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RESOURCE BASED VIEW OF AN ORGANIZATION AND PESTLE ANALYTICAL TOOL; AN ANALYSIS OF HOTEL CORALLO, RIMINI

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Abstract:-

In this article the resource based view of an organization and the PESTLE analysis are investigated to provide an insight on their effectiveness during the organizational strategic planning. The organizational internal and external aspects have to be analyzed equally to show a clear picture during the strategy planning and implementation. A literature review of these two fundamental analytical tools is paired with a case study to better explain the importance of the inhouse resources and the possible environmental changes that may contribute to modify companies' abilities to maintain their competitive advantage or their market position.

INTRODUCTION

The continuous run of an increasing number of firms towards success urges the need of more and more sophisticated strategies to understand an organization intrinsic strengths and weaknesses while foreseeing opportunities and threats rising from the external environment. The resource based view of an organization along with the PESTLE analysis help the management of a firm to plan its strategy to improve its revenue. Competitive advantage is the aim of every firm and accordingly to the resource based view it is achievable through an appropriate administration and implementation of the in-house singular resources that can't be reproduced in time and space. However, an organization cannot be considered aside of its external environment because its success depends on it. Scanning the external environment of the organization is fundamental for the strategic planning because it offers a clear picture of the customers' trends and of the market segments as well as the possible changes in the scenario that should be taken into account not to fail the strategy implementation or not to reach a point in which the company is not able to survive.

Literature Review

The Resource Based View of an Organization

The structure-conduct-performance (SPC) framework proposed by Bain ^[3], and then reexamined by Porter ^[35], analyzes the organization from its environmental position. Ultimately, the firm's organizational structure and behavioral display will determine its performance. Accordingly to the SPC and the Porter's Five Forces Model, the constantly increasing competitiveness of the external environment will naturally lead to innovation. This novelty can be interpreted as the discovery of a better technology or of a more optimal approach for cost-minimization ^[45]. This change will be perceived as unavoidable and then pursued by the so called "fast-mover firms" which will acquire competitive advantage and, in a second moment, will be also pursued by other organizations struggling for survival. From this perspective, there is little effort to look at the organization internal business processes to evaluate the possibility that these same operations may affect the final performance.

The resource based view (RBV) of an organization, instead, focuses on the attempt to examine how the firm inputs can heighten the outputs it can generate. The RBV is a theory that started to be articulated by Penrose ^[33], but Wernerfelt ^[44] can be considered the first one who was able to express and convey the first coherent statement of the theory subsequently extended by others such as Barney ^[4] and Dierickx and Cool ^[13].

Therefore, the RBV sustains that organizations should build their strategy accordingly to their resources and competences rather than on the products and services generated by and thanks to these abilities and endowments ^[46]. As a matter of facts, the RBV finds the cause of performance differences between organizations in the discrepancy of resource they are able to gather and exploit which allow them to gain competitive advantage in the marketplace ^[6]. At the same time, organizations that are not performing well will be prone to emulate strategies and the resource composition of market leader companies when these are proven to be positively related to performance enhancement ^[12]. However, it is barely impossible for competitors to replicate the resource outline of high performing firms because of several isolating mechanisms such as financial availability, experience, brand reputation and so on ^{[38] [34] [22]}.

The RBV interprets the business processes as steps through which value is created in relation to the ability of the firms to control their input variables, to process them efficiently and to produce a valid outcome in the form of a product or service ^[18].

