Strategic alliances include mutual commitment which is not found in market dealings and transactions. Resource commitments should be made between strategic partners in order to achieve benefits from over market transactions for their alliances.

Trust

Trust is the heart of strategic alliances since it can diminish market challenges and reduce the risk of opportunism. Firms which trust their partners will be highly devoted to their relationships, which will result in positive outcomes for the organization.

Complimentary resources

Alliance partners permit resources and assign people, to build the work process and also to advance it by mutually including people, time and money to guarantee the success for the alliance. Whereas, the traditional methods of doing business, is done just by observing money, people and time as resources to protect themselves and reduce risks.

Market knowledge

Strategic alliance is established in order to gain new skills and strengthen the market knowledge. Achieving market knowledge is an essential dimension in developing alliances. In an alliance, partners learn from one another's knowledge, technology, proficiencies and technical standards.

Similarity of resources

Another key dimension of marketing strategic alliance is the similarity of resources i.e. same resources are being used for the final products by the partners. It will reduce their production cost, time etc. This will improve the returns and benefits therefore will increase the firm's efficiency.

Soundness of financials

If the partners are financially secure, then there is no doubt that the marketing strategic alliance is guaranteed. This is essential because through soundness of financials, there will be strong macroeconomic performance and there will be efficient and effective monetary policy at the national stage.

Intangible assets

In today's competitive global market, intangible assets are the captivating center phase in marketing strategic alliances. Intangible assets include unique processes of business, brands, copyrights etc. and are used by companies in order to establish a central market position, market growth and build their brands

All these dimensions are interlinked with each other. Firms, when they trust one another, they become more committed to the alliance. This trust and commitment, that is seen as an evident of positive attitude towards the formation of the alliance, would motivate partners of the alliance to cooperate, share knowledge and exchange resources and assets, therefore guaranteeing the success of the alliance for the benefit of all parties. Based on this, the study hypotheses can be formulated in the following statements.

H1: Hoteliers have positive attitudes towards using marketing strategic alliances.

H2: Hotelier's knowledge about their own marketing strategic alliances is sufficient.

H3: The success of strategic marketing alliance is significantly related to a set of dimensions.

H3.a. The success of a strategic marketing alliance is significantly related to commitment.

H3.b. The success of a strategic marketing alliance is significantly related to trust.

H3.c. The success of a strategic marketing alliance is significantly related to complimentary resources.

H3.d. The success of a strategic marketing alliance is significantly related to market knowledge.

H3.e. The success of a strategic marketing alliance is significantly related to similarity of resources.

H3.f. The success of a strategic marketing alliance is significantly related to soundness of financials.

H3.g. The success of a strategic marketing alliance is significantly related to intangible assets.

3. METHODOLOGY

This section outlines the research design and methodology for data collection using survey questionnaire and a series of semi-structured interviews, conducted with independent hotel managers and owners to gather empirical evidence of the motives that are behind the formation of strategic alliances and the way they affect the independent hotel industry.

A sequential mixed-methods strategy involved collecting data using qualitative and quantitative research techniques within two phases whereby the data collected in phase one contribute to the development of research hypotheses and the selection of prospective participants who can best provide data in phase two (Driscoll et al., 2007)

Phase one included a series of interviews with a selected purposive sample of small independent hotel executives. Initially a sample of 48 managers, owners and executives who were directly involved in decision making processes in 2,3 and 4 star hotels in Egypt from which only 37 responded. From the 37 only 35 were applicable for the purposes of this research as the remainder was voided by the researcher for a variety of reasons including respondents with no experience with the phenomenon under study or respondents were unable to “bracket” their knowledge, beliefs, and common understandings about the phenomenon. The method of data collection is in-depth (semi-structured) face to face interviewing. The general purpose of using interviewing is “*to find out what is in and on someone else's mind. ... [Researchers] interview people to find out from them those things we cannot directly observe*” (Patton, 1990; 278). The aim of in-depth interviewing is to develop an understanding of the respondent’s world and their constructs, and is suitable where the step-by-step logic of a situation is unclear (Easterby-Smith, et al., 2012).

