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Instilling problem solving orientation in tourism interfirm exchanges through exercise of relational behaviours

As international tourism continues to exhibit tremendous growth, efficient and effective interfirm exchanges become even more important. This is because individual tourism actors can hardly deliver all services needed by tourists. Although effective and efficient interfirm exchanges are vital in the tourism industry, adverse relationships are quite common. This paper advocates problem solving orientation in tourism interfirm exchanges and identifies critical relational behaviours necessary for instilling it. The behaviours are identified by considering key characteristics of the tourism industry and their corresponding business implications. In doing so, the paper contributes insights towards developing appropriate governance mechanisms for tourism value chains.

Key words: Tourism interfirm exchanges, problem solving orientation, relational behaviours

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Introduction

Over the last six decades, the tourism industry has manifested steady growth even in the face of occasional shocks. Tourism has now become the leading category of international trade in services, with receipts earned by destinations across the world reaching US\$ 1,340 billion in 2017 and the volume of total exports reaching US\$ 1.6 trillion, or US\$ 4 billion a day on average (UNWTO, 2018). As international tourism continues to exhibit tremendous growth, the coordination of tourism value chains needs to be efficient and effective. This is because the tourism industry is coordination-intensive whereby multiple actors, such as travel agents, transport firms, restaurants, tour operators and hotels, are involved in the creation and delivery of value (Zhang et al., 2009). Given the wide range of service components consumed by tourists, a single firm can hardly deliver a full package single-handedly (Morrison, 1994). Thus, firms in the tourism industry need to coordinate their operations with other firms (Ingram & Roberts, 2000). This implies that the competitiveness of individual firms involved in international tourism depends on the role played by other actors in the value chain to which they belong. The efficient and effective coordination with other firms can, therefore, be regarded as a critical source of competitive advantage for tourism firms.

Although effective and efficient interfirm exchanges are critical in the tourism industry, adverse relationships are quite common among actors in tourism value chains (Buhalis, 2000; Ivanov et al., 2015). Zhang et al. (2009) note that such adverse relations are partly due to the fact that tourism supply chains consist of heterogeneous entities with conflicting goals, different strategic interests, and different operational procedures. With such conflicts of interest, tourism firms often tend to act in their own short-run best interests (Kotler et al., 2017). Given that tendency, it is imperative to advocate for a problem-solving orientation to maximise joint value creation in tourism interfirm exchanges. This paper argues that to attain problem-solving orientation, it is important to adopt relational

behaviours. Extant literature identifies numerous relational behaviours. However, the criticality of particular relational behaviours depends on the characteristics of the industry in which exchange takes place (Lusch & Brown, 1996). Accordingly, this paper identifies critical relational behaviours necessary for instilling problem-solving orientation in tourism interfirm exchanges. The behaviours are identified by considering key characteristics of the tourism industry and their corresponding business implications. In doing so, the paper contributes insights towards developing appropriate governance mechanisms for tourism value chains, thus partly responding to the call by Song et al. (2013).

The next section discusses five key characteristics of the tourism industry followed by a presentation of tourism interfirm exchanges. Subsequently, tourism firms engaging in exchange are presented as loosely coupled entities, followed by a discussion of negotiation strategies as strategic responses to private control. Then, relational exchange behaviours are discussed, followed by delineation of the relational exchange behaviours that are critical to tourism interfirm exchanges. Finally, the closing remarks place the developed framework in perspective and provide actionable managerial propositions.

Characteristics of the tourism industry

The tourism industry has a set of characteristics whose combination distinguishes it from other industries (Evans, 2016). These characteristics have implications that can explain the decisions and actions of tourism firms. Based on extant literature, I will present five main characteristics of the tourism industry and their corresponding business implications, as illustrated by Figure 1.