In this context, Wernerfelt ^[44] suggested to examine the role of strategic resources in order to raise barriers to entry such as:

- Machine capacity economies of scale in the use of resources are the prime example of product entry barriers ^[39]. Hence, for a new firm that tries to enter into the market or for a firm that tries to emulate a more productive one the economy of scale will result as an entry barrier because the organization very unlikely will consider to acquire the necessary machinery and workforce to compete with an already experienced and well-run firm.
- Customer loyalty the suppliers have more power on new entrants rather than on old customers, Wernerfelt ^[44] says, citing Rise and Trout ^[37] "It is much easier to pioneer a position than to replace someone else who already has it" (p.174)
- Production experience if the market leader executes its business processes correctly and in a cost-effective manner, the followers will engage in a battle with the first resource producer to reach lower production cost. However, not always these secondary organizations manage to catch up with the market leader and ideally, as in the case of "Machine capacity", they are expected to pay more for the expertise and get back lower returns compared to the first organization
- Technological lead a market-leader firm needs to keep growing its technological capability in order to preserve its position by continuously striving for improvement, challenging its employees and feeding its R&D department aiming to be, in the long run, always one step ahead
- Mergers and Acquisitions the phase of mergers and/or acquisition is not every time experienced by a firm in its lifetime, but it has to be considered as a great opportunity to gain a broader set of resources that can implement the one the firm was already in possess while acquiring an image and a set of additional capabilities.

However, the RBV approach can't be considered without examining also the external environment: "resources cannot be evaluated in isolation, because their value is determined in the interplay with market forces" [11]. In the article "Firm Resources and Sustained Competitive Advantage" Barney [5] proposed a simple model to capture the relationship between "strength opportunities-weaknesses-threats analysis, the resource based model, and models of industry attractiveness" (p.100).

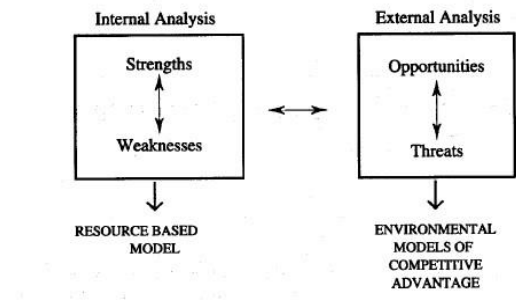


Figure 1, from "Firm Resources and Sustained Competitive Advantage"

Barney [5] focused also on a more in depth analysis of what makes a resource, a strategic resource for the firm. Therefore, four interrelated characteristics were identified to recognize a firm's strategic resource:

1. Value a resource can be considered valuable when it enable a firm to formulate or develop strategies which grow its efficiency and effectiveness
2. Rarity a resource can be considered rare when it is not available for all the other competitors on the market and can, at the same time, generate sustainable advantage.

These resource are mainly related to a unique mix of "financial capability, human resources and organizational capital" [5] which are a bundle of firm resources barely impossible to replicate by any other organization and that make the firm's strategy a tool to reach a sustainable competitive advantage

3. Inimitability imperfectly inimitable resources are described by Barney [5] in three different ways:
 - The singular conditions under which the organization was able to acquire a specific resource. Therefore, the RBV implies that firms are not only essentially historical and social entities, but they also obtain and exploit some resource in a space-time dimension. This implies that other companies interested in acquiring the same competitive advantage of a specific company most probably won't be able to obtain the desired result because time and space play a fundamental role in sustainable resources which make them imperfectly imitable.
 - When a firm competitive advantage and resource specific exploitation is ambiguous and not understood or just partially understood by its competitors

Complex social aspects of a firm such as:

- The exchanges between employees of a firm
- The firm culture
- The net of relationships with suppliers and customers

These resources are imperfect resources because these social phenomena can't be simply emulated by competitors because can't be simply managed and influenced. 4. Non-substitutability □ In order to originate sustained competitive advantage a resource can't have any strategically comparable resource. In other words when a resource can't be in any way substitute, because it is rare and inimitable, then this resource can be exploited to reach sustainable competitive advantage.

From this paradigm also defined VRIN, acronym of value-rare-inimitability-non-substitutability, Barney [7] revised his model suggesting a change in one of its component, shifting the principle of "non-substitutability" with the definition of an "organized" firm (VRIO). An organized firm is able to recognize and exploit a new resource present within its bundle of tangible and intangible assets.

