

Enhancing the e-commerce application in small tourism industry enterprises – the role of social capital

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Abstract. E-commerce is a key success factor for modern tourism, both domestic and international. The analysis in this paper shows that small, medium and micro sized tourism enterprises (SMMTEs) still are at the beginning of the application of e-commerce in their operations. Building networks is a survival strategy for them. While networks provide the structure within which the actual information sharing situation emerges, the social capital can be defined as the stock of shared resources, an advantage for individuals and groups due to their belonging to a social structure. For destination building a more advanced e-booking system is regarded as a strategic competitive advantage.

Introduction

E-commerce is a key success factor for modern tourism, both domestic and international. Tourism services are reserved, consumed and paid through the Internet and other networks. In tourism industry all around the world the majority of the enterprises are small, medium or micro sized (SMMTEs). They seldom have the resources to build a reliable and effective net-presence of their own. Tremblay (1992) proposes that tourism enterprises coordinate their activities

through a web of cooperative and competitive linkages fashioned by the capabilities they possess.

The twin dynamics of globalization (Crouch and Ritchie, 1999) and e-commerce have made knowledge and information the most important production factors instead of capital (Go, 2004). Information is one of the critical strategic resources especially in the travel and tourism sector. Communications technology presents tourism suppliers the opportunity to cooperate much more closely than before (Go and Williams, 1993). This affords small, medium and micro sized tourism enterprises the opportunity to mitigate their size disadvantage (Bieger, 2004) and address scale and scope issues through effective network cooperation at the local and regional destination levels in order to create and sustain competitiveness. It is therefore critical to understand how inter-organizational relationships and partnerships within networks should be formed and managed and how these evolve over time (Pavlovich, 2003). Crouch and Ritchie, again (1999), recognize an emerging shift in the global tourism paradigm that demands greater cooperation and collaboration at the local and regional levels to ensure a quality tourist product that can compete effectively at the global level.

It seems that e-commerce is a big promise for the tourism industry, but that micro sized, small and medium sized tourism enterprises still are at the beginning of the application of e-commerce in their operations (Lemmetyinen and Suomi, 2006). Small size remains a competitive disadvantage for them as resources for establishing Internet presence are scarce. Building networks is a survival strategy for them, but neither it is without its difficulties.

Inkpen and Tsang (2005) examine how social capital dimensions of networks affect the transfer of knowledge between network members. In their view the central proposition of social capital is that networks of relationships are a valuable resource both for the individuals and the organizations in the network (Inkpen and Tsang, 2005, 151). In this study our focus is to find out how the social capital dimensions in the context of tourism business network affect the adoption of e-commerce. Geographically our study focuses on the Island of Åland, which belongs to Finland but forms an “independent” industrial district. For Åland tourism is one of the main industries contrary to “continental” Finland, where the tourism business in average, although slightly growing, still remains one of the minor business sectors.

The destination Åland is highly dependent on its competitive and comparative advantages, which are defined by (Crouch and Ritchie, 1999, 23):

“Whereas comparative advantages involve the resources available to a destination, competitive advantages relate to a destination’s ability to use these resources effectively over the long term.”

Mazanec, Wöber and Zins (2007) present and evaluate a methodology for further developing the destination competitive analysis whereas Park and Gretzel (2007) explain success factors for destination marketing web sites. Pavlovich (2003) emphasizes how the linkages between organizations within a tourism

destination context, such as Åland in this case, have become a critical factor of competitive advantage.

The discussion above leads to the purpose of this paper which is to describe and analyze what kind of networks the SMMTEs in Åland are acting in. Åland is a good research object area for this kind of research, as it is highly dependent on tourism, and meets the challenges of the busy summertime with high demand and low-demand wintertime. In addition, the basis for networking is there, as one major shipping company is in a position to act as a strong central point of a network. Of course, small companies can also network without the participation of the central company.

Consequently the dimensions of social capital, the structural, cognitive and relational, are analyzed within the context of the networks the informants belong to. The research methodology has been to interview five actors in December 2006 and 2007. The first one of the actors is a coordinator of the Mail Road network who himself is also an entrepreneur driving accommodation services in the municipality of Eckerö, in the western part of Åland. The second interviewee is a hotel owner, also located in Eckerö. The third informant represents a hotel situated in Geta, in the northern part of Åland, while the fourth one drives accommodation services in the eastern part of Åland, in Lappo. The fifth of the informants comes from the capital of the county, Mariehamn, and she is the Marketing Director of the Board of Tourism in Åland. One of the authors of this paper conducted the personal interviews, each of which took approximately an hour. A narrative approach was taken in the interviews (Riessman, 2004) meaning that the informants were encouraged to tell their stories as participants in the network. This approach is seen crucial in finding how actors experience the development of a network and its coordination.