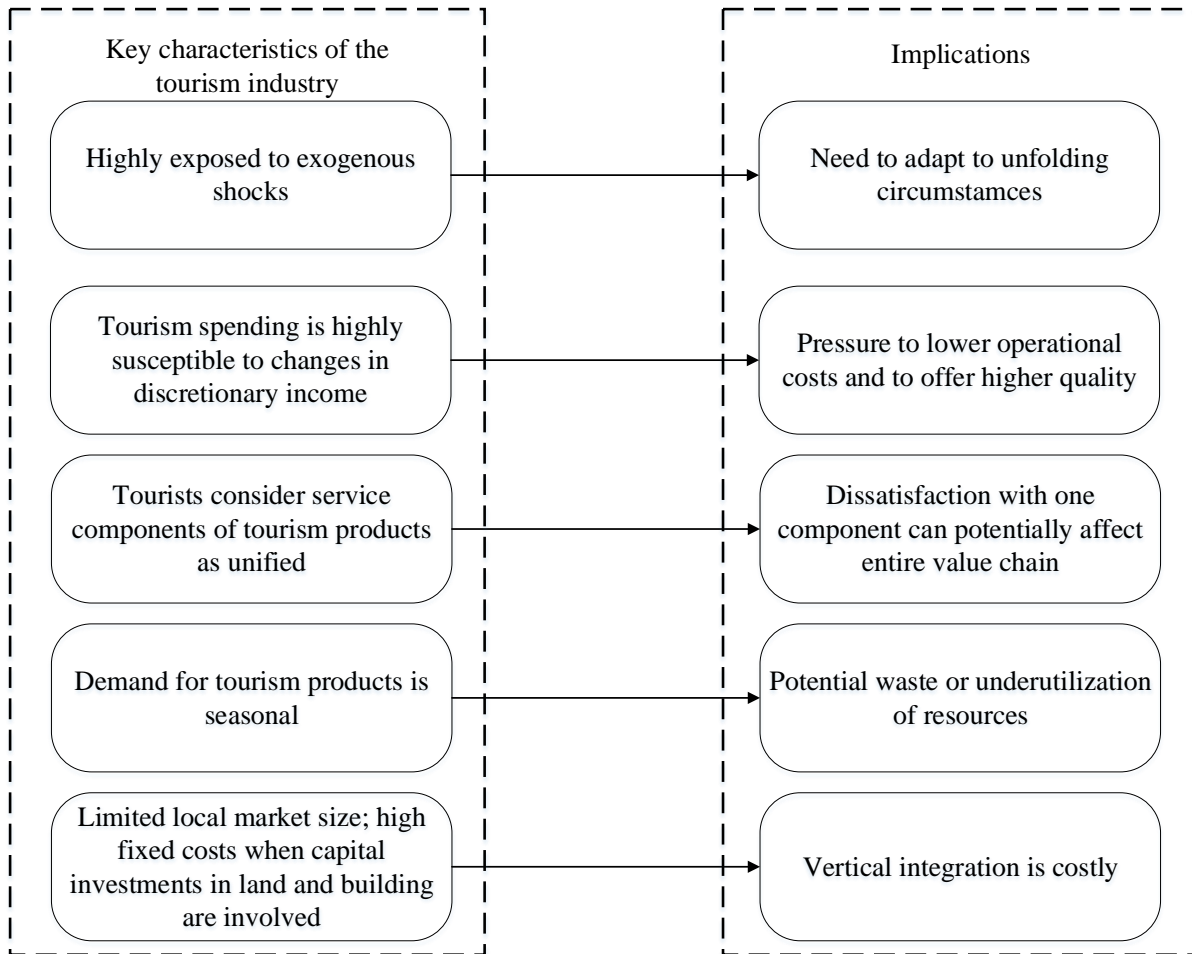


Figure 1: Characteristics of the tourism industry and its implications

Exposure to exogenous shocks. Tourism is highly exposed to risks due to unforeseen external events, such as political or civil unrest, economic crises, terrorist attacks, disease outbreaks, extreme weather conditions and natural disasters (Evans, 2016). These events affect the demand for tourism products and consequently hamper the performance of tourism businesses. High susceptibility to exogenous shocks means that the capability to adapt to unfolding circumstances is vital among tourism businesses. In other words, tourism businesses need to be able to adjust their strategies, or even their business models, in response to changing circumstances.

Discretionary demand. Spending on tourism products is discretionary, meaning that expenditure on tourism comes after paying for all the basics of life, such as housing, utilities, and food. However, unlike other discretionary expenditures, customer spending on tourism products is much more sensitive to changes in discretionary income (Crouch et al., 2007; Dolnicar et al., 2008). Tourism businesses are therefore under constant pressure to lower operational costs to charge competitive prices while offering higher quality as compared to similar offerings.

Service components perceived as unified. Customers tend to evaluate service components of tourism products as unified rather than separate. Although tourism channel members may view themselves as independent and separate entities (Zhang et al., 2009), existing literature suggests that clients usually view tourism products as a package of service components delivered by a service network. For example, Zach & Racherla (2011) note that often tourists view a destination as a single product rather than a collection of numerous organisations and consequently evaluate their tourism experiences holistically rather than piecemeal. Similarly, Chan et al. (2015) assert that tourists who take part in package tours are often looking for a total experience, and as such, a perceived shortfall in any element of a tour can result in dissatisfaction. This implies that customers' dissatisfaction with one service component can potentially affect their evaluation of the entire experience (Mwesiumo and Halpern, 2018).

