

# Networks in the Tourism Sector in Brazil: Proposal of a Management Model Applied to Tourism Clusters

Gysele Lima Ricci, Jose Miguel Rodriguez Anton

**Abstract**—Companies in the tourism sector need to achieve competitive advantages for their survival in the market. In this way, the models based on association, cooperation, complementarity, distribution, exchange and mutual assistance arise as a possibility of organizational development, taking as reference the concept of networks. Many companies seek to partner in local networks as clusters to act together and associate. The main objective of the present research is to identify the specificities of management and the practices of cooperation in the tourist destination of São Paulo - Brazil, and to propose a new management model with possible cluster of tourism. The empirical analysis was carried out in three phases. As a first phase, a research was made by the companies, associations and tourism organizations existing in São Paulo, analyzing the characteristics of their business. In the second phase, the management specificities and cooperation practice used in the tourist destination. And in the third phase, identifying the possible strengths and weaknesses that potential or potential tourist cluster could have, proposing the development of the management model of the same adapted to the needs of the companies, associations and organizations. As a main result, it has been identified that companies, associations and organizations could be looking for synergies with each other and collaborate through a Hyperred organizational structure, in which they share their knowledge, try to make the most of the collaboration and to benefit from three concepts: flexibility, learning and collaboration. Finally, it is concluded that, the proposed tourism *cluster* management model is viable for the development of tourism destinations because it makes it possible to strategically address agents which are responsible for public policies, as well as public and private companies and organizations in their strategies competitiveness and cooperation.

**Keywords**—Cluster, management model, networks, tourism sector.

## I. INTRODUCTION

THE competition in various sectors of the economy has meant for companies, an increase in the demand for innovative strategies and solutions. Specifically, businesses in the tourism sector need to achieve competitive advantages for their survival in the market. Thus, models based on association, complementarity, distribution, exchange and mutual assistance arise as a possibility of organizational development, taking as reference the concept of networks.

Many companies look for a partner in local networks as clusters to act together and associated [8], [9], [4], [6], [11]-[13], [15]-[18]. Indeed, an important competitive advantage that can be obtained is the geographic concentration of companies, from which emerges the theory of the cluster, which acquired great notoriety with the studies [14]. Thus,

Cluster "[...] is a geographically concentrated grouping of interrelated companies and correlated institutions in a certain area linked by common and complementary elements" [14: 211].

Current business networks cooperate and collaborate allowing transactions between public and private actors based on formal and informal agreements [1], [3], [5], [6], [20]-[22]. There are networks based on trust, through informal relationships, which facilitates decision-making and implementation.

To establish cooperation among networks, it represents a possibility of business organization, superior to those based on the pure market of vertical organizational hierarchies. In addition, the networks represent an innovative way to improve competitiveness and survive in a globalized world, being able to guarantee their survival; thus, creating a new organizational architecture, and innovating in the formation of relations between companies. In this way, the main objective of the present research is to identify the specificities of management and the practices of cooperation in the tourist destination of São Paulo - Brazil, and to propose a new management model with possible cluster of tourism.

## II. EMPIRICAL RESEARCH

For the development of this research, a field work was carried out, using direct observation and the application of semi-structured interviews in the city of São Paulo. The research is characterized as descriptive, exploratory and explanatory. In-depth interviews were conducted with 30 tourism sector entities (business executives, associations and organizations) in the city of São Paulo, as well as the information collected (a triangulation was carried out in search of additional information through analysis of documents of the companies interviewed, publications of the entities, search in the websites of the entities, and scientific articles and participation in meetings of the associations). The data collection phase was carried out from December 2015 to March 2016.

## III. RESULTS AND DISCUSSION

In the city of São Paulo, there is a growing development. According to [19], the Province of São Paulo accounts for 43.38% of tourism revenues in the country, with a total demand of 15.1 million tourists in 2014. It presented a tourism recipe in 2014 of R\$ 11.3 billion and generated 455,000 jobs.