Concluding the previous discussions this paper finally aims at understanding what kind of preparedness acting in different kinds of social networks creates for the micro sized, small and medium enterprises in tourism industry and how the social capital achieved through the cooperation can enhance the competitive advantage of the destination as a whole.

Social capital in the networks of SMMTEs

While networks give the structure within which the actual information sharing situation emerges (Widen-Wulff, 2007) the social capital can be defined as the stock of shared resources, seen as an advantage that individuals and groups have due to their belonging to a social structure. Inkpen and Tsang (2005, 147) see that studying social capital advances potentiality for understanding network processes, such as knowledge transfer or e-commerce adoption. Social capital promotes greater coordination among people and between the organizational units. (Widen-Wulff, 2007). Widen-Wulff defines the social capital as:

“values, norms, and networks that make information interactions possible and effective, and enable collaborative work toward common aims. In practice social capital is an important part of the context that motivates sharing”. (Widen-Wulff, 2007, 26.)

In tourism business greater cooperation and collaboration at the local and regional levels are demanded to ensure a quality tourism product that can compete effectively at the global level (Crouch and Ritchie, 1999, 139).

De Wever, Martens and Vandembemt (2005, 1523) state that network effectiveness is dependent on the structural and relational dimension of social capital. In this article using a social capital framework derived from Nahapiet and Ghoshal (1998; Inkpen and Tsang, 2005; Widen-Wulff, 2007) *structural, cognitive and relational* dimensions of social capital are identified and discussed related to the case networks of tourism enterprises. These dimensions of social capital are important for the actual information sharing, the combination and exchange of intellectual resources.

The structural dimension of social capital

The structure dimension affects access to other actors, individual and corporate. Social interaction ties are channels for information and resource flow. The structural aspects are often combined with relational aspects in order to understand the information behavior in a more holistic level. (Widen-Wulff, 2007, 29-34.) Inkpen and Tsang (2005) discuss the structural dimensions of social capital in three types of networks, which are intracorporate networks, strategic alliances and industrial districts.

The cognitive dimension of social capital

The cognitive dimension covers such properties as shared meanings, language, symbols across the members of the network. It is the members' shared cognition, shared vision, common goals and shared language. Content dimension, or communication, is a visible condition necessary for formation and utilization of social capital. Four communication functions provide social capital; information exchange, problem identification, behavior regulation, and conflict management. The content dimension, the communicative dimension of social capital, is visible especially in the information management research. (Widen-Wulff, 2007, 29-34.) Inkpen and Tsang (2005) address two facets of cognitive dimension: shared goals and shared culture among network members. Whereas the members of an intracorporate network have similar perceptions as how they should interact with one another in an industrial district there are likely to be few shared or even compatible goals. As Inkpen and Tsang (2005) state, the cooperation and knowledge sharing can enhance the competitive position of firms in an industrial district. It is important that the firms also recognize their role in developing the

competitive advantage of the destination as a whole, as Crouch and Ritchie (2003, 144) state that the use of tourism resources is more effective when the actors of the destination's network share a common view of the destination's strategy for tourism development.

The relational dimension of social capital

In the relational dimension the expectations and obligations are understood as central features of social capital. This kind of research combines the structural dimension of social capital with such relational aspects as identity and social system closure. The relational dimension of social capital is most often related to in terms of trust and information sharing (Widen-Wulff, 2007). Pavlovich (2003) emphasizes the relational perspective in tourism business, as groupings of organizations cluster together to form a destination context. Inkpen and Tsang (2005) recognize in the intracorporate networks the social structure of cooperation, which means a combination of cooperative and competitive elements. On one hand the cooperation of the members is encouraged in order to achieve economies of scale. On the other hand the competition amongst the members might enhance the efficiency. In strategic alliances it is emphasized that when the level of trust is high, firms may be more likely to invest resources in learning. In a tourism district, commercial transactions embedded in social ties instill into future exchange expectations of trust and reciprocity. In turn, relationships based on trust and reciprocity are likely to promote the transfer of distinctive knowledge and resources. We summarize our analysis of structural capital as defined by (Hazleton and Kennan, 2000) and further conceptualized by (Widen-Wulff, 2007). Our operationalization of the concept is presented in Table I.