Demand seasonality. The tourism industry is characterised by seasonal demand occurring not just annually, but also monthly and weekly (Rosselló & Sansó, 2017). Seasonality affects all aspects of supply-side behaviour, including marketing, business finance, and all aspects of operations (Baum, 1999). Generally, seasonality can potentially cause waste or under-utilisation of resources due to off-peak and peak demand, respectively.

High cost of capital investments when land and construction are involved. The tourism business is characterised by high exit barriers when an enterprise involves high fixed costs arising from capital investment in land and buildings (Singal, 2015). Such vertical integration is often associated with high fixed costs and reduced flexibility in responding to market changes (Gomez & Sinclair, 1991). As a result, the success of the tourism industry depends on efficient coordination and integration of individual actors' resources, products, and services (Zhang et al., 2009).

Tourism interfirm exchanges

Although some large tourism businesses may integrate vertically and deliver single-handedly most tourism service components, the common practice is to work in partnership with other tourism actors. Given that the majority of tourism businesses are SMEs, realising full vertical integration can be even more difficult for them due to the high fixed costs involved (Gomez & Sinclair, 1991). Thus, tourism businesses often engage in various interfirm exchanges to obtain complementary resources and capabilities. Figure 2 illustrates potential interfirm exchanges that may occur among tourism businesses.

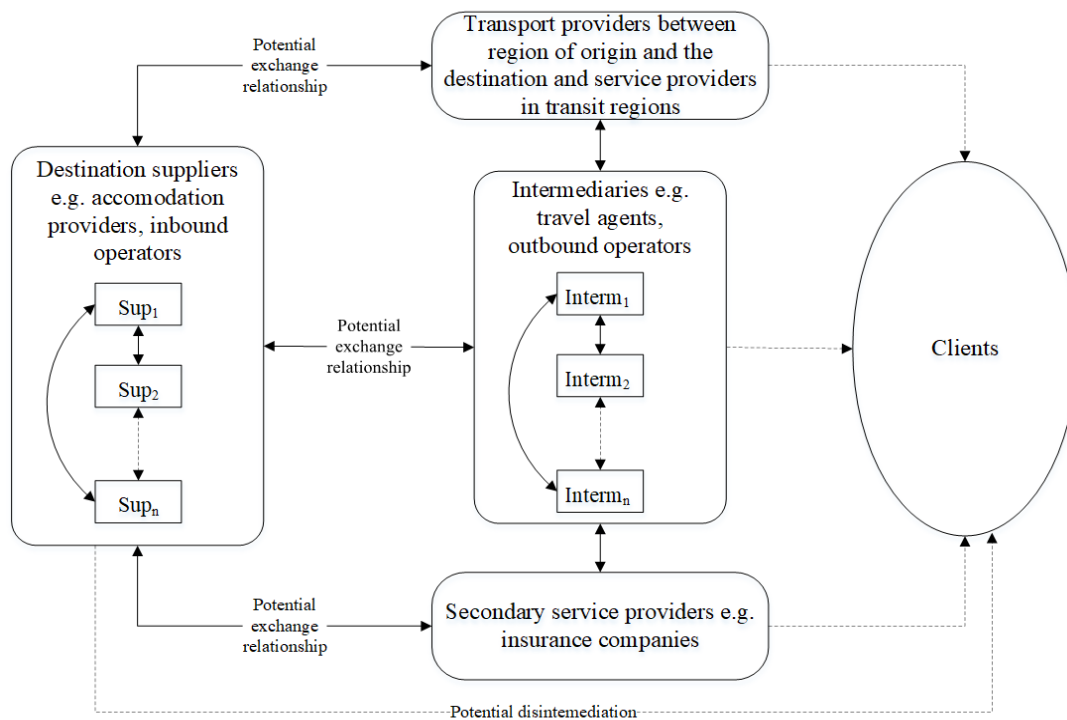


Figure 2: Potential tourism interfirm exchanges

As Figure 2 shows, actors that provide services required by tourists can be categorised according to their roles. The categories include destination suppliers (e.g., accommodation providers, restaurants and inbound tour operators), intermediaries (e.g., travel agents, outbound tour operators and travel wholesalers), providers of transport service between the region of origin and the destination (e.g., airlines), service providers in transit regions (e.g., hotels in transit regions), and providers of secondary services (e.g., insurance companies). The illustration further shows that actors in any of these categories can complement their resources and capabilities by engaging in exchanges with actors either within their own category or in another. For instance, instead of owning and managing accommodation facilities or tour buses at the destination, outbound tour operators often subcontract those services to local providers. Conversely, hotels at a destination may use the services of online travel agents to reach out to potential visitors. Rather than establishing and managing their own distribution outlets, inbound tour operators can sell their packages through outbound tour operators or travel agents. In addition, tour operators can engage in exchange

relationships with other service providers, such as airlines, service providers in transit regions and providers of complementary services, such as insurance companies.