Interview format was semi-structured using a variety of open-ended questions with the purpose to explore the hoteliers’ experience in as much depth as possible. The rationale behind this was to collect detailed information surrounding the hoteliers' personal perspectives, experiences, and relationships to hotel strategic alliance experience. The interviews conducted lasted between one and two hours, and were designed to encourage interviewees to describe their understandings of hotel strategic alliance and to articulate their beliefs about the impacts, in particular, on their business activities and practices in the future. The interest of the researcher was to arrive at an understanding of the implications of hotel strategic alliance from the hoteliers’ perspectives and to reveal their feelings and beliefs about joining these in future. Each of the thirty-five interviews was transcribed and subject to qualitative analysis. To translate the results from these interviews, a specific approach that involved categorization of responses into certain themes that were inherent in the interview questions was used.

In phase two quantitative data was collected from 127 independent hoteliers using a structured questionnaire in four major tourist destinations in Egypt (Alexandria, Cairo, Sharm El Sheikh and Luxor). The questionnaire collected data related to hotelier's knowledge about their own marketing strategic alliance, their attitudes towards using marketing strategic alliances. They were asked to rate the success of a strategic marketing alliance that was significantly related to a set of dimensions on a scale from 1 to 5 with 1= strongly disagree and 5= strongly agree. Constructs for the development of the questionnaire were adopted from Hsu & Tang (2015). In their study, Hsu and Tang (2015) developed a macro model through which, hotels can establish long term relationships in forms of strategic alliances. They based their model on the theory of power and views related to knowledge base collected from retailers. The model assists retailers to select the correct marketing strategic alliance partners and identifies seven dimensions for the development of a strategic alliance including:

commitment, trust, complimentary resources, market knowledge, similarity of recourses, soundness of financials and intangible assets.

4. RESULTS

Phase I Interview analysis

Thirty-five qualitative interviews took place in December 2016, the results of which were coded. The analysis of this generated interesting insight into the motivations and barriers of joining a hotel strategic alliance. There were a number of motivating factors to joining a hotel marketing strategic alliance; including, being part of a collective consensus, marketing and business opportunities along with its cost effectiveness. A number of considerations when looking to join a hotel marketing strategic alliance also came to light. Each of the motivations and barriers will be discussed in turn below.

The importance of being associated with a good business brand was highlighted by one fifth of those interviewed; namely for the return on investment potential. Unlike a single entity, a marketing strategic alliance commands great presence and a large stake in the market. This is of particular benefit to small member hotels who become more established by the association of a bigger brand. There is also the benefit that competitors can be part of the same brand, carrying the ‘flag’, thus promoting your business for you.

“It's not for prestige that I would join a marketing strategic alliance. My prerogative would be motivated by the positives that come with associating myself with a good business brand, such as a good return on investment”.

Half of the interviewees stressed the well- established sales and marketing platforms that marketing strategic alliances command. Hotels in marketing strategic alliance will have one robust marketing and advertising strategy that benefits all hotels within the group. One interviewee praised the vast marketing network that he has been able to benefit from. This established global network that has been built up over time; a feat difficult for a single entity to accomplish alone. Thus, hotels with the marketing strategic alliance have an edge over those that are not part of the group, whilst being able to remain the unit hotel business that they are. This marketing network also adds a sense of sustainability to the businesses of those in the marketing strategic alliance, which allows them to focus their time and efforts on different matters which require their attention.

Analysis showed that belonging to a marketing strategic alliance increases the reservation and booking opportunities. Attracting business as one unit successfully benefits all members says one hotelier, who describes reservations as trickling down ‘quite evenly’ to all the member businesses. Additionally, being part of a marketing strategic alliance can protect businesses as marketing strategic alliance travel agencies treat all hotels as equals, and thereby channel business fairly to all members. As explained by one hotelier:

“This preferential treatment for members is very healthy for any emerging business that belongs to marketing strategic alliance; growth is amazingly fast and steady”.

One interviewee discussed the potential of belonging to a marketing strategic alliance for marketing and advertising purposes only, however believed that this came at a cost by having to paying a

percentage of revenue to the marketing strategic alliance. Whereas, he argued that being a full-time member or partner seems more beneficial; they do not have to pay percentages of revenue, and are able to gain from the all additional benefits of a marketing strategic alliance.

The opportunities available to those in a marketing strategic alliance were highlighted by eighty per cent of the interviewees. There was a definite sense of “camaraderie” between member hotels. Members are not only able to share a marketing network, but also share knowledge, such as purchasing and supply, financial administration and quality assurance. Being part of a larger group makes it easier for small businesses to respond to certain business trends, including both business opportunities and also threats to business. Through the larger team, hoteliers are able to see important factors that may directly or indirectly affect their business. As outlined by one hotelier: “It makes it easier to tackle competitors as one bloc than if I were trading on my own”.