Since there is no tourism cluster in São Paulo, a diagnosis

Gysele Lima Ricci is with the Universidad Autónoma de Madrid, Spain (e-mail: gyricci@yahoo.com.br).

has been made about the city as a tourist destination. The city lives in constant pressure because its infrastructure and the volume of tourists which it receives annually. It is also pressured by the income of resources that increase its economy based on trade and services. Therefore, it has been observed the need for public and private support in its various areas of action, i.e. the insertion of tourism as a guideline in the definition of its strategies. In spite of the competitive differentials, São Paulo represents specific characteristics comparing against other tourist destinations because its territory is not specially prepared as a pole of natural or cultural attraction. The city has few natural resources and its main attraction is business tourism. Tourism is only related to economic representativeness and not to what it can offer.

In order to promote and develop tourism, the São Paulo cluster has the support of associations of tourism companies (which are very participative) and of a municipal tourism entity. However, with the research, it has been observed that for the articulation and consolidation of the tourism cluster, it is necessary to increase the exchanges between the managers of tourism companies (such as gastronomy, hotels, travel agencies) and government participation in the tourism sector.

In the city of São Paulo, the idea of having a structured and segmented tourism cluster is still incipient, as it requires a better tourism infrastructure, greater exploration of cultural and historical tourism, and government support for the development of tourism. However, greater cooperation has been identified between tourism companies, and between the associations of São Paulo, than in the city of Madrid. In order to maintain their competitive advantage, it has been identified that tourism companies, face environmental adversities, but through the associative culture and social cohesion, local cooperation networks are strengthened. There is no support granted by the government, since the government has a responsible role for the regulation and availability of infrastructure, without emphasizing the synergistic relationship that occurs between public and private agents.

The main cooperation practices of the tourist destination of the city of São Paulo have also been identified. During the investigation and interview with companies in the city of São Paulo, the existing cooperation practices in the tourist destination have been identified. In Table II, the cooperative practices identified in this research are presented.

TABLE I  
SPECIFICITIES OF MANAGEMENT OF THE TOURIST DESTINATION OF SÃO PAULO

<i>Description</i>	<i>Characteristics</i>
Emergence of the cluster	The emergence of the tourism cluster occurs spontaneously as historical, economic and commercial conditions lead companies to group together in search of better results.
Types of the enterprises	Presence of international and independent companies.
Local Development	The concentration of companies promotes the local development of tourism and also favors its environment.
Stakeholders	As the main stakeholders, the cluster is composed of the Municipal Government, Business Associations, Support Institutions and Service Providers.
Relations Between Companies	There is a high relationship between the companies that belong to the São Paulo tourism cluster.
Strategic Orientation	The companies that belong to the cluster and that are associated have their own strategic orientation and even belong to the same chain.
Advantages with Concentration	The concentration of companies favors the generation and diffusion of innovations, knowledge and growth of the companies of the cluster. Also in the exchange of information.
Associations	Presence and active participation of associations and trade unions for the articulation of tourism.
Governance Structure	Private Participation.
Government Entities	No participation. There is only the participation of a municipal entity in the development of the cluster.
Tourism	Business tourism.

TABLE II  
PRACTICES OF COOPERATION IN THE TOURIST DESTINATION OF SÃO PAULO

<i>Description</i>	<i>Characteristics</i>
Level of cooperation	The level of cooperation between companies is high.
Business associations	There is a large number of business associations in the tourism sector.
Participation of companies in the associations	Many companies in the tourism sector are associated, mainly, the big ones by political questions and of good image to be associated. Independent companies are the ones that most participate and benefit.
Government entities	There is no participation of government entities for the development of tourism.
Companies in the tourism sector	Businesses in the tourism sector are concentrated in the central area of the city.
Projects (public and / or private support)	Private projects such as those of associations are the most present.
Tools, Joint Actions	Internet, Website of the Association /Information and Management Platform; Regular meetings
Managed activities by the Association	Regular meetings, Newsletters.
Areas (Actions and Projects)	Research and development, Human resources management, legal advice.
Benefits which belong to the cooperation network	Training of personnel and business management, more competitiveness.
Problem solving	The associations are in direct contact with the government.

After identifying the specificities of management and practices of cooperation in the tourist destination of tourism in the city of São Paulo, the strengths and weaknesses are illustrated in Table III.