In more recent times, with the advent of the World Wide Web and other technologies as computers and information systems, the traditional definition given to resources for competitive advantage and so "a combination of assets and capabilities within a firm that allow it to develop and implement strategies to improve its overall performance" [48] needed to be further explored. Thereof, the differentiation between the various kinds of resources that a firm can possess is defined as the organizational dynamic ability to perform a particular task or activity. Thanks to their evolving nature these kinds of resources emphasize on the importance of skills and knowledge necessary to generate value and create special competencies within the firm [31]. Prahalad and Hamel [36] associated the term "dynamic capabilities" with "core competencies" which identify the culture of the firm, its mutual relations, its hierarchies and all the soft skills that can be captured and proficiently employed by the management to achieve competitive advantage. According to the idea that the external environment is fast moving, a firm needs to continuously and more promptly adopt new resources to survive. In this tumultuous context, organizational resources for a competitive advantage of a firm lie in the dynamic capabilities of the firm itself [47] which are closely related to intellectual and intangible assets [18].

The RBV of an organization stress the importance of the firm to be able to proficiently use its strategic unique resource and core competences under its control ^[45] because they are difficult, if not impossible, to be duplicated by competitors and guarantee a better chance to gain competitive advantage. A RBV management style “focuses on developing hindrances to imitation of resources instead of protecting products” ^[2].

PESTLE Analysis

The alignment of firm internal features with the ones of its external environment is known as strategic fit ^[29]. For this reason, the organizational fit is seen as a driving force of organizational performance ^[28] ^[32]. On this matter, Berger and Hannan^[8] underlined that organizational alignment with the external environment loosens once the organization starts aging. This precarious situation puts at stake the fit of the organization which urges great effort to keep its previous performance. However, to be able to do so, the firm is required to have an understanding of the possible future environment to which it has to adapt. Therefore, the firm will adopt some strategic tools to be able to effectively plan its next moves with the scope to maintain, restore or improve its fit.

Most strategic planning require an in depth analysis of both internal and external data to evaluate what are the goal that are realistically achievable ^[17]. Therefore, managers rely on a several analytical tools to explore the possibility to gain an improved marked position or a competitive advantage over the other organizations producing the same product or service ^[40].

The SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) is probably the most well-known and deployed among the instruments currently available for the internal analysis of an organization. This kind of assessment is commonly conducted in the first stage of the strategy development and it is usually combined with the PEST (Political, Economic, Social and Technological) analysis along with Porter’s five-force model ^[19]. These latest two essential means thoroughly examine the external aspects in which an organization lives, develops and to which it has to survive to. However, the strategic management literature recommends the PEST analysis tool to monitor the organization’s external environment ^[26] ^[27]. As a matter of fact, the factors analyzed by the PEST analysis can be considered as macro-environmental factors and its importance is referred to the fact that an organization or a managerial solution cannot be completely grasped without possessing the set of information relevant to its business environment ^[9]. In this frame, the business environment in which an organization is embedded is considered as all relevant social and physical components which have to be taken into account during the decision-making process ^[14]. Moreover, the PEST analysis contribute to the strategic planning of a firm because it provides a broad panorama to assess the external environment and the wide range of indirect circumstances that may influence the firm’s capability of producing value ^[43]. Hence, the PEST analysis, as all the external environment analytical tools, provides the firm decision-makers with a detailed scan of the forces that surround the organization ^[24] and that can somehow, both positively and negatively, affect its business process and its profitability. The PEST analysis has different variants in its framework which are reflected in its acronym, the possible variants are:

- STEP → Social, Technological, Economic, Political [10]
- SEPT → Social, Economic, Political, Technological [30]
- STEEP → Social, Technological, Economic, Ecological, Political [42]
- PESTL → Political, Economic, Social, Technological, Legal [41]
- PESTEL → Political, Economic, Social, Technological, Environment, Legal [41]
- PESTLE → Political, Economic, Social, Technological, Legal, Environment [23]
- EPISTEL → Economic, Political, Information, Social, Technological, Environment, Legal [41]
- STEEPLE → Social, Technical, Economic, Ethic, Political, Legal, Environment [41]
- STEEPLED → Social, Technical, Economic, Ethic, Political, Legal, Environment, Demographic [41]

Despite the numerous variants of elements that recur in this type of analysis, the literature firmly supports four omnipresent, essential and interrelated factors: politics, economy, society and technology [1] [16] [25].

