

## STRATEGIC GROUPS IN HOTEL INDUSTRY: EMPIRICAL EVIDENCES

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### 1. Introduction

Tourism is an economic activity of paramount importance in certain countries (or regions). It can have a decisive role in triggering the economic development of the regions where, in some cases, there are no other sources of economic growth or development. Tourism can also be used as a strategic tool to take full advantages of the promotion of natural, historical, and cultural aspects of depressed regions. Lima (2006) agrees that the hospitality industry is one of the core industries in supporting the development of touristic activities. The selection of the tourism industry (as a case for analysis) was based on the importance of this activity to economies at national, regional, or local levels. The *Serra da Estrela* Tourism Region (SETR) provides empirical

evidence on the strategic actions (with regard to the interest of the existing tourism) developed by hospitality firms.

The debate around the theme of strategic groups has been receiving special attention in the context of strategic management and industrial organisation fields (e.g. Porter, 1980; McGee and Thomas, 1986; Peteraf and Shanley, 1997; Houthoofd and Heene, 1997; Dranove *et al.*, 1998; McGee, 2006). According to Porter (1980), firms competing in a given industry may display different strategies, since each industry can be composed by different strategic groups (i.e., groups of firms that adopt similar strategies with regards to certain key variables). These strategic groups can be formed by one or several firms. Within the same group, firms tend to be very identical, and therefore they both respond in a similar manner to economic turbulence. They also recognise that their mutual dependency accommodate each others' reaction in a very precise manner.

According to Silva (2004), the scientific research about the impact of tourism on economies has been characterised by a slow development, although the growth of the industry itself has been very impressive over the last years (in contrast with other industries). Given the important role of tourism on the SETR, and due to the limited availability of studies on the evolution of the industry in the region, this research aims to analyse the types of strategies adopted in business located within the SETR, and to identify the (un)existence of strategic groups.

This paper is structured as follows: following this introduction, the literature review allows clarifying a set of concepts related to strategic analysis and to strategic groups. In the fourth section, a case study is presented by proposing the unit of analysis, research methodology, characterisation of the study sample, and the data collection methods. In the fifth section, the analysis and discussion of the research results are presented. In the end, the final considerations, limitations and future lines of research are addressed.