TABLE III  
STRENGTHS OF SÃO PAULO TOURIST DESTINATION

<i>Description</i>	<i>Characteristics</i>
International events	Presence of business tourism.
Universities	Large number of universities qualified for the qualification of personnel.
Tourist Services	High quality in the services offered to the tourist.
Companies in the tourism sector	Large multinational companies Favorable location.
Cooperation	Private participation in the cluster.
Associations	Facilitator of the development of tourism.

TABLE IV  
WEAKNESSES OF SÃO PAULO TOURIST DESTINATION

<i>Description</i>	<i>Characteristics</i>
Tourist Structure	Unexplored tourist infrastructure.
Government	Little participation in the development of tourism.
Security	Unsafe destination for tourists.
Cultural and Historical Diversity	Diversity Unexplored Historical and Cultural Heritage.

#### IV. PROPOSAL OF THE MANAGEMENT MODEL

Based on the strengths and weaknesses identified in the present research, the proposed management model assimilates the tourism clusters with an independent organization that develops competitive strategies aimed at channeling the efforts of the actors involved to achieve common objectives. The model is that a tourism destination should be managed with a holistic, multidisciplinary and multi- sectorial vision based on local development, in which social agents responsible for public policies must collaborate with public and private companies and institutions to formulate competitive strategies that allow the development of tourist destination and its actors achieve the objectives set. In the proposed model, companies, associations and organizations are in contact with each other in a Hiperred. They share their knowledge, try to get the most out of the collaboration and share three concepts: flexibility, learning and collaboration.

The proposed management model for the tourism clusters converge with the organizational structure Hiperred proposed by [10] that suppose a natural evolution of the Hypertrébola [11] towards the network economy, globalization of the new information and communication technologies (ICTs).

It is important to mention that, in turn, the Hypertrébola organizational structures combine the flexibility characteristics of the clover structures proposed by [2] with the learning potential typical of hypertext structures proposed by [7]. As regards the three management concepts underlying the model (flexibility, learning and collaboration), the Hiperred structure combines a hypertext structure (based on learning), the philosophy of the clover structure (based on flexibility) and the typical collaboration

of networked structures. In the Hiperred structure, the business system will be configured with a more flexible and non-bureaucratic and rigid structure. In this research, a geometric form of propellers to try to represent that the four leaves of the clover are in constant interaction has changed the structure in clover.

Based on the geometric model of the four rotating propellers and an axis (top management), the professional nucleus represents the organization chart of the tourism cluster. There should be a General Assembly with a Board of Directors who are responsible in the management cluster and to make direct contact with the organizations, universities, and research centers. The second level consists of flexible work, made up of all those who are only temporarily or part-time contracted, such as during high season in tourist destinations or in special situations in which a special promotion is necessary in the destiny. The third level will be characterized by subcontracting, which is integrated by all those activities that are entrusted to other companies for not constituting their core business or for not generating value. Safety and cleanliness can be used as an example of subcontracting for the organization of congresses. The fourth level is self-service where any of the cluster members will be able to achieve, in self- service, a series of services without the direct intervention of any of the employees of the cluster. Finally, top management would be the axis from which the propellers rotate and it would be formed by the highest levels of the organization chart, that is, by the General Assembly and by the Board of Directors. In addition to the basic management functions, it could be also make an effort in order to retain people, service suppliers and customers. This top management would be formed by senior managers responsible in coordinating propeller activities and enhancing the relationships between them. On the other hand, the proposed management model involves close cooperation between companies that carry out complementary activities and reach agreements to promote tourism in the tourist destination in which the cluster is developed. Therefore, companies are structured in the form of a network, sharing, for example, information, knowledge, technology, services, joint purchases, etc., and reaching collaborative agreements to increase their competitiveness. Collaboration through the network of companies, organizations and associations is achieved by self-adjusting their activities to their value chains in the link that generates a greater competitive advantage for the cluster, improving its efficiency. With the collaboration and joint work of the companies, organizations and associations that make up the cluster, they increase their flexibility, boosting their learning capacity, collaborating on common projects, identifying the needs of tourist destinations, and applying benchmarking to learn from the best practices that others are developing. Thus, with the creation of a network of companies, a knowledge base for the tourism cluster is developed, being perfectly interconnected and enhancing the quality in the provision of the service and the activities offered in the tourist

destination.

