

Brokerage and Closure in Japanese Hot-springs Resorts: Empirical Study on Social Capital

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Hot-spring Resorts in Japan

- Hot-spring (spa) : Popular sightseeing resource
- **Community** of many inns (Japanese style hotels)

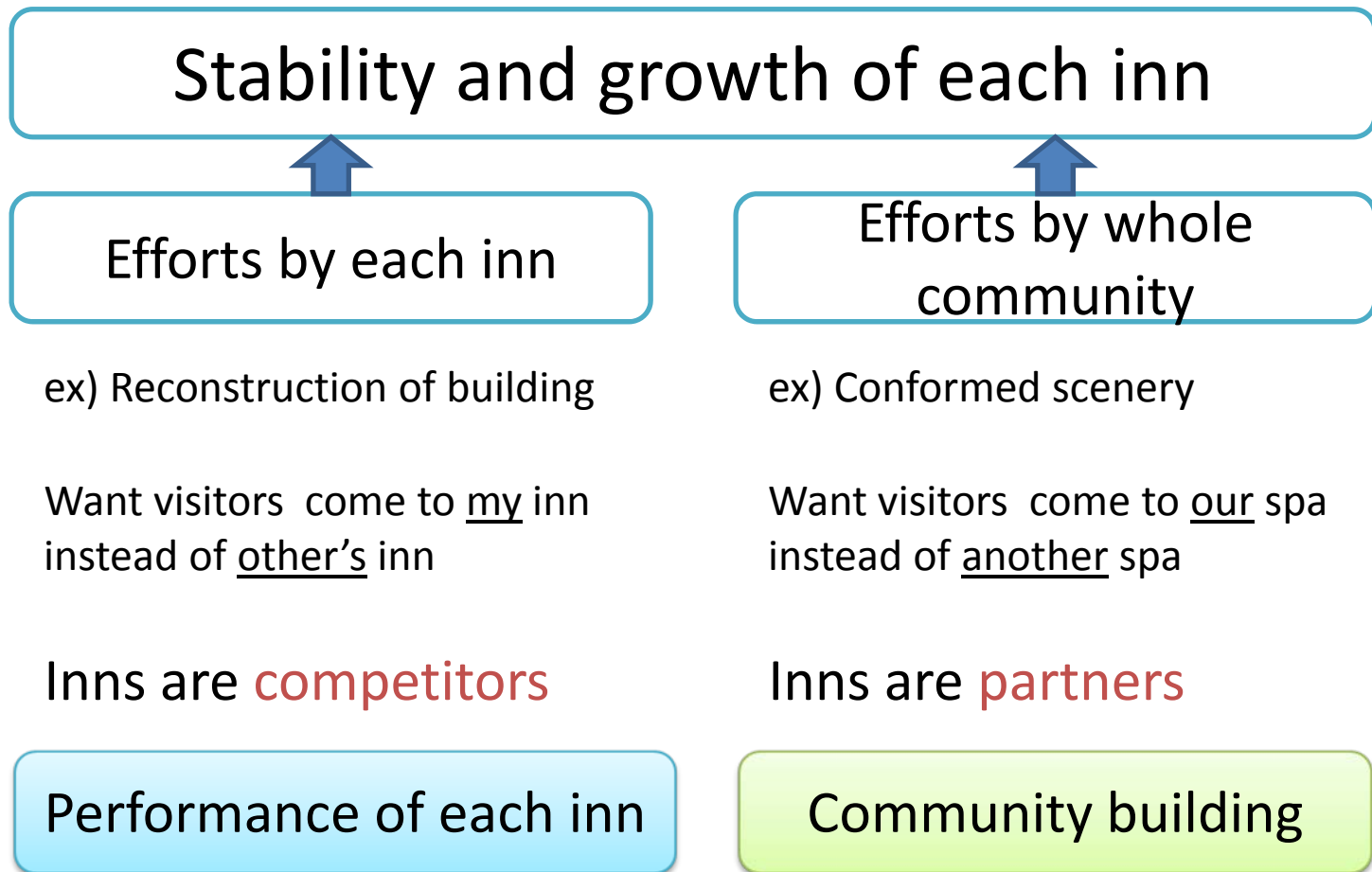


Scenery of GINZAN spa

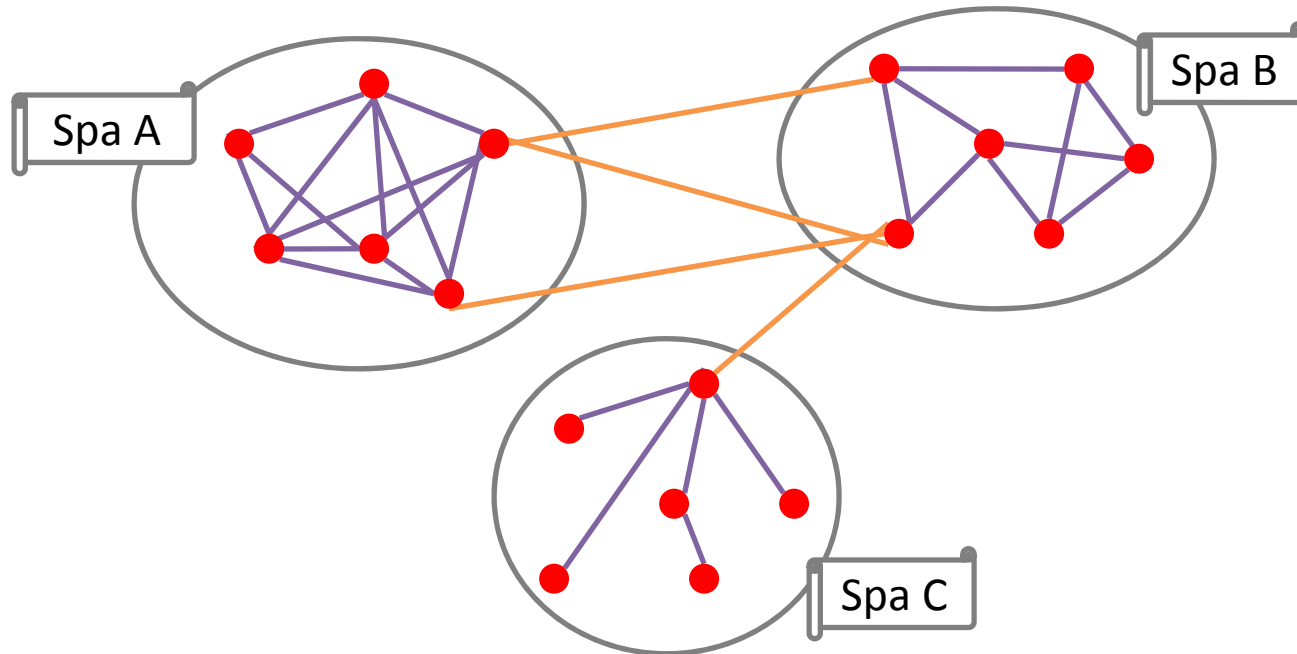


Old Japanese style hotel

Hot-spring Communities Aim at ...



Two Types of Social Capital



Brokerage

Network **between** spas

Closure

Network **within** spa

Advantage of each Social Capital

Brokerage

- Carry new information and ideas
(Granovetter, Burt)

Closure

- Suppress free-riding by norm and sanction
(Durkheim, Coleman)

Research Question

Are
 brokerage
 closure
useful for
 performance of each inn
 community building
of hot-spring resorts?

