

Competitive Advantage in Rural Tourism: Analysis of the Strategic Resources by Farm Hotels

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Abstract

The possibility of experiencing activities different from the everyday agitation and having a more intimate contact with nature has directed many tourists to the countryside. To exploit this niche market the rural entrepreneur becomes a strategist in search of new business possibilities that meet this demand. In the area of strategic management, one of the issues that has attracted attention from scholars is the reason that allows companies to develop and maintain a competitive advantage over other competitors. Following this reasoning, this work analyzes the farm-hotels from the perspective of RBV (Resource Based View), whose theory considers the internal factors of a company as determinants of its superior performance. The objective of this research is, therefore, to identify and evaluate the strategic resources that support the competitive advantage of farm hotels based on the analysis of two enterprises: one located in the State of Ceará and the other in Pernambuco. It is a research of a descriptive nature that adopted as an instrument of data collection an open questionnaire, in addition to a semi-structured interview to deepen the information obtained. Among the observations made during the study, it was possible to identify that physical resources, such as location, and human resources, especially customer service, can be seen as strategic resources that support the competitive advantage of this type of enterprise.

Keywords: Strategic resources; Rural Tourism; Farm hotel; RBV.

Resumo

Vantagem Competitiva no Turismo Rural: Análise dos Recursos Estratégicos de Hotéis fazenda

A possibilidade de experimentar atividades diferentes do agito do cotidiano e de ter um contato mais íntimo com a natureza tem direcionado muitos turistas para o campo. Para explorar esse nicho de mercado o empresário do setor rural passa a ser um estrategista em busca de novas possibilidades de negócio que atendam a esta demanda. Na área da gestão estratégica, uma das questões que vem despertando atenção dos estudiosos diz respeito à razão que permite às empresas desenvolverem e manterem vantagem competitiva em relação aos demais concorrentes. Seguindo este raciocínio, este trabalho analisa os hotéis-fazenda a partir da perspectiva da RBV (Visão Baseada em Recursos), cuja teoria considera os fatores internos de uma empresa como determinantes do seu desempenho superior.

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O objetivo desta pesquisa é, portanto, identificar e avaliar quais recursos estratégicos sustentam a vantagem competitiva dos hotéis-fazenda a partir da análise de dois empreendimentos: um localizado no Estado do Ceará e outro em Pernambuco. Trata-se de uma pesquisa de natureza descritiva que adotou como instrumentos de coleta de dados um questionário aberto, além de uma entrevista semiestruturada para aprofundamento das informações obtidas. Dentre as observações realizadas no decorrer do estudo foi possível identificar que os recursos físicos, como a localização, e os recursos humanos, em especial o atendimento, podem ser vistos como recursos estratégicos que sustentam a vantagem competitiva deste tipo de empreendimento.

Palavras-chave: Recursos Estratégicos; Turismo Rural; Hotéis-Fazenda; RBV.

Resumen

Ventaja Competitiva en Turismo Rural: Análisis de los Recursos Estratégicos para Hoteles rurales

La posibilidad de probar diferentes actividades ajeteo de cada día y tener un contacto más íntimo con la naturaleza ha atraído a muchos turistas al país. Para explotar este nicho de mercado la empresa en el sector rural se convierte en un estrategia en busca de nuevas oportunidades de negocio que satisfagan esta demanda. En el área de la gestión estratégica, una de las cuestiones que vienen mereciendo atención de los estudiosos tiene que ver con la razón que permite a las empresas desarrollar y mantener una ventaja competitiva en relación a los otros adversarios. Según esta línea de pensamiento, este trabajo analiza los hoteles rurales desde la perspectiva de la RBV(Visión Basada en los Recursos) cuya teoría considera que los factores internos de una empresa como determinantes de su rendimiento superior. El objetivo de esta investigaciones, por lo tanto, identificar y evaluar los recursos estratégicos que sustentan la ventaja competitiva de hoteles agrícolas a partir del análisis de dos proyectos: uno ubicado en el Estado de Ceará y uno en Pernambuco. Se trata de una investigación descriptiva que adoptó como instrumentos de recolección de datos un cuestionario abierto, y una entrevista telefónica semiestruturada para profundizar en la información obtenida. Entre las observaciones hechas durante el estudio fue posible identificar los recursos físicos tales como la ubicación, y los recursos humanos, en particular el servicio puede ser visto como recursos estratégicos que sustentan la ventaja competitiva de este tipo de empresa.