The cluster will learn through the project teams created to take advantage or to undertake new activities and through the cluster members themselves. For example, it is possible to create a project team with people from several companies, organizations or associations that compose the tourism cluster, to create a common project such as the disclosure of a certain tourist attraction in the tourist destination.

The management model of a proposed cluster is also designed to maintain the knowledge generated and achieved through the relationships between companies, organizations and associations that integrate it or through the project teams created. The cluster must have a Web platform or an

intranet in which its members can share their knowledge and where they can search and exchange information about new opportunities offered by the sector. Everything learned should be stored in a layer called the knowledge base. The role of the knowledge base is a set of knowledge generated in previous levels, reframing it and upgrading it, so that it can be transferred to the other members of the cluster and to be used in a way that is more useful for the cluster as a whole. This level of the model is based on technology, business vision and organizational culture. While the corporate view and organizational culture provide the knowledge base for using tacit knowledge, technology uses the explicit knowledge generated at the other two levels.

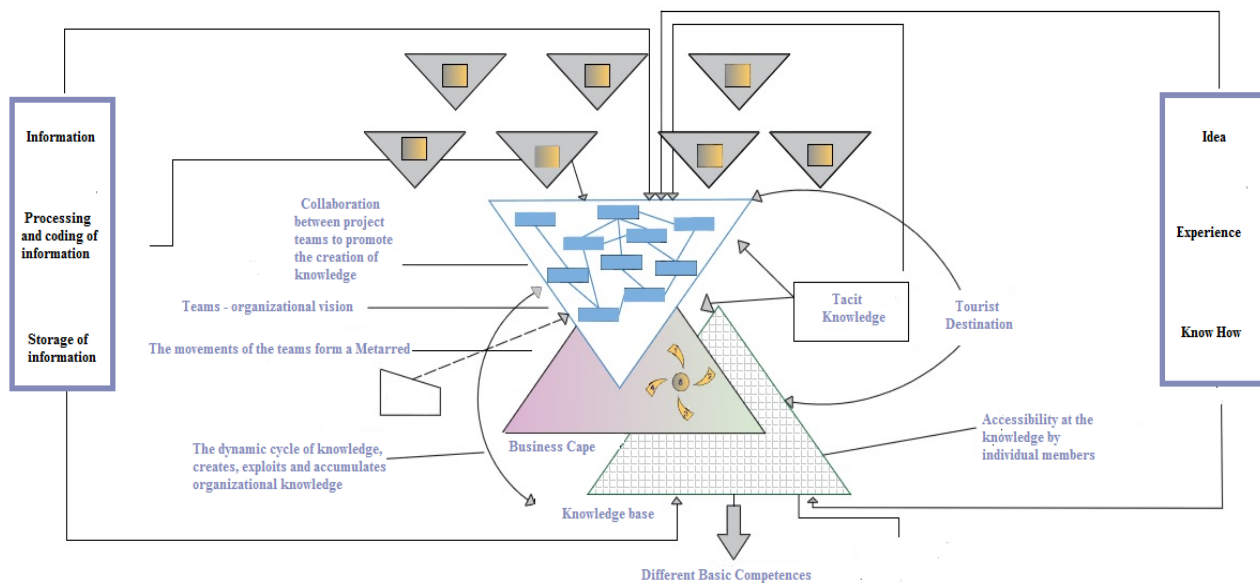


Fig. 1 Management model for tourism cluster

The model is based on the existence of a general assembly and a board of directors, who will be responsible for coordinating the cluster and defining its strategic orientation.

The main objectives to be achieved, setting the actions and projects to be undertaken and creating a support infrastructure to support the strengthening of a culture of trust among its members and increase its efficiency. The beginning of collaborative initiatives among those who are involved in the cluster usually occurs from the existence of a group of stakeholders - government, population, universities and research centers, business associations, financial, service providers, etc. - with an interest in developing cooperation processes in the tourist destination. For this, the stakeholders must have specific common needs and the coordination of the cluster should seek to satisfy them.

The government should be considered as a special stakeholder in the management of the tourism cluster as it can offer financial support for projects and support with basic infrastructures necessary for the development of tourism in the tourist destination.