Table I

Our operationalization of social capital (adapted from (Hazleton and Kennan, 2000) (Widen-Wulff, 2007))

Dimensions as set by (Widen-Wulff, 2007)	Attributes as seen by (Hazleton and Kennan, 2000)	Our operationalization
Structural dimension	Network ties Timing Access	Identified networks Permanence of the networks Access threshold to the network
Cognitive dimension	Knowledge Problem solving, conflict management	Specific knowledge mastered Procedures for problem solving
Relational dimension	Motives	Joint motives

	Trust Norms Identity	Absence of formal contracts and controls Joint explicit norms Joint implicit norms Identity symbols
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Tourism in Åland

Åland, in Finnish Ahvenanmaa, has always acted as a bridge between Sweden and Finland, symbolizing the transition between west and east, in the past materialized in the Swedish and Russian empires. So tourism is a very natural industry for Åland. Some basic facts about Åland are defined in Table II.

Table II
Facts about Åland (adapted from (Norden, 2007))

Total area	1,552 km ²
Lakes and streams	25 km ²
Land area	1,527 km ²
Population 1 January 2006	26,766
Population per km ² 1 January 2006	17,5
Capital population 31 December 2005	Mariehamn 10 780
Capital area population, per cent of total population	40.3%
Currency	Euro
Official website	www.aland.ax
Official language	Swedish

Tourism in Åland can and should be studied from two points of view. Tourism is an important industry for the county, but many of the customers never actually land on Åland soil, but they only take a ferryboat cruise by coming in the port of Åland in one ferryboat and returning to either Turku in Finland or Stockholm in Sweden with another. The local companies, for example, run important ferry routes between Finland, Sweden and Estonia. Tourism in total accounted for 34.8% of Åland's GDP in year 2003 (Ålands landskapsregering, 2004).

Land-based tourism is the term invented for those tourists that actually stay overnight in Åland. Counted in this way, the share of land-based tourism was

3.5% of Åland's GDP in year 2003. There were about one million guest nights in total in 2003. Tourism employs some 5.5% of the population. In year 2003 it was calculated that the total income from tourism in Åland was 235,6 million Euros. Of this sum, 55% was spent on the ships run by Åland ship-owners (Ålands landskapsregering, 2004).

Several tourism firms in Åland work in different EU-funded projects, such as Scandinavian Islands (<http://www.scandinavianislands.com>), Skärgårdsleden, The Archipelago Route (<http://www.skargardsleden.com>) and Postvägen, The Mail Road (www.postvagen.com). Most of them have also joined the local Tourism Board, Ålands Turistförening (<http://www.visitaland.com/en>), which is promoting its online-presence under the logo visitaland (Visit Åland). Åland has also joined the partly EU-funded Cruise Baltic project (<http://www.cruisebaltic.com>).

Methodology

Xiao and Smith (2006) discuss the state-of-the-art of case studies in tourism research. In line with their analysis concerning the most prevailing research design and implementation in tourism research, this study focus on small geographical area, the island of Åland, and adopts one time point of data collection limiting itself to a single case, Åland as a destination. Yin (2003) proposes use of critical/unique, representative/typical, revelatory and/or longitudinal cases in single case studies. On one hand Åland could be characterized as a unique case, because of its geographical location as an island between Finland and Sweden, which has a very strong and independent identity related to the main land, Finland. On the other hand in the case of Åland the boundaries of the destination as a network (Halinen and Törnroos, 2005) could be reasonably easy to reveal, because the county is an island. In order to define the key actors in the network, a functional sample of four informants representing the private sector and one representing the public sector have been chosen.

Ritchie and Ritchie (2002) emphasize that in order to enhance the destination competitiveness a "new approach to destination marketing" has to be emerging including partnerships between the private and public sectors. Similar to their seeing the importance of the direct involvement by industry operators, also we in this study see the organizational change, e.g. the adoption of e-commerce at the destination level, as a multi-vocal process (Buchanan and Dawson, 2007), where the voices of the small, medium and micro sized entrepreneurs have to be heard. The main criterion in choosing the entrepreneurs or the representatives of the SMMTEs was that they come from the different geographical parts of the island.