Palabras claves: Recursos estratégicos; Turismo rural; Hoteles rurales, RBV.

INTRODUCTION

The countryside is the second preferred destination of Brazilian tourists, only behind beaches (BRASIL, Ministério do Turismo, 2013). To get away from the big cities and the traditional tourist destinations, travelers find in the countryside the opportunity to try activities different from those they experience in their everyday agitation and also have a closer contact with nature. This possibility makes tourists increasingly enjoy this type of tourism, known as rural tourism (BRASIL, Ministério do Turismo, 2013).

With the growing interest for the countryside, the perception of the rural environment starts to transcend the mere use of the land, comprising increasingly diverse practices of use, such as activities related to leisure and the provision of food and hosting services (OKECH; HAGHIRI; GEORGE, 2012). In this panorama, rural sector entrepreneurs also need to be strategists to explore the new business

opportunities brought by the rural environment, evaluating the reality in which they are inserted and verifying the feasibility of remaining in this field (BROOKER and JOPPE, 2013; ROQUE and VIVIAN, 1999).

Several services can be performed in rural areas and attract tourists to the countryside, such as tree climbing and nature trails. For the purposes of this research, emphasis will be given to farm hotels, since these enterprises are considered key pieces for the good development of rural tourism in a particular place. By offering activities related to the countryside and allowing the tourist to experience the rural life, even taking part in the local routine (BROOKER and JOPPE, 2013; ROQUE and VIVIAN, 1999), this type of enterprise can significantly contribute to the improvement of this type of tourism that aims to add value to the region and promote the natural and cultural heritage of the place (BRASIL, Ministério do Turismo, 2003).

Farm hotels differ from the other types of lodging because they use the rural space as one of their most attractive resources. However, there are several other resources that are important to keep them competitive and that can be studied by researchers of strategic management. Some of the issues that draw the attention of these researchers and that can be applied to the several types of services are the reasons that allow companies to develop and maintain a competitive advantage compared to their competitors. To analyze these issues, the Structure-Conduct-Performance (SCP) paradigm defended by Michael Porter receives significant acceptance to date. According to this line of thought, the performance of companies would be primarily determined by the industry structure and by their conduct, that is, by the strategy adopted by enterprises (PORTER, 1986).

On the other hand, another current theory defends internal factors as important determinants for this superior performance. This theory, proposed by the Resource-Based View (RBV), emerged with the goal of developing tools to analyze the company's position before the resources used by it and, from this, propose strategy options to be followed by the organization (WERNERFELT, 1984). According to the RBV, specific resources are crucial for generating profit to the companies. This view contributes to the studies of competitive advantage by arguing that, for a company to have competitive advantage, it must implement a strategy to create value that is not used at the same time by any competitor (BARNEY, 1991; GRANT, 1991).

Based on this perspective and considering the situation of rural tourism, this study aims to identify the strategic resources and evaluate which of them support the competitive advantage of farm hotels, which are understood as key parts in the development of this sector. With this, we expect to contribute to the advancement of the scientific knowledge in the area and provide to managers of rural tourism enterprises an analysis of their business from the point of view of their internal aspects.

This article is divided into five sections, in addition to this introduction. The first part of the theoretical framework covers the basic concepts of rural tourism and the role of farm hotels in this scenario. The second part shows a brief overview about the RBV. The third part describes the methods used, the fourth part presents and analyses the collected data, and, lastly, the fifth part consists of the final considerations.

UNDERSTANDING RURAL TOURISM AND FARM HOTELS

Rural tourism, characterized by the set of tourist activities developed in rural areas and committed to the agricultural production, stands out from other tourism modalities because it adds value to the products and services provided in the region in which it is developed, besides promoting the cultural and natural heritage of the community in which it is inserted (BRASIL, Ministério do Turismo, 2003).

The expansion of tourism in rural areas, as well as of scientific studies and research related to this type of tourism, has become noticeable in Brazil since the 1990s, although this activity had already started to grow in Europe and in the United States since the 1960s, because of the economic development that came from industrialization and the labor achievements won after World War II (CANDIOTTO, 2010; TULIK, 2003).