With the identification of the stakeholders of the cluster and through the definition of the strategic objectives, it is possible to initiate specific actions and to improve the tourist destination, such as the participation of partners in fairs, the obtaining of financial credits, the organization of training courses, the exchange of information, etc. In addition, some strategic objectives should also be aimed at strengthening cooperation and a culture of trust in order to achieve common goals. For the proper operational operation of the cluster, an office must be created in the tourist destination that manages and coordinates the objectives to be achieved and the actions to be undertaken. The office must combine the interests of the members, offering support and developing the tourist destination. Likewise, the office must develop operational activities such as meetings with consultancies, organization of courses, integration activities among associates, search of service providers, contracting of consultancies, etc. Another role of the office should be to provide services for partners by creating an information platform that reflects trends in the tourism sector as well as in other economic and technological sectors; which provides

information on service providers, training centers, marketing companies, legal advice; On the possible organization of projects and fairs, etc., in such a way as to stimulate the participation of the members of the cluster and to increase the mutual trust between them. According to the city of São Paulo, it is recommended: (a) there would be a negotiation between the leading companies of the tourism sector and the public power, (b) it seeks to reduce antagonisms among stakeholders, (c) the associations become involved in (d) a tourism plan based on the tourism cluster; (e) implementing measures to promote business training and qualification of staff to improve the quality of tourism; (f) Professional technical courses are created, taking advantage of the structure of universities and research centers, (g) that the initiatives of companies, associations and organizations are tuned through guidelines defined in the project, maximizing the Synergy of projected actions; (h) a network to provide information on investment opportunities, market outlook and (i) the creation of a Web platform that collects information for all those involved with the tourism cluster and that promotes the permanent exchange of experiences in the management of tourism. Therefore, in São Paulo, the success of the cooperation will depend on the commitment of all the interest groups involved in the tourist destination to subsequently develop a tourism cluster.

#### V.CONCLUSION

In short, it can be concluded that the networks of companies are attributed some autonomy with respect to the organizations that compose them, which, in turn, are interdependent with each other. In business networks a shared vision of reality is produced and cooperative actions are carried out, which promote the strengthening of the trust links existing between them, avoiding that there is a dominant situation by some of them. The analysis of the networks came to the study of the clusters, seen as one of the most virtuous forms of industrial organization, given its high capacity to coordinate resources and characters, and to facilitate the transmission of knowledge and learning through inter-company cooperation, by the geographic concentration of companies, within a local business environment of quality. The first conclusion related to this concept is that the clusters theme has gained great visibility over time, as it is largely associated with factors such as competitiveness and the capacity for innovation; as well as economic benefits such as productivity, business creation and economic growth.

In conclusion, clusters are vital for regional development, as they lead to increased productivity, performance, innovation and business development. According to this approach, clusters also facilitate other kinds of collaboration or partnership between companies, as geographical concentration and continuous contact help to build relationships of mutual trust. It can be established that a tourism cluster is a concentration of companies (such as restaurants, bars, hotels, travel agencies, car rental agencies,

leisure companies, tourism information companies, etc.) organizations and associations in a tourist destination, which is structured and coordinated through a network that facilitates the attraction of tourists to that destination, who look for services and differentiated tourist products.

This proposed tourism cluster management model is viable for the development of the tourist destination of São Paulo because it makes it possible to strategically orient the agents responsible for public policies, as well as public and private companies and organizations in their strategies of competitiveness and cooperation. The success of cooperation between all stakeholders will depend on the commitment of all stakeholders (local, community and state authorities, business and business associations, tourism public administration, transport, security, non-governmental organizations, and public interest; social, commercial and consumer associations, universities, and research centers) involved in the tourism cluster.

#### ACKNOWLEDGMENT

Thank the Coordination for the Training of Higher Education Personnel (CAPES) for the research grant received during the development of this study and the tourism enterprises of the Sao Paulo city.