The narrative interviews of the informants shed light on the building of social capital in the network of SMMTEs in the destination of Åland. Elliott (2005) emphasizes as the key features of a narrative that it has a temporal dimension, it is

meaningful, and it is inherently social, that it is produced for a special audience, which at the most basic level is a conversational partner. In this study one of the authors had a conversation with the informants, where she encouraged them to tell their stories of the networks they belonged to. As a listener the researcher participated in the telling of the narrative through non-verbal cues, short responses, and by asking additional questions or making statements (Elliott, 2005 referring to Mishler, 1986). Elliott (2005) emphasizes that compared to the conventional approaches to interviews the narrative interviewing increases the quality of the interactions between the interviewer and the interviewee. The aim of the interview should be to stimulate the interviewer's interpretive capacities and not, as it can be in conventional approaches, to treat respondents as epistemologically passive and mere vessels of answers.

The emergence of the Internet has changed the conditions of competition in the tourism business marketplace (Buhalis and Law, 2008). In order to address a broader or a more holistic view the study represents the fields of destination marketing and management combined with information technology. While von Friedrichs Grängsjö and Gummesson (2006) aim to contribute to a theory of co-operation in marketing networks by studying hotel networks and social capital in destination marketing, we are in this paper applying and discussing the dimensions of social capital in the context of tourism business network with an aim to contribute in the eTourism research, which according to Buhalis and Law (2008: 619) is "still in its infancy and a number of issues have only now started being addressed in the literature".

Social capital in SMMTEs in Åland

In this section we discuss the existence of traces of social capital among tourism SMMTEs in line with the operationalization presented in Table I. Our central findings are reported in Table III and discussed below.

Table III

Our operationalization of social capital, adapted from Hazleton and Kennan, (2000) and Widen-Wulff (2007)

Our operationalization	Visible traces of occurrence	Conclusions about the amount of social capital (1 (little) – 5 (much))
Identified networks	Geographically concentrated permanent	3

	network of companies Temporal networks around EU- or other projects	
Permanence of the networks	Geography permanent EU- and other networks temporal	3
Access threshold to the network	Newcomers from outside Åland few Åland citizen have a low threshold	4
Specific knowledge mastered	Taking advantage of the seasonal variations Tight cost control Networking with each other Networking with leading companies E-commerce preparedness	5
Procedures for problem solving	Maintaining of long-term relationships	5
Joint motives	Surviving in Åland Pride of own cultural heritage	5
Absence of formal contracts and controls	None found	5
Joint explicit norms	Few found	1
Joint implicit norms	Joint values Flexibility Cost avoidance Lifestyle adaptations	5
Identity symbols	Swedish language Female entrepreneurship	5

The structural dimension of social capital

In this article the concept of tourism (industrial) districts is applied, when referring to all of the tourism enterprises located in Åland. When discussing temporary, intentionally formed or issue-based and most often EU-funded projects, also the discussion concerning intracorporate networks and strategic alliances may be applied. In general, when speaking of the geographically concentrated permanent network of companies, which is the first point of the visible traces in our operationalization above in Table III, we could refer to our first Informant, who put it this way: “Åland is a small, homogeneous area, where

it is easy to know who has the capability of doing something and what that capability is” (Informant 1). He was telling of the cooperation project called NIM (www.nim.ax), where the different application possibilities of Mobile services are researched, in different business sectors and also in tourism. The project is lead by the Åbo Academy University, the High School of Åland and the Technology Centre in Finland. The tourism business entrepreneurs, who participate in the project, are representing the other ones in the field. It is important to have the voice of the tourism field heard, because the entrepreneurs are well aware of the needs of the tourists.

Another type of the geographically permanent networks is the one presented by the Informant 2. She introduced a network called United Minds (www.unitedminds.fi), which consists of women in Åland. The network has been found in order to strengthen the business and other work related capabilities of its members. Approximately 10 women founded the network for two years ago and now the amount of the participants has grown to 60. The members come from different business sectors. As an example the Informant 2 told that she has found both her bookkeeper and accountant among the members of the United Minds - network. The idea is that anyone of the network members may take the initiative and call together those of the members she likes to. Whether the hotel owner would like to hear the outsiders’ opinions and ideas of how to refresh her entrepreneurship she can call some of the members to give her feedback.