Since 1990, when rural tourism started to be seen as an alternative of local development for Europe and the world, the interest in this activity grew significantly because of the constant search of tourists for attractions that provided the tranquility not found in urban centers, the contact with the simple countryside life, and also the sustainable development of the place visited (CANDIOTTO, 2010).

Several definitions have been related to rural tourism, such is the scope of this activity. Beni (2002) associates this type of tourism to the displacement to rural areas for enjoying the scenery and rural facilities. Other authors, in turn, consider any type of activity carried out in the rural environment as part of rural tourism. Candiotto (2010) separates the activities carried out in the countryside, such as agrotourism and ecotourism, from the activities involving the traditional rural production, such as agriculture and animal husbandry, the latter ones considered indeed as features of rural tourism.

Although there is a wide discussion on the conceptualization of this type of tourism, this research will adopt the definition of rural tourism defended by Candiotto (2010), in agreement with Silva and Almeida (2002), who restrict this sector to the cases in which the traditional rural activities play a key role in the tourists stay and they take part or only observe them.

This concept of rural tourism was also considered in the analyses of the tourist enterprises of this study, to identify whether the strategic resources of the farm hotels have contributed to the strengthening of this activity. Moreover, tourist enterprises are defined as the facilities and services that are key to the development of tourism in a given location (LOHMANN; PANOSSO NETTO, 2008; BARRETO, 1991). Only farm hotels, a specific type of tourist enterprise in the rural environment, will be analyzed in this study.

Considering the diversity of businesses that are part of the tourism industry, including rural tourism, one can observe that hotel enterprises play a key role in the development and maintenance of this activity. By being part of the local tourism supply and being also responsible for the characterization and expansion of the demand of tourists for a given location, the hospitality industry can be identified as a major pillar of tourism in a region (GOHR; SANTOS, 2010). In some rural areas, the farm hotel can be the main or the only tourist attraction in the

city, thus being both the motivation and the support structure for the tourists who seek it.

In addition to the dynamism of the sector, constant market changes and fierce competitiveness show the challenge and the need for managers to develop strategic resources that promote the sustainable development of their enterprise. The great diversity of destinations and hospitality types (such as hostels and vacation rentals, for example), the presence of national and international networks in the hotel sector, the new business models of collaborative consumption, the constant search for tourist satisfaction, besides the importance of gaining recognition and legitimacy in the market are aspects that reinforce the need to improve the processes of strategic management of hotels, broadening their level of professionalization (WILKE; RODRIGUES, 2013).

In addition to these factors, the hospitality industry has some peculiarities that challenge the strategic management of managers. The constant need for investment in hotel infrastructure modernization is an example (GOHR; SANTOS, 2010). On this aspect, Gorini and Mendes (2005) point out that these tourist facilities need to undergo substantial renovations every 10 years on average, because of the risk of losing competitive advantage compared to the other competitors in the market.

Thus, the strategies adopted by companies of tourist services have a decisive nature on the tourist activity from a place (GOHR; SANTOS, 2010; SILVA; BARRETO, 2015), which requires continuous attention from the organization for it to maintain and increase its competitiveness and survival in the market (SILVA; BARRETO, 2015).

In the field of science, researches have analyzed the strategies used by tourist destinations and companies, especially marketing (STOKES, 2008). Concerning the studies that specifically analyze the strategy of companies in the hotel sector, one can find topics such as performance and individual competitive advantage, tourism cluster (SANTOS, 2007), and competitiveness (GOHR; SANTOS, 2010), as Wilke and Rodrigues (2013) point out.

Regarding RBV and the hotel sector, the studies by Santos, Gohr, and Cruz (2011) and Zonatto, Schuh and Zonatto (2014) stand out, the former addressing hotels from Mato Grosso do Sul with high flow of business tourists and the latter connecting strategic resources, innovation, and network cooperation in three hotel organizations located in Rio Grande do Sul and Santa Catarina.

UNDERSTANDING THE RESOURCE-BASED VIEW (RBV)

Known as Resource-Based View (RBV), this view originates in the studies of Edith Penrose, who, in 1959, researched the growth of companies and attributed its causes not only to external factors, but also to internal factors derived from the company's resource set. In other words, companies began to be seen as a portfolio of resources rather than a portfolio of products, and their profit depends on the resources they have (PENROSE, 2006; WERNERFELT, 1984). Thus, the greater the resources and skills of a company, the greater its profit.