Where we are now

- ✓ Research Question
- Hypotheses and Data
- Analyses
- Findings
- Conclusion

Theoretical Predictions

	Brokerage	Closure
Inn	Useful? (Differentiation from other inns)	Harmful? (Keep pace with other inns)
Community	Useful? (Ideas from the outside)	Useful? (Sanction against deviation, Cultivate trust and solidarity)

Data

Surveys on Problems and Activities of Spa Communities

Subject All hot-spring communities whose hotel union consists of at least 10 inns (in 4 prefectures)

Method Mail distrib. & return, self-administered questionnaire

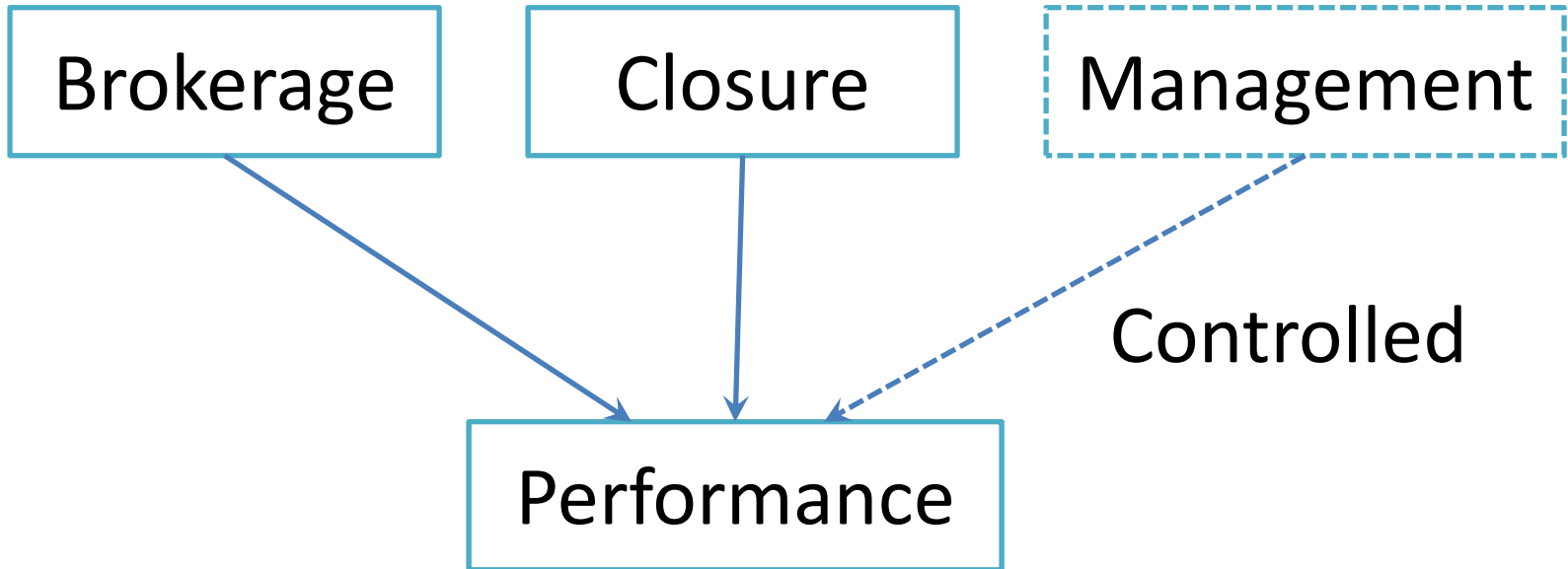
	Inn survey	Union survey
Subject	All inns joining hotel union	All hotel unions
Time	Jan. – Feb. , 2007	Jan. – Apr. , 2007
Sample Size	1,515 inns	56 communities
Responses	779 inns (51%)	51 communities (91%)

Where we are now

- ✓ Research Question
- ✓ Hypotheses and Data
- **Analyses**
 1. Performance of each Inn
 2. Community building
- Findings
- Conclusion

Model Specification

Performance of Inn



Linear regression of performance of each inn

Variables (1)

Dependent

Control

- Performance of inn
 - Change of visitors and sales in recent 5 years
 - Asked on 7 point-scales each, sum of two scores ($\alpha = .919$)
- Management factors
 - Principle
 - “Serve local cuisine”
 - “Good quality of spa”
 - “Considerate service”
 - Efforts
 - “Reconstruction of building”
 - “Adv. in a magazine”
 - “Make tour plan with travel agent”
 - “Hire sales staff”