As before mentioned, the aim of the PEST analysis is to allow the organization to detect and consequently react to its external environment ^[20].

Table 1, explores some of the elements associated to the PESTLE analytical tool.

Factor	Element Associated
Political	Change in the domestic political climate, change of government, world power shift, import and export controls, price policy
Economical	Economic cycle, interest rates, currency conversion rates, national income, stock market, commodity prices, economic effects on suppliers or customers
Social	Population demographics, change in lifestyles, mobility, education level, income distribution, purchasing power, gender discrimination
Technological	Innovation, new product development, technological changes on product, processes and distribution channels, the rate of obsolescence
Legal	Legislation in areas such as employment, health and safety laws, tax laws
Environmental	The level of pollution generated by the product/service, recycling considerations, government intervention on the environmental matter, media and consumers

Table 1, Factors of PESTLE analysis, adapted from Hoenungová and Klimková^[21]

Analysis of an Organization: Hotel Corallo, Rimini

Hotel Corallo is a resort sited in the city of Rimini, Italy. Hotel Corallo is limited liability company (LLC) founded in the early 1960s by the Rivi family which, in its third generation, sees Mr. Fabio as its former owner and manager. The staff number is changing accordingly to the season from 20 to 25 employees during summer to 5 to 10 employees during winter.

The historical town of Rimini is located along the north-eastern coast of Italy and Hotel Corallo, as many other hotels, is located at just few meters from the Adriatic Sea. The city of Rimini became famous in the „60s for its ability to satisfy the needs of an Italian enriched middle-class looking forward to spending its summer holidays at the beach.

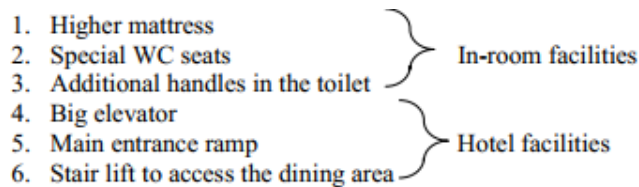
As the literature suggests, to build a solid strategy to achieve competitive advantage an organization needs to consider two important elements in the analytical phase of the strategy making process:

- Internal factors
- External environment

1 - Internal Factor

To analyze the internal factors of Hotel Corallo will be used a Resource Based View approach in accordance to the VRIN (Value, Rare, Inimitability, Non-substitutability) paradigm suggested by Barney^[5].

