Journal of Business Research xxx (2016) xxx–xxx

Contents lists available at ScienceDirect

Journal of Business Research

Knowledge sources, agglomeration, and hotel performance☆

Bartolomé Marco-Lajara *, Patrocinio del Carmen Zaragoza-Sáez, Enrique Claver-Cortés, Mercedes Úbeda-García

Business Organization Department, University of Alicante, Campus Sant Vicent del Raspeig, s/n. Postcode, 03080 Alicante, Spain

ARTICLE INFO

Article history:
Received 1 February 2016
Received in revised form 1 March 2016
Accepted 1 April 2016
Available online xxxx

Keywords:
Performance
Tourist districts
Internal knowledge
External knowledge
Hotel industry

ABSTRACT

This study builds on the theories of industrial districts and knowledge, aiming to analyze the extent to which internal and external knowledge affect the performance of Spanish hotels situated in the Mediterranean coastline's tourist districts. Results from a quantitative analysis show that knowledge coming from the firm's workers, and the value of registered trademarks prevail over the investments in R&D in terms of hotel profitability. Regarding external knowledge, the study confirms the hypotheses referred to knowledge externalities from having a special location as well as knowledge from university centers and technological research institutions.

1. Introduction

A firm's profitability depends on a variety of factors. Numerous studies highlight firms' resources as the main profit-generation factors (Rumelt, 1991; Short, Ketchen, Palmer, & Hult, 2007). In addition to internal factors, bearing in mind the industrial economy's contributions is worthwhile; profit also stems from resources alien to the actual firm, whether they are characteristic resources of industrial sectors (Porter, 1980), of countries or regions (Porter, 1990), or of industrial districts (Becattini, 1990; Marshall, 1890). Intangible resources have been acquiring great importance because of their strategic value (Barney, 1991; Grant, 1991), and have even become highly relevant factors in value creation for firms (Lev & Daum, 2004). Among these intangible resources knowledge is one of the most important production factors.

Seeking to deepen into this line, the main goal of this article is to examine the extent of the influence of internal knowledge sources and tourist destination sources on Spanish vacation hotels located along the Mediterranean coastline—both in the Iberian Peninsula and in the Balearic Islands. The concept of 'industrial district', or 'tourist district' when referring to the tourism sector, delimitates each tourist destination.

The motivations of this study are, firstly, the geographical area, because this context generates the most positive externalities for firm profitability. These externalities are the result of productive specialization or the concentration of firms related to the same economic activity in the district. Secondly, this study aims at studying not only the possible influence that the knowledge externalities associated with a specific territory can have on profitability, but also the impact of knowledge arising from the firm itself. Finally, the article focuses exclusively on the hotel sector because the literature identifies the tourism sector—and inside, the hotel sector—as prominent industries within the service sector. Their prominence owes to the labor they need, and to the development of the areas where these establishments operate (Baum & Haveman, 1997; Chung & Kalnins, 2001; Holjevac, 2003).

The structure of the article is as follows: Section 1 corresponds to the introduction; Section 2 includes a literature review and the hypotheses. Sections 3 and 4 explain the method and the results. Finally, Section 5 states the main conclusions, limitations, and future lines of research.

2. Literature review and hypothesis formulation

2.1. Tourist districts

Following the Knowledge-based Theory, this article focuses on tourist districts because, according to the literature, knowledge plays an essential role in the generation of higher revenues among firms located inside tourist districts. Based on Marshall's (1890), Becattini lays down the foundations of the Industrial District Theory. Becattini (1990) defines the 'industrial district' as "a socio-territorial entity characterized by the active presence of both a human community and

☆ The authors thank Josep-Antoni Ybarra, University of Alicante, and Rafael Boix, University of Valencia, for their comments on the previous version of the paper. The authors alone are responsible for all the limitations and mistakes of the study. The authors express their gratitude to the guest editors and the two anonymous reviewers for all their helpful suggestions.

* Corresponding author.
E-mail addresses: bartolome.marco@ua.es (B. Marco-Lajara), patrocinio.zaragoza@ua.es (P.C. Zaragoza-Sáez), enrique.claver@ua.es (E. Claver-Cortés), mercedes.ubeda@ua.es (M. Úbeda-García).

http://dx.doi.org/10.1016/j.jbusres.2016.04.043
0148-2963/

a group of firms within a naturally and historically delimited area" (p. 39). According to this definition, three requirements are necessary to speak about an industrial district: district members must be small and medium enterprises (SMEs) related to the same activity sector; that sector must be predominant in the geographical area; and some identification has to exist between residents in the area and the activity firms develop.

The application of the Industrial District Theory to the tourism sector is quite recent and, therefore, the research on tourist districts is still emergent. Although many studies define tourist districts as destinations or places capable of attracting a large number of tourists by their resources (Pearce, 2014), to consider a tourist district as a destination, tourist companies must constitute the main economic activity of the area, and the resident population must be an integral part of this activity (Marco-Lajara, Claver-Cortés, Úbeda-García, & Zaragoza-Sáez, 2016).