It is important to note that although the internet has enabled disintermediation, such that tourists can interact directly with service providers at destinations, the services offered by some intermediaries, such as outbound tour operators, have continued to be relevant, especially when the trip is complex or involves less familiar destinations (Goeldner & Ritchie, 2012). For such travel, tourists tend to seek tour operators' services because of their expert knowledge, experience and business network. Furthermore, the vast amount of information provided by various online sources, such as industry suppliers, intermediaries, authorities and social networks, often leads to information overload and confusion (Lu & Gursoy, 2015). Therefore, besides the convenience and cost-effectiveness that intermediaries provide to their clients, their advisor capability and expert product knowledge, often gained through training and first-hand educational trips to tourist destinations, continue to be valuable (Long & Shi, 2017).

Tourism firms engaging in exchange as loosely coupled entities

Firms engaging in exchange tend to maintain their identities and separateness while they are connected and operating interdependently (Liu et al., 2012). That is, each party exercises private control over key aspects of the exchange in defence of its own interests, while concurrently exercising collective control in defence of joint interests (Luo et al., 2008). Private control refers to the process or action by which one party influences the behaviour or output of another entity to maximise its own gains at the expense of the other, or even at the expense of the relationship itself. Private control may include efforts by one firm to dictate certain terms, policies, rules or programs in an exchange relationship (Buvik et al. 2014). Collective control is the process by which firms are engaging in exchanges

purposefully and jointly guide, monitor and oversee the exchange relation in pursuit of maximum joint gains. Said differently, firms involved in exchange will tend to compete (through private control) and cooperate (through collective control) simultaneously. For example, Chang et al. (2019) observe that hotels and online travel agents that operate in multichannel environments tend to compete and cooperate simultaneously. Handling the fundamental dilemma of balancing competition (private control) and cooperation (collective control) is crucial to the success of interfirm exchange (Lui & Ngo 2005).

In the context of tourism interfirm exchanges, the exercise of private control is lively. As firms in tourism value chains often attempt to maximise their own margins at the expense of value chain partners, the exercise of private control seems to override collective control (Zhang et al., 2009). This is because actors frequently tend to maximise their gains by exercising private control in the form of unilateral, authority-based demands. This may include demand for premium services and quality standards at a low price (Bastakis et al., 2004), environmental performance improvements (Seuring et al., 2008; Sigala, 2008), and room parity (Medina-Munoz et al., 2003). Given that tourism is highly exposed to risks due to exogenous events, the exercise of private control in interfirm exchanges can be crucial for preserving parties' interests in the face of unforeseen events. While such events may justify the exercise of private control, they may also allow opportunistic behaviour. That is, exchange partners may use these events as an opportunity to maximise their own gains through guile. Whether private control is exercised in good faith or in guile, the target firms exposed to it will tend to respond strategically (Oliver, 1991).

Negotiation strategies as strategic responses in interfirm exchanges

When firms are subjected to the demands of their exchange partners, their response may be inaction, contending, yielding, problem solving or compromising. These are

interaction patterns or tactics used by parties with conflicting goals to achieve resolution (Lewicki et al., 2016). Depending on the level of concern for private goals versus partners' goals, and the extent of value creation versus value claiming, negotiation strategies are distinguished as integrative or distributive strategies (Ness & Haugland, 2005; Ness, 2009). Integrative strategies contribute to value creation and realisation of collective goals while distributive strategies focus on private goals and are thus associated with value claiming. Integrative strategies consist of problem solving and inaction while distributive strategies consist of contending and yielding strategies. Each party will invariably choose an optimal negotiation strategy according to the level of concern for their own and their partners' goals (Ness & Haugland, 2005). Figure 3 summarises the negotiation/response strategies that may be pursued according to the level of concern for one's own and one's partner's goals.