Almost all of the tourism enterprises are members of the Tourism Board in Åland. They also are represented on the website of the Tourism Board, which is called Visit Åland (www.visitaland.com). The portal is very efficient means of communication according to Tourism Board representative, the Informant 5. She also tells about the Cruise Baltic project -network (www.cruisebaltic.com), where Mariehamn joined as a cruise destination for one and a half year ago. The cooperation in this transnational and multicultural network has had an effect on the local cruise network in Åland, as well, initiating its activities. Now there are more than ten local actors, including the town, the harbour and private companies, such as bus firms, that work together in order to meet the strict quality requirements the Cruise Baltic has agreed on in every part destination of the network. The social networks are present here, as well, because the area of Åland is small, and in most cases the business activities are covering the whole county. Or as the Informant 5 put it: “In promoting tourism, Åland is like a small country of its own, directing outwards”. The Informants named several temporal networks around EU- or other projects, as well, as visible traces of occurrence in the Table III above. The Mail Road (www.postvagen.com) is a good example of them. The project has ended, but as the Informant 1 puts it: “We got something done together, there are plenty of documents of the work we have done together.” The Informant 3 doesn’t have any connection to the Mail Road, the hotel she represents for, is not situated along that route. She is, however, aware that the

enterprises along the route have a specific stamp, for example. The Informant 4 is the owner of the enterprise that is located along the Mail Road. She started her accommodation services, however, at the time, when the Mail Road has already ended as a project.

The Informant 3 named the Scandinavian Islands -project (www.scandinavianislands.com), where the hotel she represents, participate in as one of the pilot enterprises in Åland. The project has a coordinator also in Åland, as well as it has in the Finnish and Swedish Archipelagos. The goal of the Scandinavian Islands project is to join the resources in these different parts of the archipelago and also to make it more convenient for the tourists to reach the archipelago. This project is heading its marketing for the Central Europe. The project has been active for three years, but as the Informant 3 remarks, it hasn't still become concrete in customer flows. Though there have been foreign journalists visiting the hotel, because of the project. The Informant 4 has taken part in the project of Skargardsleden, The Archipelago Route (www.skargardsleden.com), which was an Interreg-project that has been active several years, but has ended in November 2007. In this project the main goal has been the product development concerning service offerings of activities like hiking, paddling, biking, and riding horse, and so on. The enterprises in this project are now, similarly to those of the Mail Road a few years earlier, founding associations in order to continue their cooperation. The Informant 4 would like to join the Scandinavian Islands network, but she is sceptical of its continuity: "it will be ending soon, it too". The Informant 4 would hope that the networks could take more permanent forms of cooperation, but is well aware of that the cooperation like that would need a coordinator, who would have the enthusiasm to work for it.

Still different types of temporal network projects are Skärgårdsmak, which is targeted for the enterprises producing handicraft and food. Neither of the interviewed belongs to that network. The annual harvest celebration is also led by a very efficient project group, according to the Informant 4. The whole population of Åland gathers to the different markets and other activities around the harvest celebration at the end of September. Åland, or Mariehamn as its cruise port has also joined the partly EU funded Baltic Cruise project. One of the reasons for this was according to Informant 5 the fact that "together we are stronger". The major cruise destinations in the network, Copenhagen and Stockholm, have been initiative in the promoting the region of Baltic Sea as one area. Therefore they have started the project, which includes all the 10 countries around the Baltic Sea. The amount of destinations has grown to 26, because in many countries, among the Finland, there are several towns or destinations that have joined the project. According to the Informant 5 the project is well organised, it has concrete goals; it enables the benchmarking between the members and with its minimum standard

requirements makes it easier to convince the local actors of the need to develop the destination according to requirements.