- **Hotel Corallo is the only 3-star superior hotel directly facing the sea in the whole city of Rimini and neighboring towns** → In fact, all the hotels that have the same privileged position are 4 stars, 4-star superiors or 5 stars. For Hotel Corallo this implies, especially now in time of economic crisis, a great competitive advantage because it can offer, in terms of location, the same service as the other hotels, but at a way cheaper price
VRIN Paradigm → This resource is valuable, rare, highly difficult to imitate, Non-substitutable
- **Gluten-free kitchen** → Although Rimini is well-known for its hospitality and ability to continuously renew itself throughout time proposing cutting-edge attraction, Hotel Corallo is one of the only three hotels in the range of about 50 km to offer a gluten-free kitchen approved by AICA – Associazione Italiana Celiachia (Italian Association for Celiac Disease). To be considered in line with the legal standards Hotel Corallo in 2009 built a separate kitchen to prepare specific dishes that people suffering from celiac disease could eat in complete safety. At the same time, also the hotel main cafeteria was equipped to provide beverages without gluten by separating the coffee machine and the barley coffee (which contains gluten) and purchasing separate packaged beverages such as fruit juices and soft drinks [es. Coca-Cola contains traces of gluten, while Pepsi doesn't]. To be constantly updated Hotel Corallo subscribed with AIC to get weekly/monthly updates on the food and beverage that can or cannot be served to their special guests. AIC yearly provides Hotel Corallo with few copies of its updated handbook which can be consulted by the employees and guests. This special consideration from the management towards celiac disease rose when Mr. Fabio discovered to suffer from this health condition. The RBV of an organization sustains that to be effective some resources have to be recognized in a specific time to be actually useful. In the past few years, the celiac disease has become more and more popular because this sickness wasn't well-known in Italy and the number of people aware of being affected by celiac disease has been increasing. Therefore, the gluten-free option became a key for the sustainability and also for the competitive advantage of Hotel Corallo that now attracts not only tourists during the summer season but also guests during the whole year. As previously mentioned, the options available for people affected by celiac disease aren't many and these customers are willing to travel from other cities just to have a lunch out or to host their wedding party
VRIN Paradigm → valuable, rare, potentially non-substitutable
- **Ozone Machine** □ In 2015, Hotel Corallo decided to pursue its nearly unique battle in the field of allergies by adopting an ozone machine. Ozone has been proven to be more effective than chlorine in purifying also large rooms. Hence, the resort rooms were equipped with small ozone machines to get rid of dust mites and other kind of bacteria to guarantee a higher service quality to all customer while taking special care of the ones affected by allergic rhinitis
VRIN Paradigm → Valuable, rare
- **Disabled Facilities** → since the late „90s, Hotel Corallo is free from architectural barriers to allow also people with physical disabilities to have pleasant holidays. The hotel was equipped of adequate structures and six of the thirty-six rooms were recently renovated and specific features were added to the furniture:



- **Pet Friendly** → Since 2016, Hotel Corallo offers the chance to who has a pet at home to bring it along during vacations. Although the need to travel with a pet is very close to many travelers, it is still a rare feature that hotels in Rimini and surroundings offer to their guests. Hotel Corallo created a special area in the dining room to host the furry guests and can also provide them with an appropriate meal. During the summer vacations, Hotel Corallo guests can go the beach resort 33 (instead of going to beach resort 35) with their dog because the structure is properly arranged to welcome them
VRIN Paradigm → Valuable, rare
- **“0 km food”** → since 2012, Hotel Corallo purchases its product only from local producers in order to allow its guests to taste the real flavor of the local cuisine and to be more environmental-friendly. “0 km food” literally means from the farm to the table, so only fresh products are served to the customers and this has a lower impact on the Environment because there is no logistic expense in terms of fuel
VRIN Paradigm → Valuable, rare
- **A walk in Rimini city center** → once a week, Hotel Corallo organizes free city tours to let the vacationers knowing more about a city that was founded over 2000 years ago during the Roman Empire. Cristian, a friend of Hotel Corallo, will walk the guests through the most fascinating monuments such as the Roman amphitheater, the Arch of August and Malatesta temple. This kind of visit is not commonly organized by hotels, but it is an activity that the tourist can decide to do through tourist agency. This gives an extra point to Hotel Corallo which provides the service for free. The only restriction is that Cristian only speaks Italian
VRIN Paradigm → Valuable, rare
- **All-inclusive** → from the beginning of May until the end of September, Hotel Corallo offers to its guests special packages which include:
 1. One private cabin, one umbrella and two beach chairs in beach resort 35
 2. Breakfast, lunch and dinner at the hotel
 3. Open bar (no-alcohol included) from 10 AM to 8 PM
 4. Entertainment at the beach and at the hotelVRIN Paradigm → Valuable, partially difficult to emulate with the same formula
- **Conference room** → during winter, Rimini Fair and conference center host some important events. Hotel Corallo gives the chance throughout the season make conferences in its two business rooms. These rooms are actually “built on the spot” in the hotel dining room thanks to a movable wall system, designed in the „90s, that can separate the room to host:
 1. “Cavalluccio Marino Hall” (Seahorse Hall), the primary conference room which can host up to 200 people
 2. “Scoiattolo Hall” (Squirrel Hall), the secondary room that can host up to 100 people and hat can be quickly split in three independent roomsVRIN Paradigm → Valuable, quite rare, difficult to imitate because not all the hotels have enough space to host such big groups
- **Further Services:**
 1. Free Wi-Fi
 2. Room Service
 3. Reception and Cafeteria 24h
 4. Taxi Reservation
 5. Bike Rental
 6. Laundry Service
 7. Pool and Solarium (from end of May until mid-September)
 8. Garage
 9. Adventure Parks pre-sale
 10. All day long entertainment from mid-June until the beginning of September on the beach and at the hotel