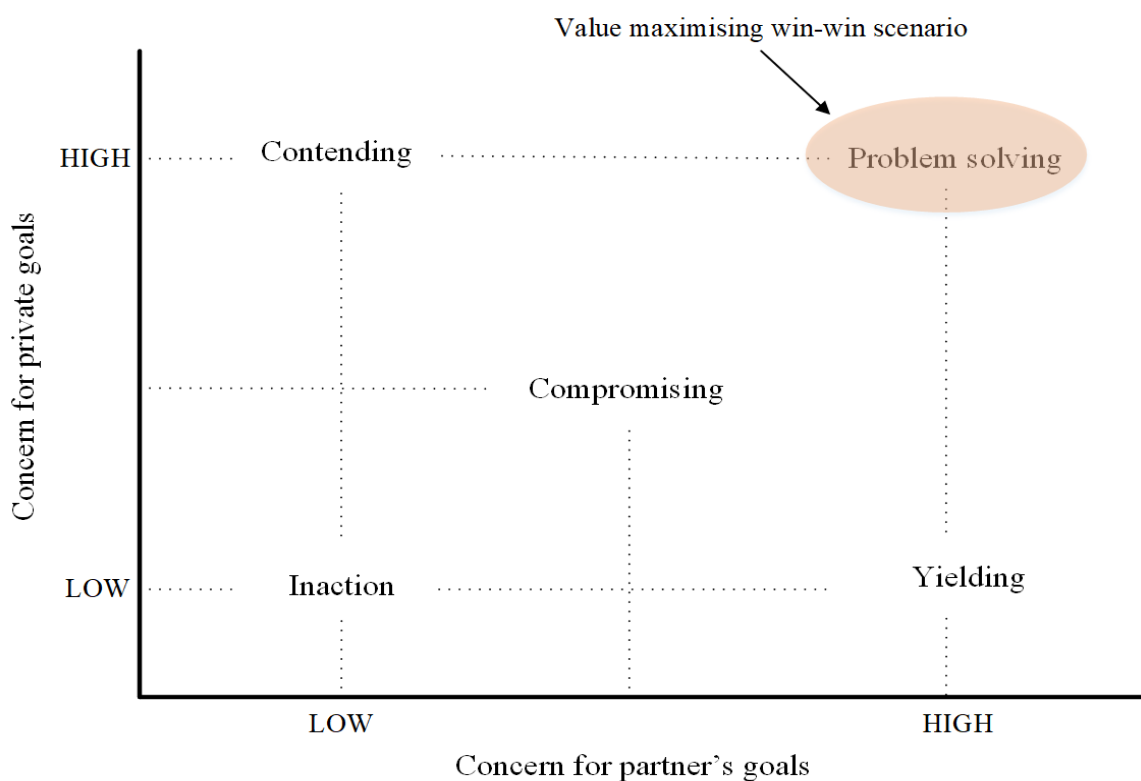


Figure 3: Negotiation/response strategies in interfirm exchanges

Contending or aggressive strategies represent value claiming efforts in which the focus is on promoting one's own goals through tactics like threats, positional commitments, punishments, unilateral actions, and persuasive argument (Ness, 2009). Actors that pursue this strategy show high concern for their own goals and little concern for the other party's goals. They maintain their own ambitions and try to persuade the other party to yield. Yielding simply means granting a partner their wish, and it is therefore applied when one actor's concern for their own goals is low along with high concern for the partner's goals. As such, yielding entails lowering one's own goals to "let the other win" (Lewicki et al., 2016).

Inaction is a passive strategy that involves overcoming a partner's demands through avoidance or withdrawal; it makes little or no contribution to value creation. An actor engaging this strategy will retreat, be silent, or do nothing, showing low concern for both their own or the partner's goals. Aiming slightly higher, a firm may opt for a compromising strategy. As its middle location on Figure 3 suggests, an actor that deploys this strategy tends to pursue their own goals moderately and offer only moderate support for the other party's goals. Actors that pursue this strategy show moderate concern for both their own and another party's outcomes. Finally, a firm may adopt a problem solving strategy and actively contribute to value creation by focusing on securing both parties' primary interests through trading issues, for instance, through identification of different priorities, contributing resources, offering (future) compensation, solving underlying concerns, and extensive information sharing (Ness, 2009). A problem-solving strategy is optimal when both parties are pursuing shared goals and concern for both parties' outcomes is high (Ness & Haugland, 2005). In essence, problem-solving entails active maximisation of collective goals (Lewicki et al., 2016).

Like other forms of interorganisational interactions, tourism interfirm exchanges can embody any negotiation strategy. For instance, in his account of the relationship between

Hoteliers and Tour Operators, Buhalis (2000, p 122) notes that ‘as most SMTEs are unable to negotiate an acceptable price with major tour operators they are often forced to accept the proposed price.’ In essence, such acceptance signifies yielding. Unable to negotiate a price that would secure their private goals, the SMTEs are compelled to lower their concerns about their own goals and show ‘concern’ for the partner’s goals by accepting the proposed price. On the other hand, Lee et al. (2013) report that the feud between Expedia and Choice Hotels occurred due to Choice Hotels’ refusal to adhere to Expedia’s demand for room rate parity and last room availability. Choice Hotels felt the demands were outrageous and decided to decline. This response represents the contending strategic response in the form of defiance. Both responses, yielding and contending, represent a value claiming rather than a value creation scenario because in the end there can only be one winner, which turns the relationship into a zero-sum game. The incidence of zero-sum scenario is counterproductive in tourism value chains (Mwesiumo & Halpern, 2016). This paper argues that tourism firms who engage in exchange relationships with other firms should opt for problem-solving strategies –the optimal strategy with potential for a win-win situation.