A running theme through the interviews was the belief that hoteliers could not achieve what the marketing strategic alliance has achieved for them if they were on their own. Riding on the waves of the impact of a big business allows the smaller business “*to achieve great goals as a result of collective successes*” describes one hotelier. Moving together as a unit, led by collective strategic decisions was highlighted as a benefit of marketing strategic alliances by six of the hoteliers. Decisions made by the central management team mean that the group all move at the same pace, guaranteeing good and smooth functionality of the business as well as its steady and positive growth.

Hotels in a marketing strategic alliance tend to pay fees commensurate to the size of their hotel. One hotelier believed that this is fair, by knowing that there are “proportional benefits as per input”. Nevertheless, this is still an investment that hoteliers need to justify making:

“As much as I have joined a marketing strategic alliance, I know it is just an investment that I am making. Therefore, I do understand that I need to work to recoup my resources invested in the venture. So, the subscriptions and other fees required of by the marketing strategic alliance are in themselves an investment”.

Interviewees highlighted a number of points to be considered by hoteliers when joining marketing strategic alliance; some of which had discouraged hoteliers becoming a stakeholder. Potential return on investment, and the reputations of other member hotels need to be understood.

Five hoteliers discussed the negative implications that other member's activity could have on the marketing strategic alliance as a brand. Two hoteliers who described themselves as having well-established business positions, were worried about joining a marketing strategic alliance which could be associated with weak enterprises or individuals. One of these individuals thought it may be difficult for clients to identify with a hotel's individual brand, due to the different standards of members within marketing strategic alliance. Thus, well established brands could suffer if operating through a marketing strategic alliance. The other's concern was that weaker business' activity could have a lasting damaging effect on his business and reputation. However, this can be prevented by uniformity in the way components of the marketing strategic alliance do business, explains two of the hoteliers. As one outlined:

“It's a good idea that hotel marketing strategic alliance normally streamline or structure rates in such a manner that they are comparatively uniform. That way I know my business is not disadvantaged by any 'malpractices' from any member of the marketing strategic alliance”.

Another hotelier discussed the effect of smaller businesses not being able to “live up to” to established product brand of the marketing strategic alliance. To deal with this challenge, he suggests that “modalities have to be initiated or implemented where the marketing strategic alliance ensures that the smaller or weaker members do not jeopardise the reputation ... by adhering to standards”.

However, one hotelier of a smaller business claims that these standards are in place, and that smaller businesses work hard to achieve them:

“I still have lots of work to do. I have to bring my business up to standards that are defined by the marketing strategic alliance brand. Because of ‘my surroundings’ I will muster the confidence to grow my business to the levels set by the ‘big boys’ of the group or beyond”.

Phase 2 Questionnaire analysis

Descriptive statistics were primarily used to describe survey responses and summarize results with respect to hypotheses. Means, medians, standard deviations, and confidence intervals are given where appropriate. Otherwise, simple frequencies were tabulated and summarized for other measures. Spearman’s rank correlations were used to assess interrelationships between ratings of importance between dimensions of commitment, trust, complimentary resources, market knowledge, similarity of resources, soundness of financials, and intangible assets.

Demographics

Table 1 displays demographic information for the hoteliers surveyed. Most of them (64.6%) were male working at 3-star hotels (70.1%). The average age of the respondents was 33.9 years, and the average time employed was 5.23 years.

Table 2 Demographics

	Mean	Median	SD	95% CI	Skewness
Age	33.94	33	5.7	[32.93, 34.96]	0.501
Years Employed	5.23	4	3.591	[4.60, 5.86]	1.81

	Frequency	%
Gender		
Male	82	64.60%
Female	45	35.40%
Rank		
2 Stars	15	11.80%
3 Stars	89	70.10%
4 Stars	23	18.10%

H1: Hoteliers have positive attitudes towards using marketing strategic alliances.