2 External Factors

To examine the external factors of Hotel Corallo will be used the PESTLE analysis (Political, Economic, Social, Technological, Legal and Environmental) in accordance to the paradigm proposed by Jacobs, van Witteloostuijn, and Christe_Zeyse^[23].

- **Political** → in terms of political environment the vacation industry and more specifically the hotel/accommodation industry will not be affected by the Italian internal politics in a great manner, but if the Ministry of Tourism would launch a campaign to promote abroad Rimini and its surroundings (area called Romagna) the advertisement would positively impact the industry with a positive economic returns. What it can negatively affect Hotel Corallo are international relations, in particular the ones within the countries in the European Union [es.Brexit] and the ones between the EU and the other nations. [Es. currently to obtain an European visa for extra-EU citizens it is a lengthy and expensive procedure, if the tourist visa was issued following different procedures it would be easier to get a higher number of people interested in spending one week or at least few days in Rimini and then Hotel Corallo would have its chance to expand its market.] However, it is highly unlikely there will be negative forces that would cause the collapse of the EU and/or the facilitation for the application of a tourist visa because of the difficult social situation this process may cause (illegal immigrants and higher crime rate)
- **Economic** → from an economic point of view Hotel Corallo could be affected by:
 1. Currency exchange: this element is to consider positively in the EU because the member countries don't need to change money but they can directly pay in Euro (exception for few countries like UK, Denmark and Sweden). EU citizens may feel more comfortable in spending in their own currency rather than change it. Moreover, customers from countries with an average wage higher than the Italian one would have higher purchase power
 2. Currency conversion rates: this factor may be positive if the conversion rate of some country out of the EU increases its currency rate reaching a certain stability over time. People from this country may then consider to travel to Italy and to have holidays in Rimini
 3. Suppliers' rates: if the food and beverage supplier or the supplier of commodities such as water, electricity and gas increase their prices, then also Hotel Corallo will have to adjust its charges in order to get the same net profit as now
- **Social** → the social facet of the external environment is second only to the economic factors because changes in lifestyle and in customer behavior can severely affect the hotel industry:
 1. Change in lifestyles: in the 20th century Rimini and its beach resorts were at their edge, but nowadays it is not a very attractive tourist spot for the Italian vacationers that prefer to go abroad to spend their holidays. Rimini and its neighbor cities are still welcoming Italian tourist, but mainly families or old people that are spending their vacations at the beach since their childhood and their habit is so strong to represent a switching barrier too strong to be overcome. However, less and less Italians are spending their holidays, at least not more than one weekend, in Rimini and the municipality is paying great effort to advertise the resorts of the area abroad, especially in Russia and just recently in China. The effect of this lifestyle shift was and still is devastating for the local economy which is between 30 to 45 percent based on tourism. Hotel Corallo was affected by this custom shift and its struggling to survive by proposing, almost on a yearly basis, some new features to attract new customers
 2. Mobility: if on one side mobility caused a growing disinterest of Italian towards Rimini, it gave also a chance for people who are living in other countries to get their abroad vacation. In Rimini there is a small-size airport that host, in the summer season, about 15 to 20 flights a day and that brings in a lot of customers from Russia and Northern Europe countries. In second instance, Rimini is the main door to enter in San Marino, another country located just 10 km from the seaside and for this reason many tourist decide to stop for few days in Rimini to explore also this tiny country. Furthermore, Rimini during summer host one Moto GP competition that attracts people from all over the world (Misano World Circuit – San Marino and Riviera di Rimini Grand Prix)
 3. Income distribution and Purchasing Power: the economic crisis made Italians quite skeptical about how they spend their money. For an average family choosing to spend three-four days in Hotel Corallo would be more expensive than flying to Barcellona and staying there for two or three days. Therefore, the purchasing power for an average family in Italy is medium/medium-low and other destinations or less "high-ended" hotel would be preferred
- **Technological** → currently it is difficult to see how the technological situation will be evolving. In some 4 stars and 5 stars hotels are offering features such as smart-TV and in some rare cases also interactive light systems and voice automated appliances to adjust the room temperature. However for a 3-star superior hotel it is difficult to forecast any specific implementation of in-house appliances, but something that may be looked at is the information system used for bookings and registrations as well as the system to organize the guests' database. Keeping track of substantial information such as the contact of the previous customers may help in the customer retention phase that can be done by simple e-mail and newsletters. Hotel Corallo should improve its network through booking websites as Booking.com and Trivago while offering some special deals on other websites [Group on].