Analyzing the externalities arising in a tourist district reveals that they can affect both revenues—by increasing them—and costs—by reducing them. Thus, from the perspective of revenues, tourists travel to destinations that are relatively attractive because of their large offer of complementary services. Therefore, the likelihood of tourists traveling to destinations with a low concentration of tourist firms and complementary services is small. Costs are likely to decrease because the exchange of knowledge between firms located in the area helps hotels improve their management, and become more efficient.

2.2. Internal and external sources of business knowledge in a tourist district

The Knowledge Society's main characteristic is the emergence of a new business environment, where the increased competitive intensity produces an overall progressive reduction of the time that competitive advantages last. Because of that process, firms must permanently generate new knowledge to stay competitive. Nevertheless, due to the difficulties to internally generate all the knowledge that firms require, firms need to locate themselves in places where they can take advantage of the knowledge derived from relationships with the agents based in their immediate environment. Therefore, the acquisition and transfer of knowledge are arguably two dynamic capabilities that firms must use to acquire and transfer new assets, thanks to which they can ensure long-term competitiveness (Eisenhardt & Martin, 2000; Teece, Pisano, & Shuen, 1997; Wang & Ahmed, 2007).

Internal knowledge represents the firm's existing knowledge, which constitutes a firm's main knowledge base. This knowledge comprises employees' knowledge and the firm's values, databases, procedures, organizational routines, and efforts in technological development, the latter materializing in patents and registered trademarks. A way to obtain knowledge unavailable to the firm is the hiring of experts from other companies or institutions (learning-by-hiring) (Almeida & Kogut, 1999; Malecki, 1997; Song, Almeida, & Wu, 2003). Human capital is a highly valuable asset for knowledge creation and acquisition by firms (Chen, Shih, & Yang, 2009). Another way to obtain new knowledge is by investing in R&D, which materializes in intangible assets. The service sector and, more precisely, the hotel sector, often dedicate this investment not only to develop new working processes, but also to create registered trademarks to achieve establishment differentiation. However, small- and medium-sized firms generally own fewer financial, material, and human resources to undertake R&D activities; therefore, these firms can see as a great opportunity the knowledge-related benefits that are likely to derive from a having a specific location.

According to the abovementioned, investments in human capital, as well as in development, research, and innovation, constitute the greatest inputs for the achievement of higher profitability levels from internal knowledge generation (Bontis, Janosevic, & Dzenopoljac, 2015; Cohen & Levinthal, 1990; Domenech, Escamilla, & Roig-Tierno, 2016; Dyer & Singh, 1998; Lane & Lubatkin, 1998).

Taking into account the previous ideas, the study formulates the first hypothesis, which in turn generates three sub-hypotheses:

H1. A hotel's internal knowledge positively affects its profitability.

H1a. The knowledge coming from a hotel's employees positively affects the hotel's profitability.

H1b. The knowledge coming from the hotel's R&D investments positively affects the hotel's profitability.

H1c. The knowledge coming from a hotel's registered trademarks positively influences the hotel's profitability.

External knowledge comes from the relationships that the firm maintains with its environment, which in turn help to boost the firm's internal knowledge (Chatterji, 1996). The literature establishes that firms create and accumulate knowledge more easily in tourist districts thanks to their constant interaction with other similar companies, training and research centers, and also to the knowledge exchange between firms (Audretsch & Feldman, 1996; Feldman & Audretsch, 1999; Jaffe & Trajtenberg, 2002). This interactive learning owes both to the geographical proximity, and to the cultural proximity. In fact, firms concentrated in a specific area are more prone to share knowledge and establish collaborative relationships with other local agents because the common rules and the shared values prevent them from adopting opportunistic behaviors (Boschma & Ter Wal, 2007).

Each particular place has a characteristic strategic knowledge, present in the routines and capabilities of the territory (*sticky knowledge*), depending on its history, and its social and tacit nature. For this reason, only an atmosphere of relationships between firms allows them to acquire, integrate, and use that tacit knowledge (Iammarino & McCann, 2006; Malmberg & Maskell, 2002). Such knowledge provides useful intelligence and contacts, which can increase the level of knowledge and experience of firms located in one district (Hayer & Ibeh, 2006) by allowing to develop close links between individuals and firms.

The environment of firms located in a district does not only consist of those external agents that interact with them in their everyday operations and form part of their supply chain, such as providers, customers, distributors or competitors, but also of institutions such as universities, vocational training centers, and technological organizations based in the same territory (Knudsen, 2007; Malmberg & Power, 2005; Tödling, Lehner, & Kaufmann, 2009). The establishment of strategic alliances also contributes to supply new knowledge.

In the light of all the above, the study formulates a second hypothesis, divided into four sub-hypotheses:

H2. A hotel's external knowledge positively influences the hotel's profitability.

H2a. The knowledge coming from the firms situated in the same location positively influences a hotel's profitability.

H2b. The knowledge coming from universities, training centers, and research centers specialized in tourism positively influences a hotel's profitability.

H2c. The knowledge coming from the affiliation to a hotel chain positively influences a hotel's profitability.

H2d. The knowledge coming from the establishment of capital alliances positively influences a hotel's profitability.

3. Method

3.1. Analysis method

The study tests the hypotheses by means of a multiple linear regression, where independent variables explain the dependent variable or hotel profitability. The independent variables measure both