From the ideas of Penrose, Wernerfelt (1984) starts to use the term Resource-Based View, encouraging several scholars to try to explain how companies have different performances being located in the same industry. These studies then started to consider the resources that companies had and that maintained their competitiveness.

According to Barney and Hesterly (2011), the RBV is based on two premises: heterogeneity of resources, which means that different companies can have different resources even competing in the same sector; and immobility of resources, which relates to the fact that both the resources and the skills can be very high-cost to be developed or acquired.

The meaning that the word “resources” has in the RBV is far beyond the tangible goods of the company, because it extends to “all assets” of an organization, including the skills, knowledge, and attributes that allow it to implement strategies aimed at its efficiency and effectiveness in the market. That means that organizations are beginning to be seen as a set of resources, which are tangible or intangible (BARNEY, 1991; WERNERFELT, 1984).

Following this reasoning, resources can be classified into four categories, as Chart 1 shows:

Chart 1 – Classification of resources

All money from entrepreneurs, shareholders, creditors, banks, in addition to the retained earnings used to create and implement strategies.	Financial resources
All physical technology, such as hardware and software equipment, in addition to the geographical location.	Physical resources
Training, experience, intelligence, relationship, point of view of managers and other employees.	Human resources
Formal reporting structure of the company, formal and informal planning systems, control and coordination, culture and reputation, in addition to informal relationships between the groups.	Organizational resources

Source – Barney and Hesterly (2011)

Such features can be viewed as determining factors of the gains and competitive advantage of an organization, although not all of them can generate high levels of economic gain. For the resources to be considered strategic, that is, generating competitive advantage, they must be simultaneously: valuable; rare among competing firms and potential competitors; imperfectly imitable; not strategically replaceable by another resource (imperfectly replaceable); and organizable (explored by the organization). From this set of features emerges the VRIO model, which means: Value, Rarity, Imitability, and Organization (BARNEY and HESTERLY, 2011).

The applicability of the VRIO model allows one to evaluate each resource or a skill (which is not the focus of this study) in terms of generation of competitive advantage. The idea is that, if the resource is valuable, i.e., “when one allows a company to design or put into practice strategies that improve its efficiency and effectiveness” (BARNEY, p. 103, 1991), but not rare, its exploration to develop

it will generate competitive parity, that is, other competitors can also have the same resource, and stop exploring it can put the business at a competitive disadvantage. If a resource is valuable and rare, but the cost to imitate it is not high, the company will have a temporary competitive advantage, since another company can purchase it or develop it at any time. Now consider that the resource is valuable, rare, and difficult to imitate. Exploring this resource will generate a sustainable competitive advantage, since a competing company will have a high cost to imitate it, which will put it at a disadvantage (BARNEY and HESTERLY, 2011).

It is worth mentioning that, for a competitive advantage to exist, the strategy must add value to the company without the possibility of other competitors easily “imitating it.” That does not mean that the competitive advantage will last forever, only that it will not be surpassed by competitors (BARNEY, 1991). In this sense, a company has a competitive advantage when it is able to generate greater economic value than its competitors (BARNEY and HESTERLY, 2011).

When addressing competitive advantage, Grant (1991) points out four characteristics of resources and skills that are crucial for their sustainability: durability, transparency, transference, and replicability (the latter is understood as Barney’s imitability, 1991).

Such as Grant (1991), Peteraf (1993) also addresses competitive advantage, but differently, designing a general model of resources and performance capable of integrating the several research trends and offering a common denominator, namely, facilitating the continuous dialogue between scholars. This model of competitive advantage has some conditions that must be met for the company to enjoy the profits. One of the conditions proposed by Peteraf (1993) is the heterogeneity of resources, a basic assumption of resource-based studies, as Barney (1991) also mentions. According to this assumption, heterogeneity is presumed by the competitive advantage and causes differences of economic performance in the companies, since some have low profitability and others have high profitability compared to the market average. Thus, the control of companies for these resources that generate superior performance assumes that their supply is limited and that this restriction can be temporary or permanent (VASCONCELOS and CYRINO, 2000).

According to the literature used for this study, the VRIO model will be considered to evaluate the resources identified, that is, to analyze each feature of value, rarity, imitation, and organization to achieve the objective of this study and, therefore, evaluate whether the resources explored by the organizations will provide some type of competitive advantage for them.

