Chapter 8
Local Resources to Compete in the Global Business: The Case of Sextantio Hotels

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ABSTRACT
This chapter analyzes the role of local area resources in the global hospitality market as a way for small and medium enterprises to create a portfolio of distinctive resources to reach a sustainable competitive advantage position in the international markets. After a brief introduction on the tourism industry and its main change factors the chapter adopts a resource base and market-driven approach in order to identify resources role in shaping competitive advantages. The chapter discuss a case-study on a successful example of diffused hotel in Abruzzo, Italy, identifying the core resources and those needed to support them in creating a successful tourism product.

INTRODUCTION
Today new technologies, not only web-based ones, have driven several markets to go global.

Tourism has been affected from this trend for several reasons. On one side the new transportation systems have made possible for tourists to travel easily, and cheaply too, all over the globe making even far away locations as viable tourist destinations; on the other hand, they can more easily access information on distant areas, and their attractions, and so tourists can satisfy their crave to reach them in their journeys creating new opportunities for hospitality enterprises. Moreover as the culture becomes more global, the tourists needs across the world become more similar and hospitality services can be successful in attracting them.

On the other hand playing in a global markets makes the competition more dynamic and more intense as new players from all over the world can appear in the competitive landscape creating new, valuable offers for appealing the global tourist. So hospitality business have to continuously re-
invent their services in order to re-buff these new sources of competition and to be more appealing to these more volatile tourists’ flows.

Another viable strategy these enterprises can try to exploit is to displace competitors leveraging the specific resources from their own local area, mainly traditional and cultural resources, that other enterprises in the other destination cannot easily copy. Building their strategies on these kind of resources helps hospitality businesses in succeeding in separating themselves from other similar services creating new market bubbles where the competitors potential of being a threat is very limited. This approach is coherent with a resource-based vision of the tourism product as these enterprises can exploit some valuable, rare inimitable and not easily substitutable resources as the source of their strategies’ sustained competitive advantage.

One successful example of this different way to compete in the global markets can be found in the way Daniele Kihlgren has created Sextantio Hotels using a process of sustainable development in S. Stefano di Sessanio in Abruzzo (Italy) and leveraging it as a way to get a sustainable competitive advantage in the global market. Sextantio Hotels is a case of diffused hotel, a way to re-define hospitality services in small villages full of cultural and historical resources. In these villages hospitality entrepreneurs do not design their services in a single location but they embed them in various traditional buildings that are converted to rooms and flats.

We start this chapter with a presentation of tourism in the global market not only looking at his economic side but focusing on its social effects as well, later we present globalization and ICT as two of the main factors driving change in tourism industry and how they impact on the relationship between the local and the global resources in creating a tourism product.

The role of resources has been presented using a Resource-Based Theory perspective with the complementary approach of the Market-Driven Management as a way to identify those resources the enterprise needs to support the value creation processes.

In this chapter the case of Sextantio Hotels has been analyzed looking at it from the eyes of the main entrepreneurial actor, the founder Daniele Kihlgren, as a way to show how hospitality entrepreneurs can exploit local area inimitable, and difficult to substitute, resources as a way to build a successful offer in the global tourism markets that can be a source of a sustainable development process as well.

BACKGROUND

This chapter theoretical background starts with the tourism and later focuses on strategic management literature.

Tourism as an Economic and Social Phenomenon

Over the decades, tourism has become an industry characterized by continuous growth and an ever increasing, strong, diversification. As the concept of globalization has gone mainstream there have been several effects. On one side as ever growing number of locations, even those previously unknown or just ignored by tourist, have been considered as tourist destinations, or potential ones, on the other globalization has contributed to erode places territorial identity leading to a service standardization process that have aligned the different products, both sold and demanded (Seaton & Alford, 2005). Today tourism is closely linked to the society development processes and it is becoming fast one of the key factors in driving each nation’s socio-economic progresses on a global scale (World Tourism Organization [UNWTO], 2014).

Today, tourism is valued as an ever more polycentric and wide-ranging activity. The pervasiveness of its manifestations, ranging from
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