#### REFERENCES

- [1] A. Balestrin, J. R. Verschoore and E. Reyes "O campo de estudo sobre redes de cooperação interorganizacional no Brasil". *Revista de Administração Contemporânea (RAC)*, vol.14, n.3, (maio/jun.), pp. 458-477, 2010.
- [2] C. Handy. *La edad de la sinrazón*. Parramón, Barcelona, 1995.
- [3] D. G. Sirmon, M. A. Hitt, and J. L. Arregle. "Capability strengths and weaknesses in dynamic markets: investigating the bases of temporary competitive advantage". *Strategic Management Journal*, vol. 31, n. 13, pp. 1386-1409, 2010.
- [4] D. Gajdova. *Tourism clusters and development of the Slovak Regions. "Aktuálne problémy podnikovej sfery"*. vol.1, n.1, pp. 100-106, 2014.
- [5] G. Müller-Seitz. "Leadership in Interorganizational Networks: A Literature Review and Suggestions for Future Research". *International Journal of management reviews*. 22 November, 2011.
- [6] H D. D. Fundeanu and C. S. Badele. "The impact of regional innovative clusters on competitiveness". *Procedia - Social and Behavioral Sciences*, vol. 124, pp. 405 – 414, 2014.
- [7] I. Nonaka and H. Takeuchi. *The knowledge-creating company: how Japanese companies create the dynamics of innovation*. Nova York: Oxford University Press, 1995.
- [8] J. Britvic and R. Bakan. "Clusters as an initiative for a rapid development of rural tourism", *Interdisciplinary Management Research*, vol. 9, pp. 861-871, 2013.
- [9] J. Carles Cirer-Costa. "Majorca's tourism cluster: The creation of an industrial district, 1919-36," *Business History*, Taylor & Francis Journals, vol. 56, n.8, pp. 1243-1261, November 2014.
- [10] J. M. Rodríguez Antón and M. M. A. Almeida. *Organización y dirección de empresas hoteleras*. Síntesis, 2008.
- [11] J. M., Rodríguez Antón, "Estructuras organizativas, estrategias y personas impulsoras de la innovación". [https://www.madrimasd.org/informacionidi/revistas/monograficos/monografias/monografia20/20\\_bloque2\\_02.pdf](https://www.madrimasd.org/informacionidi/revistas/monograficos/monografias/monografia20/20_bloque2_02.pdf). 2001.
- [12] L C. S. Ribeiro and J. R. L. Andrade. *Characterization of Tourism Clusters in Brazil*. *Tourism economics*. October 1, 2015.
- [13] M. Caniëls and H. Romijn. "Agglomeration advantages and capability building in industrial clusters: The missing link". *Journal of Development Studies*, vol.39, n.3, pp.129-154, 2003.
- [14] M. Porter. *Competição: estratégias competitivas essenciais*. 4. ed. Rio de Janeiro: Campus, 1999.
- [15] N. N. Danilenko and N. V. Rubtsova. *Comparative analysis of a tourism*

- cluster in the Baikal region: role of cooperation as a factor of development. *Economy of region*, vol. 1, n. 2, pp. 115 – 130, 2014.
- [16] Nordin, S. “Tourism clustering and innovation- path to economic growth and development”, n.2003:14, *ETOUR*, Östersund, Sweden, 2003.
- [17] Ö, Sölvell, G. Lindqvist and C. Ketels. “The Cluster Initiative Greenbook”. Stockholm: Ivory Tower, 2003.
- [18] Ö, Sölvell. *Long-Term Strategy for Dubai Building on Innovation and Clusters*. En: Ali Tawfik Al Sadik and Ibrahim A. Elbadawi, “The Global Economic Crisis and Consequences for Development Strategy in Dubai”, Palgrave Macmillan, pp. 155-182, 2012.
- [19] Observatório do Turismo da Cidade de São Paulo – SPTuris “São Paulo: capital de los negocios y de los grandes eventos”. <http://imprensa.spturis.com.br/press-kits/sao-paulo-capital-de-los-negocios-y-de-los-grandes-eventos>, 2017.
- [20] S. Lee and P. Monge. “The coevolution of multiplex communication networks in organizational communities”. *Journal of Communication*, vol. 61, n.4, pp. 758-779, 2011.
- [21] S. Sacchetti and E. Tortia. The extended governance of cooperative firms: inter-firm coordination and consistency of values. First published: 8 January, 2016.
- [22] Y. Atouba and M. Shumate. ‘Interorganizational networking patterns among development organizations’. *Journal of Communication*, vol.60, n.2, pp.293-317, 2010.