Instilling problem-solving orientation through relational exchange

The preceding section discussed the use of private and collective strategies in interfirm exchanges and concluded that problem-solving is the optimal negotiation strategy for tourism firms engaging in exchange to adopt. In this section, I argue that to instil a problem-solving orientation, tourism interfirm exchanges need to complement formal governance mechanism with relational practices.

Governance of interfirm exchange is defined as the mode of organising transactions between firms (Heide, 1994). Like interfirm exchanges in other industries, tourism interfirm exchanges can be governed by market mechanism, hierarchy, or relational practices

(Mwesiumo & Halpern, 2016). Market governance refers to the coordination of transactions through price mechanism. To have an effective market mechanism, formal contractual agreements in which behaviour is induced by economic rationale and prices, are vital (Williamson, 1991). The second alternative is hierarchy, which refers to the organisation of transaction going through a unified authority (internal organisation of transactions/vertical integration). Authority is deployed by the party to an exchange who has the (legitimate) right to make decisions (Caniëls et al., 2012). The hierarchical mechanism and contractual safeguards expressed by hard, explicit, and written contracts are regarded as formal governance mechanisms (Poppo & Zenger, 2002; Yu et al., 2006). The last alternative is relational governance, which refers to organising transactions through relational norms. Relational norms serve to guide, control, or regulate proper and acceptable behaviour among exchange partners (Macneil, 1980, 1983). Partners in relational exchange arrangements attain their individual goals through joint accomplishments, and the potential long-term benefits of the relationship restrain partners' opportunistic behaviour. Macneil developed ten exchange norms, which include role integrity, reciprocity, implementation of planning, effectuation of consent, flexibility, solidarity, linking norms (restitution, reliance and expectation interests), creation and restraint of power, propriety of means, and harmonization with the social matrix.

Appropriateness of a particular governance mechanism depends on its efficacy to mitigate problems associated with interfirm exchanges. Each of the mechanisms discussed above has limitations. Market governance can be quite costly or even impossible to implement when it comes to transactions involving complex products and high uncertainties (Williamson, 1985). Thus, considering demand uncertainty and heterogeneity of actors in tourism value chains, pure market governance is likely to cause inefficiencies and at worst, customer dissatisfaction due to service failures. Pure hierarchy, as noted earlier, can be difficult to attain in tourism value chains due to the high costs involved. Finally, although

there is a widespread consensus that relational governance has the potential to deliver efficiencies and at the same time address the shortfalls of hierarchy governance (Rindfleisch & Heide, 1997), empirical evidence (e.g., Carson et al., 2006) suggests that relational governance is robust in addressing uncertainties but not opportunism. Considering the ‘paradox of trust’ associated with relational governance (Dyer & Singh, 1998), the limited ability of relational governance to address problems associated with opportunism is plausible. Given the limitations of each of these governance mechanisms, a joint application of formal contracting and relational governance in tourism interfirm exchanges seems to be essential (Mwesiumo & Halpern, 2016). Since formal contracting is normal in tourism interfirm exchanges (Mwesiumo & Halpern, 2019), an intriguing question is how to instil the relational exchange in tourism interfirm exchanges to promote a problem-solving orientation. The next sections will discuss relational behaviours as manifestations of the relational exchange and delineate critical relational behaviours for tourism interfirm exchanges.

Relational behaviours in interfirm exchanges

Relational behaviours refer to the supportive and constructive actions that aim at promoting the development of a cooperative relationship between exchange partners (Yilmaz, Sezen, & Ozdemir, 2005). Essentially, the occurrence of relational behaviours is the manifestation of relational norms (Stephen & Coote, 2007). Lusch & Brown (1996) note that, from a managerial and operational perspective, relational behaviours are more relevant because, rather than being attitudes, feelings or mere expectations, they are real actions performed in a channel setting. Previous studies have considered different dimensions of relational behaviours in interfirm relationships. For example, Leuthesser & Kohli (1995) identified three main aspects of relational behaviours: the first concerns the type of information an exchange partner obtains and provides to the other. Specific behaviours that

