Chapter 28
Strategic Alliances:
A Conceptual Model of Health Tourism

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ABSTRACT

This chapter is aimed at examining the concept of alliances, which has been used as a strategy in the service industry, with a theoretical perspective and how it can be applied to the tourism industry. Specifically, alliances in health tourism are examined by an integrated model proposed for Turkey. Therefore, a literature review has been presented in this chapter. From this, a model created for strategic alliances in the health tourism industry is adapted from the literature. From explaining strategic collaborations in a general context, strategic alliances in tourism industry, examples about Health Tourism Alliances from the world and from Turkey specifically, a model is proposed for Health Tourism Alliances. Lastly, some theoretical and practical implications and suggestions for future studies are presented.

INTRODUCTION

At the beginning of the 20th century, Drucker (1995) underlined that the greatest change that allowed the growth of relations in the form of management comes from partnership, rather than ownership. Accordingly, the concept of creating interorganizational relationships such as collaborations, strategic alliances and partnerships has become important to businesses, and interorganizational relations have begun to be witnessed in almost all sections of business life. Today, businesses have realized that they could supply perspectives, know-how and skills by partnering with other enterprises (Baloh, Jha, & Awazu, 2008). There are several terms used for inter-organisational relationships e.g. the terms collaboration, collaboration and partnerships are often used as synonyms. Collaboration is a process of joint decision making among key stakeholders to resolve planning problems. Collaborations include many sectors (Zhang & Zhang, 2006), from transportation to telecommunications, from logistics to tourism and agriculture, formed such as using the same distribution channel, merging research and development units, creating joint ventures, creating market share and common knowledge base (Koçel, 2005: 427). It is also known

that the enterprises have concluded agreements in more than one kind and different types of agreements within the same sector (Çakınberk, 2007, pp. 190-191).

Why while some of the businesses create collaborations, the others not? It is possible to reply this question with the strategic direction of the collaborations. The right basis for entering into collaborations is to have appropriate payment structures of the businesses (Axelrod, 1984; Parkhe, 1993). In other words, if the collaboration costs a high price, business can continue by itself. Thus, this view causes businesses to take a non-holistic structure (Pisano & Teece, 1989) by emphasizing the role of their interests and the nature of cost structure in the partnership (Axelrod, 1984). Therefore, there are a number of theories explaining why businesses collaborate. The forms and issues of collaboration have been supported the theoretical basis of concepts such as the resource-based view (RBV), transaction cost economies (TCE), strategic preference, shareholder theory, learning theory and theoretical theory (Barringer & Harrison, 2000).

Voigt and Laing (2014) explain with shareholder theory that collaboration evolves over time and can take many forms: relatively simple or complex; temporary or long lasting; and with or without formal rules. There are two types collaboration: specialised collaboration, where the same type of tourism firms collaborate (i.e. accommodations) and complementary collaboration, where organizations collaborate across different sectors (i.e. indigenous, health/wellness). Collaboration is recognised is a key factor for destination competitiveness, innovation and long-term survival (Pechlaner, Hedorfer, & Tödter, 2008). Many studies of tourism collaborations focus on collaboration at national or international level, but destination level is also an important phenomenon and what kind of influence it has e.g. what are the benefits and challenges, how the collaboration works at destination level and who are the stakeholders involved.

As Smith (2015) quotes from many other studies, researchers have emphasised the importance of collaborations such as networks and clusters in health tourism destination development. Stronger collaboration at local and regional level amongst various health tourism providers will become a crucial prerequisite for the future development of health tourism destinations. Therefore, a strategic approach to destination management is very important handled together with a resource-based approach. Researchers recommend that a Health Tourism Cluster should aim for "relational strategic destination management" (Voigt & Pforr, 2014). For example, India's national medical tourism initiatives are supported by hospital management teams, airline executives, private equity funds, venture capitalists, information technology firms, and tourism agencies. All these initiatives are collaborated to support a destination as a health tourism destination in a strategic basis.

This chapter focuses on collaborations in health tourism by creating an integrated strategic alliance model but especially within sectors between healthcare services and tourism services. The study has been conducted to illustrate some of the complementary resources, processes, success, or effectiveness of collaborations and the practices of establishing and managing them. In this context, a systematic model has been created based on the resource-based view but not separated from the strategic choice view. This conceptual paper proposes that the performance enhancing effects of resource and capability synergies is further improved when alliance partners establish effective structural designs and develop successful relational dynamics. The combination of resources and capabilities directly affect alliance performance, as does the successful implementation of an alliance structure and positive relational dynamics between the firms.

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