From the perspective of an individual firm, it is beneficial to be located physically close to the other firms in the district (Inkpen and Tsang, 2005, 156). Referring to our operationalization of the permanence of the EU- and other temporal networks, in Table III it seems that the EU-projects, The Mail Road for example, although temporary, have influenced some permanent forms of cooperation as well. Informant 1 mentioned the thorough documentation of the needs and completions of the participating enterprises and also the fact that the enterprises in case of that they would have the necessary resources, would be interested to continue the cooperation. Informant 2 told about the mail rowing competition, an annual activity, taking place between the crews from Sweden and Åland. Always at that time of the year the hotels in Eckerö are full. The Informant 1 mentions also the Mail Exhibition that continues its tour to Estonia; the exhibition was first presented in Stockholm at the beginning of the Mail Road project, year 2002-2003. Also the web sites of the Mail Road prove that something lasting has been left, although the project as such has ended. Much of this is, however, depending on the individual effort of the former coordinator of the Mail Road, who maintains the web site of the Mail Road at his own expense. In the case of Åland, the spatial proximity characterizes more or less all of the SMMTEs forming the local network. Proximity helps the formation of network ties and facilitates interpersonal interactions through which the knowledge is exchanged. In industrial districts, cliques of firms with strong ties may be formed (Inkpen and Tsang, 2005, 156).

As Åland is small in geography, all tourism SMMTEs there belong to a physically concentrated network. The Informant 2 comes from Sweden and is therefore able to see the situation from the viewpoint of “an outsider”. She points out that the cooperative way of working is very natural for the people in Åland. This is how she sees it despite the fact that there lives a myth in Åland that this is not true. Inkpen and Tsang’s (2005) statement, that the industrial districts are characterized by the constant entry and exit of firms cannot be applied as such in the case of the SMMTEs in Åland. The majority of the firms are small or micro sized and family-owned and very often combined with other means of earning one's living, such as farming. It is only natural that the firms stay in the district even though the forms of cooperation in networks may change. In the case of the Mail Road, the project ended a couple of years ago. Still, the enterprises belonging to the network have continued their cooperation in an association and have also had plans to join their forces in the work within other projects, such as the Archipelago Route. The importance of external contacts, again, as important channels for obtaining fresh ideas, characterizes the local network of the SMMTEs in Åland. The Archipelago Route, the Scandinavian Islands and Baltic Cruise projects are networks, the members of which represent several countries

and cultures in the Baltic Sea surrounding regions. In the case of Baltic Cruise project the network members are committed to the cooperation even if the funding for the second three year project would not be admitted. The first three year project started in 2004 and ended in 2007 followed immediately by the second three year project the funding for which was not assured at the end of the year 2007. Also the strict quality requirements within the EU projects, such as the minimum quality requirement in the Cruise Baltic and the sustainability requirement in the Scandinavian Islands projects, direct the activities towards the more permanent ways of cooperation. Since the partners in these projects have invested a lot in order to fulfill the requirements it seems logical for them to continue their actions.

The cognitive dimension of social capital

In the Table III the special knowledge mastered is operationalized in such visible traces as, for example, than taking advantage of the seasonal variations. The Informant 2 highlighted the opinion of the United Minds -network (www.unitedminds.fi), which is that there should be a more even spread of the four seasons. As she stated: “The summer is always the same, whether you are in Åland or in the Canary Islands, but it is only here in the North that you can experience all the four Seasons.” The Informants pointed out that in promoting the destination Åland the uniqueness of the low seasons should be emphasized: the darkness, the quietness, the screaming wind in the outer archipelago – these are the characteristics that the tourist can’t experience in any other places. There were also some critical comments that in marketing the destination the emphasis has been too much on the activities in Mariehamn in summer time and not so much in the experiences the outer archipelago is able to offer during the low seasons.

As described earlier there are different kinds of projects going on in the island of Åland and also with leading companies or other coordinating organizations. The Informant 3 tells about the owners of the hotel she represents. The six owners come from Sweden, as well as the VD, and are able to use their relationships and networks in Sweden in order to develop the business activities in Åland. Also the Scandinavian Islands -project provides education for the employees of the participating ten pilot enterprises. One of the major shipping companies also participates in the Scandinavian Islands -project and thus fulfills the ideology of sustainability. Also another shipping company has allotment of the hotel the Informant 3 represents. The Informant 4 would hope for the more intensive cooperation with the leading companies. She has a feeling that because her company is situated the opposite side of shipping company, which traffics between the island and Sweden, it is obvious that selling her accommodation services is to some extent neglected. She has also a cooperative suggestion for the major shipping company, the Swedish tourists coming to this part of the island,

which is close to the Finnish mainland, could as well take ship from Stockholm to Turku and then bus from Turku to Lappo, instead of driving through the whole island Åland. But again, she is well aware of that this kind of cooperation would need coordinative actions that an individual entrepreneur is not able to do. Her enterprise would have more negotiate power in cooperation with others towards the leading companies and also would be regarded as a more attractive partner from the viewpoint of the leading companies.