are central in this aspect are initiating behaviour, signalling behaviour, and disclosing behaviour. The second concerns the frequency of interaction and the richness of the medium of that interaction. The third concerns vertical and lateral involvement, that is, the extent to which functional areas and hierarchical levels within the exchanging firms interact with one another. Lusch & Brown (1996) categorise relational behaviours into three dimensions: sharing of critical information with the partner, solidarity with the partner, and flexibility towards the partner. Other studies that followed have either adopted these dimensions (e.g., Hoppner & Griffith, 2011) or extended them by including other dimensions based on a relational norms perspective (e.g., Ivens & Pardo, 2007). Table 1 below presents examples of relational behaviours considered in the extant literature. Despite the variation in the conceptualisation and/or operationalisation of the dimensions of relational behaviours, all previous studies emphasise the supportive and constructive role of relational behaviours to the interfirm exchanges.

| Authors | Exchange partners | Relational behaviours |
|---------------------------|------------------------------------|---|
| Leuthesser & Kohli (1995) | Buyers and suppliers | Initiating behaviour, signalling behaviour, disclosing behaviour, interaction frequency, richness, lateral involvement and vertical involvement |
| Lusch & Brown (1996) | Wholesalers and agent distributors | Solidarity, information exchange and flexibility |
| Ivens & Pardo (2007) | Suppliers and buyers | Relational planning, mutuality, solidarity, flexibility, information exchange, and restraint in the use of power |
| Hoppner & Griffith (2011) | Distributors and their suppliers | Specialised investments and bilateral communication |
| Kim (2007) | Distributors and | Specialised investments and |

| | | |
|------------------------|--------------------------------|---|
| | their suppliers | bilateral communication |
| Stephen & Coote (2007) | Contractors and subcontractors | Trust, solidarity, information exchange, and flexibility. |

Table 1: Examples of Relational Behaviours

Relational behaviours critical for tourism interfirm exchanges

Lusch & Brown (1996) argue that interfirm exchange relations that are vulnerable to high uncertainties in their business environment should engage in relational behaviours. However, the criticality of particular relational behaviours depends on the characteristics of the industry and the environment in which the exchange takes place. Thus, to identify relational behaviours critical to tourism interfirm exchanges, one should consider the characteristics of the tourism industry and its operating environment. Based on the key characteristics of the tourism industry and their implications, this section proposes critical relational behaviours for tourism interfirm exchanges. Five key relational behaviours are identified corresponding to the five key characteristics of the tourism industry and the associated implications. The five behaviours include flexibility, initiating behaviour, cross-boundary involvement, relational planning, and solidarity. Explication of each of these follows.

Flexibility. As businesses in the tourism industry are subjected to frequent unexpected changes, the problem of adaptation becomes even more critical. That is, in the face of exogenous forces, formal contracts entered by exchange partners may fail to accommodate all the unfolding circumstances (Williamson, 1991). Typically contracts in tourism interfirm exchanges specify terms and conditions governing the exchange relationship, which among other things, are likely to specify responsibilities, rewards, numerous likely contingencies, and appropriate responses. Although exchange partners may attempt to contemplate all

imaginable contingencies and prescribe appropriate responses, formal contracts often tend to be incomplete (Williamson, 1985). Thus, contracts are often unable to capture exhaustively and in an enforceable manner all contingencies. According to Klein (1980), the incompleteness of contracts is mainly due to difficulties associated with ex-ante identification and specification of appropriate responses to likely exogenous shocks and the high costs that may be incurred to verify the performance of an exchange partner on particular activities. Given the contingencies faced by tourism actors and the consequent problems of adaptation, flexibility turns out to be a vital relational behaviour in interfirm exchanges in tourism value chains. That is the willingness of exchange partners to make adaptations as circumstances change. This involves exchange partners' deliberate actions to make good-faith modifications to accommodate changed circumstances.

Initiating behaviour. In the face of demanding customers who increasingly expect more value for their money, tourism firms are challenged not only to lower their operational costs but also to increase customers' perceived value of their services. Consequently, tourism firms need to innovate their products and activities, and perhaps even their entire business models. Through innovations, tourism firms can increase operational efficiency and create more value for customers by improving the quality of their services and offering more customised experiences (Bilgihan & Nejad, 2015). Like firms in other industries, continuous innovation is the only way for tourism firms to stay relevant and competitive in the marketplace. However, as tourism actors are urged to compete as value chains rather than as individual entities (Song, 2012), interfirm collaborative innovation among value chain actors is vital for achieving sustainable competitiveness. Interfirm initiating behaviour is crucial for achieving continuous innovation in tourism value chains. Based on Leuthesser (1997), this paper defines interfirm initiating behaviour in tourism value chains as the extent to which

exchange partners in a value chain proactively embark on efforts to improve each other's operations and to better serve the needs and requirements of end customers. This includes actors' efforts to search for new practices and technologies that help to lower operational costs for one or both of the partners or improve end customers' experiences. Adriana (2009) perfectly illustrates interfirm initiating behaviour in tourism value chains whereby outbound tour operators were reported to have approached their overseas partners and initiated implementation of environmental supply chain management practices to enhance supplier performance and offer higher value to customers.