- **Legal** → indeed the legal aspects regarding the hospitality industry are many and may change accordingly not only to the Italian law, but also to the European legislation. Some of the main areas that have to be thoroughly monitored are:
 1. Privacy and customer information security
 2. Lab or laws and standards along with trade unions (employees' rights)
 3. Internet related policies [Trip advisor, Booking and so on]
 4. Trademark and copyright
 5. HCCP standards for food and beverage and room equipment
 6. Music license (SIAE = Societa' Italiana degli Autori ed Editori, Italian Association for the Rights of Authorship)
 7. Safety and security
 8. Business licenses
 9. Contracts with the suppliers
 10. Insurance and staff training
 11. Tax obligations
- **Environmental** → this aspect is strictly related to the legal elements that a hotel is supposed to monitor. This topic is becoming more and more important not only from the government, that usually imposes new laws to define certain standards, as well as for the customers. Paying attention to the environment can also prevent resource wasting and presents a key issue in the business processes improvement. A centralized system that allows to control the one by one the rooms' temperature may save costs in terms of electricity (A/C) or of gas during winter (heater). Create awareness in the employees may prevent the waste of resources such as food or electricity, while create awareness in the customers may prevent from a daily change of bed sheets and towels in the room (if not necessary). Locally, Rimini municipality enforced since 2011 a strict recycling policy that imposed the local activities, so also Hotel Corallo, to separate its wastes in: organic, not-recyclable, paper, glass and aluminum and plastic. These wastes are manually collected by the garbage man on specific days in a week [es. Monday organic and plastic, Tuesday paper, Wednesday organic and glass, Thursday non-recyclable, Friday organic and plastic, Saturday non-recyclable and paper, Sunday organic]. Changes in this policy or in others will mean for Hotel Corallo to get equipped with the necessary means and to give specific training to its employees.

3 Conclusions

Hotel Corallo is yearly trying to improve its services by upgrading the in-house policies while complying with the overall legal constraints. However, changes in the external scenario, especially under the economic and social aspects, are making the environment extremely challenging. The survival chances of this kind of privately owned enterprises are constantly decreasing and Hotel quite stagnant market is difficult, but trying to attract niche markets is what Hotel Corallo is trying to do.

Conclusion

The resource based view (RBV) of an organization along with the PESTLE analysis help a firm in planning its future steps and the overall strategy. While the RBV offers a comprehensive analysis of the internal factors ^[6] ^[46] ^[48], focusing on the uniqueness of the in-house resources, the PESTLE analysis scans the external environment to create awareness of the opportunities and threats that it may present ^[14] ^[26] ^[27]. These two analytical tools should be paired together during the organizational strategy development to enhance the chances to achieve a competitive advantage. The analysis of Hotel Corallo provides a suitable example of how the RBV and the PESTLE analysis can work in synergy and lead to a better market position or to a competitive advantage on a specific market segment.

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