Also when it concerns the preparedness of e-commerce adoptions among the SMMTEs it is important to realize how the leading companies could be part of a common booking system. As the Informant 5 points out the major shipping companies, for example, has made great investments in their own booking systems. Therefore it takes time to find the way to implement a booking system, in which the shipping companies could be able to integrate, at least partly, their own booking systems. The Informant 5 emphasizes that maintaining such a system should be carried out by a commercial actor, not by Tourism Board, which is a public actor. All of the Informants shared the opinion of how important the Internet is in their every day entrepreneurship. As the Informant 2 put it: "The mental willingness to use Internet, and also to extend the use of e-commerce already is there, but the SMMTEs would need to have support in learning more when, for example, building their websites and using video material in it." Also the technical readiness for more extended use of e-commerce and also mobile services in Åland is on high level. A common web-site for a tourism destination is an important shared symbol. In Åland many of the tourism enterprises are represented not only through their own web-sites but also on the common web site of the Åland Tourism Board. The entrepreneurs have realized that in many cases the potential visitors are seeking the information from the website of the destination itself besides or in stead of a single firm. As Lee, Cai and O'Leary (2006) state, the website of the destination has become a crucial branding channel.

In our operationalization in the Table III maintaining of long-term relationships is one of the visible traces of occurrence and especially concerning the procedures for problem solving. This in our opinion has much to do with changing attitudes towards the way of doing business. As the Informant 1 states: "When the times of projects are over, there has to be some kind of permanent way of cooperation, maybe in the form a limited company or the association, but it has to be someone who takes the lead and coordinates the cooperation." The Informant 2, as a native of Sweden sees that in Åland there is an atmosphere filled of mutual social caring of each others, which according to her was typical in Sweden in 60's. She also points out that the best forms of cooperative networks are those, which are not funded by EU or some other organization. She refers to the United Minds -networks, where it, according to her, also was necessary to

have a change of attitude at the beginning. The members had to learn to take the initiative themselves, not waiting for somebody else to tell them what to do.

The relational dimension of social capital

As to the joint motives for building the cooperative networks, the Informant 2 underlines that the members of the United Minds -network all share love for Åland. Their preliminary goal is to develop the island, also concerning tourism. The actors of the network have made scenarios for the future of the county and in the best of these scenarios see the island as a pearl of the Baltic Sea. The network has the website of its own, built by a member who has the relevant expertise. The members of the network exchange and share the common resources of knowledge. But it is not only in business life they help each others, they can turn to each others also when there are problems in every day life. The Informant 1, again, sees that the municipalities should take more intensively part of the entrepreneurs' problems in order to keep them. This is one way of increasing the attractiveness of the municipality.

The Informants share the pride of own cultural heritage, which also can be seen as visible trace of occurrence in our operationalization in Table III. This pride becomes concrete in their pride of the destination Åland and it's, as the Informant 5 called it, trade mark. It also could be seen as a brand of the destination. The Informant 5 pointed out the all of the SMMTEs are well aware of the importance of gathering together under the common umbrella brand, on the website Visit Åland, for example. In the similar vein, she noted, as Mariehamn is a minor actor in the Cruise Baltic -network and benefits from the cooperation with the major cruise destinations, also the smallest entrepreneurs in Åland benefit from being part of the common platform. The pride of the own cultural heritage comes also evident in the way the Informants 1 and 2 bring out the Mail Road project, pointing out its potential and very interesting history. "The Mail Road has a sole and it could be something very enormous of it", concludes the Informant 2. We did not found any formal contracts and controls if the notion of the Informant 3 could not be classified as such. When telling about the Scandinavian Islands project, she mentioned the "different political questions took a great deal of the time". As to the joint explicit norms, we could refer to the Informant 1: The Mail Road project was finished before the actual due time, because the arrangements with EU organisers took too much time. There were also some other conflicts with the EU, which complicated the coordinators' work.