Cross-boundary involvement. Considering that tourists often evaluate tourism experiences holistically rather than piecemeal, actors offering different service components in tourism value chains should not view themselves as independent and separate entities. This calls for cross-boundary involvement, that is, actors should be concerned about operations and products that complement their own operations and products either in the upstream or the downstream value chain. This may involve offering support to exchange partners to improve their performance. An example of cross-boundary involvement in tourism value chains can be spotted in the findings of Pan et al. (2007) where some of the Chinese travel management companies reported that they supported their Australian counterparts in getting access to resources and product development.

Relational planning. This refers to proactive and bilateral goal setting for future joint actions, subject to changing circumstances (Ivens & Pardo 2007). It involves cooperation between exchange partners in assessing the business environment, setting goals and devising an action plan for realising mutual benefits. In the face of demand seasonality, actors in tourism value chains should enact interfirm relational planning to minimise potential waste or underutilization of resources. Relational planning can be implemented in the form of collaborative planning and forecasting, as advocated by Zhang et al. (2009). Rather than just

relying on historical records, actors in tourism value chains will also benefit from current knowledge about special events or updates on the operations of their partners.

Solidarity. As tourism firms are highly exposed to competitive pressures and the risk of being eliminated from the market, actors in tourism value chains should engage in practices that entail solidarity. This requires a mutual belief that the relationship is highly valuable and therefore the partners should stand by one another and work cooperatively to keep the relationship going. In other words, it entails preserving the relationship, especially in situations in which one partner is facing challenges. Acting in solidarity is directed specifically toward relationship maintenance and acts as a safeguard for the relationship. Pan et al. (2007) report that some travel management companies occasionally cut some of their fees to increase profit margins of their counterparts to compensate for losses incurred with a previous tour group.

Need for rich information exchange

Coordination, which is the core function within tourism value chains, depends largely on information exchange (Zhang et al., 2009). First, due to their intangible nature, tourism products depend exclusively upon representations and descriptions for their ability to attract consumers. For that reason, the timely exchange of accurate and relevant information is key to the successful satisfaction of tourist needs. Tiedemann et al. (2009) found that information sharing, both internal and external, accounts for over 50 percent of customer responsiveness, as perceived by hotel managers. Second, information sharing allows upstream value chain actors, such as accommodation providers, to monitor, manage, and control their capacities. Problems that could arise in tourism value chains due to lack of information sharing include increased operating costs, decision errors, service failure and weakened relationships (Song, 2012). Rich information exchange between value chain actors, therefore, enables the exercise of the relational behaviours identified above. Thanks to the digital revolution, actors in

tourism value chains have the opportunity to collect and exchange rich information through technologies such as computational intelligence, sensors, embedded systems, cloud computing, and numerous management decision tools (Buhalis & Leung, 2018).

Closing remarks

Previous studies have addressed different aspects of tourism interfirm relationships, but none of them has identified the critical relational behaviours for instilling problem-solving orientation in tourism interfirm exchanges. This paper addresses that gap. By recognising and explicitly emphasising the importance of relational behaviours in tourism value chains, the underlying premise of this paper is that problem-solving orientation is the optimal negotiation/response strategy in tourism interfirm exchanges. Given the dynamic nature of the tourism industry, I posit that relational behaviours are vital for instilling a problem-solving orientation. More formally the following is proposed:

P₁: The more tourism interfirm exchanges involve relational behaviours, the higher the problem-solving orientation will be.

P₂: As problem-solving orientation increases, the higher the value created by tourism interfirm exchanges will be.

Important to mention is that the exercise of relational behaviours should always be reciprocal, that is, a mutual exchange of privileges. It is a two-way street. This is because tourism actors often expect that favours done towards exchange partners will be rewarded either immediately or in the future (Pesämaa & Hair, 2008). To strengthen exchange partners' relational behaviours, it is important to reciprocate similar behaviours (not necessarily the

same). Reciprocity should be exercised even if exchange partners appear to manifest relational behaviours due to dependence. This is because in the tourism industry, with its constant entry and exit, firms whose relational behaviours are not rewarded accordingly are likely to search and find alternative partners.

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