METHODS

This is a descriptive study, as it aims to describe the strategic resources that are seen as sources of competitive advantage for the analyzed farm hotels. According to Gil (2009), this type of research has the main objective of describing the characteristics of a particular population or phenomenon or, then, of establishing the relationship between variables.

A qualitative case study approach was used, seeking to answer “how” and “why” certain phenomena occur (YIN, 2005). The analysis unit consisted of two farm hotels located in Pernambuco and in Ceará, both prominent tourist facilities to the rural tourism of these states. For reasons of confidentiality, the enterprises will be represented as Hotel A and Hotel B. Initially, we sought to identify the characteristics of each hotel and how they work. From open questions, we were able to identify the resources used by the enterprises and to categorize them as physical, human, organizational, and financial, according to the Barney and Hesterly's (2011) definition. Then, we tried to evaluate the resources according to the VRIO model previously discussed. We highlight that this research consisted of two case studies of companies from different locations.

The data used in the study comes from primary sources, collected from the reports of managers and/or owners of the analyzed hotels; from the observation of online pages of the enterprises, such as websites and social media; and from travel websites, to verify the customer feedback about the hotels. However, we mainly recorded the information provided by the managers, since the focus lies on their ability to develop their business based on resources.

The enterprises were chosen according to accessibility and availability to participate in the research, in addition to their representation in the industry. We sought those that had websites, so we could explore the information in accordance with the data obtained by the questionnaire.

Regarding the data collection tools, we used a script with open questions, which was sent by email and answered by the managers of the establishments. This tool was used at the request of the respondents for the sake of time and ease. After the return of the questionnaires, we conducted a semi-structured interview by telephone to complement the data obtained. The research was carried out during July 2016.

DATA PRESENTATION AND ANALYSIS

With the information collected from the questionnaires and the institutional information available on the internet, it was possible to build an overview about each enterprise to characterize them in terms of operation.

a) Hotel A

Hotel A is located on a highway in the state of Ceará and is already in this industry for more than five years. With an area of 500,000 square meters, the enterprise has lakes, miradors, and several plantations, such as sugar cane, coffee, orange, avocado, mango (from which the pulp is extracted), among others, in addition to a vegetable garden. The hotel also has a gym, a volleyball field, a soccer society field, two children's pools and one adult pool, a restaurant, and a cafeteria. The daily rate for couples ranges between 250 BRL for a standard apartment to 350 BRL for luxury suites, in the low season. In the new year's eve period, the rates for couples reach 600 BRL.

Several activities can be carried out in the place, such as horse ride, chariot ride, zip line in the woods, zip line in the lake, tractor ride, mirador view, trails,

waterfalls, and climbing. There are also seasonal activities, such as live music in the restaurant, concerts with bonfire, Northeastern bingos, and cinema for kids. Concerning the structure of the hotel, it has 48 rooms and eight more under construction, besides a convenience store. Regarding infrastructure, the management draws special attention to it, stating that the hotel undergoes expansion every year. Still according to them, this enterprise is considered the largest hotel structure in the region of Ceará, receiving tourists from various parts of the country, mainly from Piauí (around 50%).

Concerning the work force, thirty employees are involved in the business. Most of them had a high school education level, and only four or five employees had higher education. The society is formed by three partners who are part of the same family, and one of the hotel managers/owners has a degree in business administration, but also helps in occasional activities when necessary.

b) Hotel B

Hotel B has nine years of operation and is located in inland Pernambuco, with a structure of 78 rooms and an average daily rate of 450 BRL for a double room. It started as a simple inn that was growing according to the market demand and the media attention to that region. The farm was acquired by one of the partners (three members of the same family) 12 years ago, and he had already bought the land thinking about creating some business focused on rural tourism or ecotourism.

With approximately 80 hectares, the hotel is located in an area of environmental preservation and has a structure equipped with water park with three pools (one of them for kids), soccer field, waterfalls, game room, four lakes, private waterfall, restaurant, enclosed space for events, as well as plantations of fruits, vegetables, and roots. Among the leisure activities offered by the hotel are nature trails, milking, sport fishing, recreational fishing, stand up paddle on the lake, horse ride, and zip line. One can also roast corn on a fire, feed animals, visit plantations, dance *forró pé de serra*, ride a quadricycle, perform hot air ballooning, and watch the sunset in a place of historical importance to the country.