As the joint implicit norms in our operationalization we have listed as the visible traces of occurrence joint values, flexibility, cost avoidance and lifestyle adaptations. In the United Minds -network the joint values are connecting the members of the network. As the name of the network connotes their minds are united, they want to help each others. The network is very flexible, as well, as

soon as somebody of the members wishes to call the others for some reason, she can do it, take contact and invite the others. Cost avoidance comes also into the picture in the United Minds -network, where the members exchange their expertise. Also, as the Informant 5 points out, the use of the common platform is a very cost effective way of communication. Something that also combines the Informants, and seems to be very typical in Åland, is the fact that many of the entrepreneurs are so called life style entrepreneurs, who are combing different ways of making their living. According to Informant 2 this has been typical for the people in Åland in centuries. It has demanded creativity to live on an island and they have learned to use it.

An issue worth noting in Åland is their strong lingual identity. Swedish is the official and only language in Åland, and acts as a strong component in the relational dimension of social capital. Still, the Informant 1, although he has Swedish as his mother language, speaks well Finnish and also the interview was conducted in Finnish. Also Informants 3 and 4 are able to communicate in Finnish if they get guests, who don't manage the Swedish language. As Inkpen and Tsang (2005, 158) maintain, the overall effect of cultural diversity should be beneficial for knowledge transfer in the long run. As another identity symbol, we have in our operationalization taken up the female entrepreneurship. Although the members of the Unites Minds -network are not all entrepreneurs, this network still serves as a good example of the female network joined by a common ideology. They have also started a mentor activity, where the experienced members support the newcomers in the business, for example. It is a clear aim to advance the business competencies of the members, but also, as the Informant 2 put it: "to have fun".

Conclusions

Structural, cognitive and relational dimensions of social capital characterize the cooperation and competition among the SMMTEs in Åland. Our analysis is based on the operationalization of social capital (presented in the Tables I and III) and its structural, content and relational dimensions. The operationalization of the social capital components is one of the main contributions of our study.

In the structural dimension we have concluded the identified networks, the permanence of the network and the access threshold to the network. In our analysis we have identified different types of the visible traces of occurrence and discussed these traces by reflecting them to our empirical data. Our analysis shows that SMMTEs in Åland have a considerable number of identified networks they belong to. These networks are geographically concentrated, some of them permanent networks of companies, but the most of them temporal networks around EU- or other projects. The analysis also shows that there are signs of

permanent forms of cooperation after the projects themselves have ended. Also it seems that the cooperative way of working is very natural for the people in Åland.

In the cognitive dimension of social capital we differentiated specific knowledge mastered and procedures for problem solving. In these the visible traces of occurrence were taking advantage of the seasonal variations, tight cost control, networking with each others and with leading companies and maintaining of long-term relationships.

For the Åland tourism industry, we feel that they enjoy some extend of social capital, that might be more than in the mainland Finland or Sweden. For a closer analysis, we should of course compare the different areas, and in addition to operationalizing social capital concepts we should develop concrete measurement instruments, that remained beyond the scope of this article

It seems that SMMTEs would be able to extend the seasonal variation and that by emphasizing the uniqueness of the archipelago the whole destination Åland would be able to differentiate itself. The networking with each others especially in the common website is the most cost effective way of communication. The major shipping companies are in a key position also from the viewpoint of SMMTEs. The more intensified cooperation with them would offer new potential, but would need to be coordinated in an effective manner in order to be successful. Coordination would also be needed in building a more advanced e-booking system, which is regarded as a strategic competitive advantage.

In the relational dimension of social capital we identified joint motives, absence of formal contracts and controls, joint explicit and implicit norms and identity symbols. Our analysis show that there is strong pride of the own cultural heritage that motivates the actors to cooperate and form together the brand Åland as a destination. The joint values and the long traditions of combining the different ways of living are factors that motivate the cooperation and networking.

As Buhalis and Law (2008) state still a plenty of organizations fail to appreciate the benefits of co-opetition (see e.g. Bengtsson and Kock, 2000) and co-destiny. This among the other issues must be resolved before the tourism industry can take full advantage of e-commerce. In this paper we have discussed the dimensions of social capital for the first as a stock of shared resources, for the second as an advantage for individuals and groups due to their belonging to a social structure and finally as a prerequisite for co-destiny by building, cooperatively, a more advanced e-booking system and thus achieving competitive advantage.

In the future research it would be interesting to compare the building of the social capital and its dimensions in several destinations. Also the process of building the online brand identity would be of interest to report as way of enhancing the competitive advantage of a destination.

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