Variables (2)

Independent

- Brokerage

- Visit other spa to study
- Invite lecturer from other spa

Independent

- Closure

- Network Density
 - Calculated from data which inn does participate in which event
 - Defined **per community**

Performance of Inn

Brokerage

Closure

Management

Results

	Model I	Model II
Visit outward	.129 *	.103 *
Invite inward	.137 **	.108 *
Network density	- .047	- .087
Principle		.163 **
Efforts		.113 *
Adj. R ²	.039 ***	.073 ***

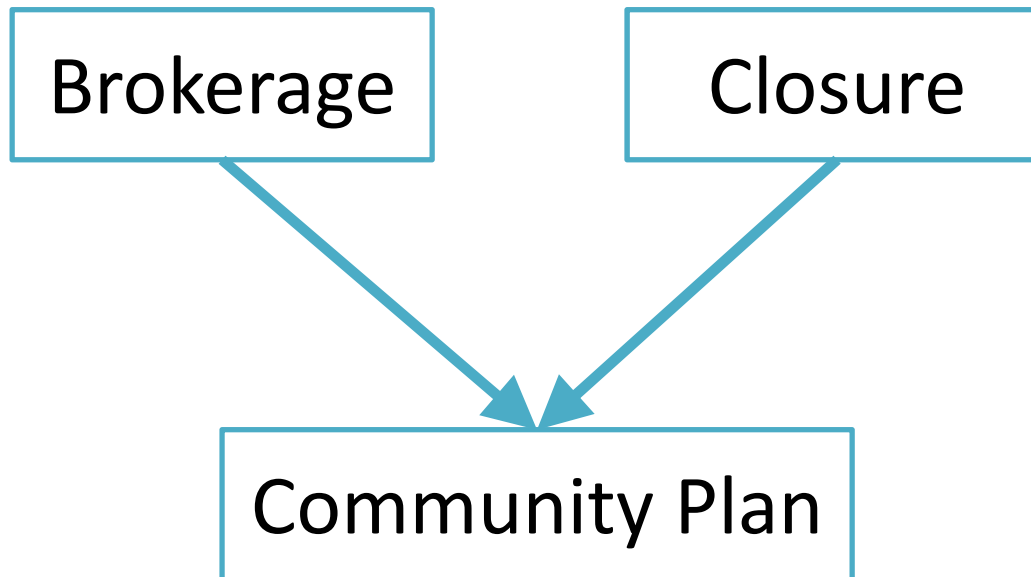
Dependent variable : performance of inn

Standardized regression coefficient, N = 372

Brokerage has a significant positive
Closure has no significant
effect on performance of inn

Brokerage and
Closure for
Community

Model Specification



Logistic regression of existence of community plan

Variables

Independent

- Brokerage
 - How many times does inn union visit other spa to study
 - How many times does inn union invite a lecturer from other spa

Independent

- Closure
 - Hot-spring allocation organization exists
 - Community development organization exists

Dependent

- Community plan
 - “Already exist” or “going to make” -> 1 (79%)
 - “No plan” -> 0 (21%)

Brokerage and Closure for Community

Result

Brokerage

Closure

	Coefficient
Visit outward	- .26
Invite Inward	.00
Spa allocation org.	2.66 *
Industry lateral org.	2.51 *

Dependent variable : community plan
 $R^2 = .23, \chi^2(4, N=45) = 9.59^*, * p < .05$

Brokerage has no significant

Closure has a positive significant
effect on community building

Findings

Predictions

	Brokerage	Closure
Inn	+	-
Community	+	+



Results

	Brokerage	Closure
Inn	+	n. s.
Community	n. s.	+

Conclusion

- Brokerage is useful for performance of inn
 - New idea is important for inn to differentiate from other inns within the same resort.
 - Inns are competitors with each other.
- Closure is useful for community building
 - Norm and solidarity prevent inns from free-riding.
 - Inns are partners with each other.