Table 2 displays descriptive statistics for items in the motives, criteria, and benefits sections of the survey. Respondents showed a very high rate of agreement with the statement that joining a marketing alliance was vital to their organization. On a scale from 1 = strongly disagree to 5 = strongly agree, the mean response was 4.37 (*SD* = .824; 95% CI [4.23, 4.51]) and the median was 5. Cost was the highest rated motivation on average for joining an alliance (*M* = 3.61), while knowledge (diversification and development) was rated the lowest on average (*M* = 2.35). When asked indicate their level of agreement/disagreement with the given criteria that the strategic alliances are based upon, all items received very high ratings (all means \geq 4.15). Respondents chose the amount of adaptations/non-retrievable investments as the highest rated item on average (*M* = 4.48) while social bonding was rated the lowest (*M* = 4.15). The potential benefits of marketing alliances were also rated highly by the hoteliers; providing effective training and competitiveness were rated highest (both means = 4.41) while information systems was rated the lowest (*M* = 4.13). Overall, these results support hypothesis 1: hotelier’s had generally positive motivations and aspirations for joining a strategic marketing alliance.

Table 2 Descriptive statistics of the ratings of motives, criteria, and benefits in joining a strategic alliance

	N	Mean	95% CI	Median	SD	Skewness
I agree that joining a hotel strategic alliance is a vital decision for my hotel. (1 = Strongly Disagree; 5 = Strongly Agree)	127	4.37	[4.23, 4.51]	5	0.824	-1.303
Motives						
Cost (Finance)	122	3.61	[3.37, 3.86]	4	1.351	-0.473
Lead Generation (Marketing)	120	2.96	[2.70, 3.21]	3	1.417	-0.052
Market Growth (Marketing)	118	2.64	[2.37, 2.92]	2.5	1.522	0.313
Knowledge (Diversification and Development)	118	2.35	[2.09, 2.61]	2	1.423	0.541
Criteria						
Reputation	127	4.29	[4.13, 4.45]	5	0.927	-0.98
Performance Capabilities	127	4.28	[4.12, 4.44]	5	0.916	-0.91
Goal Compatibility	127	4.17	[4.01, 4.34]	5	0.952	-0.692
Trust	127	4.39	[4.26, 4.53]	5	0.788	-1.123
Strategic Advantage	126	4.4	[4.26, 4.54]	5	0.801	-1.129
Amount of Adaptations/Non-Retrievable Investments	127	4.48	[4.37, 4.59]	5	0.615	-0.963
Communication	127	4.31	[4.17, 4.46]	5	0.842	-0.977
Cooperation	127	4.22	[4.06, 4.38]	4	0.899	-0.785
Social Bonding	127	4.15	[3.98, 4.32]	4	0.943	-0.708
Benefits						
Management	127	4.14	[3.97, 4.31]	4	0.957	-0.675
Effective Training	127	4.41	[4.29, 4.53]	5	0.671	-0.704
Information System	127	4.13	[3.96, 4.30]	4	0.968	-0.63
Competitiveness	127	4.41	[4.29, 4.53]	5	0.671	-0.704

Infrastructure	127	4.35	[4.23, 4.47]	4	0.685	-0.589
Marketing, branding, sales	127	4.23	[4.09, 4.37]	4	0.779	-0.424

H2: Hotelier's knowledge about their own marketing strategic alliances is sufficient.

Table 3 displays descriptive statistics and frequencies of the two items that measured awareness of marketing strategic alliances. The majority (56.7%) of hoteliers were not aware of the alliance their own hotels had with other independent hotels, and a non-trivial proportion were unsure (12.6%). A large majority (80.3%) reported that they were aware of zero strategic alliances with other hotels. These results suggest that hoteliers are at best moderately aware of the strategic marketing alliance that their own hotels have.

Table 3 Descriptive statistics for items relating to background and knowledge of strategic alliances

	Response	N	%
Are you aware of the strategic alliances that this hotel has with other independent hotels?	Yes	39	30.7%
	No	72	56.7%
	Not Sure	16	12.6%
How many strategic alliances are you aware of that this hotel has with other independent hotels?	0	102	80.3%
	1	20	15.7%
	2	4	3.1%
	3	1	0.8%

H3: The success of a strategic marketing alliance is significantly related to a set of dimensions.

Table 4 displays descriptive statistics of the dimensions measured for importance in forming strategic alliances. complimentary resources were cited as the most important dimension for forming an alliance with another hotel ($M = 4.28$), while intangible assets were rated the lowest ($M = 4.04$). Again, all dimensions were rated highly.

Table 5 displays Spearman's rank correlations between the dimensions rated for importance. Trust showed a significant negative relationship with complimentary resources (Spearman's $\rho = -.303$, $p < .01$), but a significant positive relationship with market knowledge (Spearman's $\rho = .99$, $p < .01$). complimentary resources also showed a significant negative relationship with market knowledge (Spearman's $\rho = -.288$, $p < .01$), but a positive relationship with intangible assets (Spearman's $\rho = .281$, $p < .01$). Similarity in resources showed a significant positive relationship with

soundness of financials (Spearman’s $\rho = .243$, $p < .01$) and intangible assets (Spearman’s $\rho = .340$, $p < .01$). Finally, Soundness of Financials showed a significant negative relationship with intangible assets (Spearman’s $\rho = -.184$, $p < .05$).

Table 4 Descriptive statistics for importance of dimensions for forming strategic alliances

	N	Mean	Median	SD	95% CI	Skewness
Commitment	112 7	4.24	4	0.763	[4.11, 4.38]	-0.446
Trust	112 7	4.18	5	1.019	[4.00, 4.36]	-0.692
Complimentary resources	112 7	4.28	5	0.842	[4.13, 4.42]	-0.723
Market knowledge	112 7	4.2	5	0.995	[4.03, 4.38]	-0.669
Similarity of resources	112 7	4.32	5	0.796	[4.18, 4.46]	-0.649
Soundness of financials	112 7	4.16	4	0.821	[4.01, 4.30]	-0.3
Intangible assets	112 7	4.04	4	0.82	[3.90, 4.18]	-0.073

5. DISCUSSION AND CONCLUSION

Analysis of data has shown that there are a number of benefits of being in a marketing strategic alliance which cannot be denied; brand identity, marketing opportunities, the potential for knowledge sharing, and cost effectiveness. These motivations were stressed considerably throughout the interviews. However, the analysis also highlighted a number of considerations and implications for hoteliers wishing to join, or are currently part of a marketing strategic alliance.

Well established enterprises must ensure that any marketing strategic alliance they may join has structured standards, which all members adhere to. The effect of weaker members of the marketing strategic alliance, and any negative activity which they may be party to, can be damaging to a well-established business member. Whilst potential return on investment must also be considered, those within a marketing strategic alliance all felt that marketing strategic alliance was a cost effect enterprise. The marketing and advertising network that they are part of and the guarantee of reservations specifically in the peak season were worth the fees and subscriptions associated with marketing strategic alliance. Additionally, all members are essentially part of the same group as their competition, meaning that their brand is carried and promoted by the competition.

Table 5

Spearman's rho correlations between dimensions

	1	2	3	4	5	6	7
1. Commitment	1						
2. Trust	-0.148	1					
3. Complimentary resources	0.007	-	1				
4. Market knowledge	-0.164	.990**	.288**	1			
5. Similarity of resources	0.156	-0.054	0.127	-0.035	1		
6. Soundness of financials	0.103	-0.009	-0.063	0.013	.243*	*	1
7. Intangible assets	0.047	-0.139	.281**	-0.129	.340*	*	.184* 1

** Correlation is significant at the 0.01 level (2-tailed); * Correlation is significant at the 0.05 level (2-tailed).

There were also considerations for smaller businesses wishing to join, or currently a member of a marketing strategic alliance. Smaller hotels have to work hard to maintain the standards required of them, to avoid risking the reputation of the marketing strategic alliance. However, there are many motivations for small businesses to become a member of a marketing strategic alliance. Less time and effort spent on marketing their business, due to the marketing and sales platforms and capabilities associated with the marketing strategic alliance, allows hoteliers to spend more time and effort on perfecting other areas of the business. It is also deemed as cost effective. Hoteliers commented on the fair way that all members of the marketing strategic alliance, regardless of size, have increase clientele from the marketing strategic alliance. Other benefits for smaller businesses include a safer business, with a quick and steady growth.

Taken together, results from the current study suggest that hoteliers are highly motivated to join marketing strategic alliances and that they have positive attitudes towards them. However, data also reveal that hoteliers in this sample lack some knowledge about their own strategic alliances. Respondents rated all of the dimensions measured on the survey very highly. Complimentary Resources was rated as the most important dimension on average, indicating that hoteliers are motivated to seek cooperative partnerships through strategic alliances.

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