During the research, the hotel had 40 employees with education level ranging from high school to technical, college, and master's degree. The management has formal knowledge in tourism, business administration, law, and economics. It is worth noting that this enterprise has received numerous awards for its actions and services.

In search of the strategic resources of farm hotels

Based on the resource classification established by Barney and Hesterly (2011), the features of each hotel were connected and separated according to the type of resource identified. This information is summarized in Charts 2 and 3. The resources will be described with further details afterwards to facilitate the understanding of the relationships established.

a) *Hotel A***Chart 2 – Resources of Hotel A**

Features of Hotel A	Resources
Location; Advantageous agronomic conditions; Quality infrastructure; Access ramps and rooms appropriate for people with reduced mobility; Special spaces for children; Variety of leisure activities.	Physical
Capital reserve (own resources); Assets (profits from another enterprise).	Financial
Skilled workers with SEBRAE courses; Multipurpose employees; Hospitality and differentiated service.	Human
Hierarchical structure; Commitment of employees.	Organizational

Source – Research data

Concerning physical resources, Hotel A has several features that are similar to other farm hotels, such as leisure activities (horse ride, zip lines, and trails) and special spaces for children (such as swimming pools and playground). It stands out, however, for providing occupations such as climbing wall and movies, which are a success among the kids. The interest in directing part of the resources to children is notable in the actions of the hotel, including in the management discourse, which says this is its greatest marketing strategy: “after three to four months, the children are asking their parents to return, besides publicizing the hotel at school for their friends.”

Another essential physical resource to the hotel is its location, as it is situated in a region with mountains, with pleasant climate and temperatures ranging between 16 and 20 °C. The altitude of the place helps the development of activities such as the zip line in the cliff, an attraction that highlights this enterprise from the others, because, according to the management, it is the second largest zip line in the country, attracting many tourists who like extreme adventures.

The several plantations favored by the agronomic conditions meet the consumption demand of the hotel, reducing costs with raw materials, and, in times of harvest, the fruits are distributed to guests and staff, increasing their satisfaction. The fact that the hotel offers a structure of accessibility for people with reduced mobility also stands out. This infrastructure deserves attention because it is hardly found in hotels of this segment.

Regarding financial resources, the investment of Hotel A comes from the equity of the shareholders, besides profits from another enterprise they have. Initially, there was no intention to implement a farm hotel; the business emerged after the purchase of the farm for another enterprise, but, over time, the partners decided to invest in the construction of the hotel.

Concerning the employees involved in the enterprise, most of them has a high school education level, a common feature to other hotels in this industry,

and only a few managers have higher education. The fact that the employees are considered multipurpose by the management stands out because, in addition to their duties, they learn several other activities to meet any urgent demand promptly. The very owner carries out several tasks, even operational ones, when needed.

For this enterprise, a good service is something essential for guests to feel at ease, “as if they were among friends.” The idea is that customers connect with the hotel and staff and feel free to give some kind of feedback.

Regarding organizational resources, the hierarchical structure of Hotel A is lean and apparently efficient, since each area has a specific manager. There is, for example, a person responsible for the logistics of distributing staff tasks for a better control, since the hotel offers several leisure options for guests and tourists who purchase the day use package, a package that includes spending the day at the hotel enjoying several activities and the structure of the enterprise.

In the management point of view, hotel A has a good position compared to farm hotels of the region because of its superstructure. Concerning its differentials, the leisure activities and the service were the factors cited, which shows the importance of physical and human resources to the success of the enterprise. We present below the chart that shows the resources found in Hotel B and subsequently a more detailed analysis of it.

b) Hotel B

Chart 3 – Resources of Hotel B

Features of Hotel B	Resources
Infrastructure consistent with the rural and farm environment; Advantageous location and agronomic conditions; Variety of leisure activities; Large rooms.	Physical
75% of the investments were made from bank loans; 25%, from capital reserve (equity).	Financial
Skilled workers; Multipurpose employees; Manager's point of view; Hospitality and differentiated service.	Human
Hierarchical structure; Commitment of employees; Social and environmental responsibility policy; Active participation in local associations; Feeding system with three meals included in the daily rate.	Organizational

Source – Research data

Regarding physical resources, Hotel B stands out for its infrastructure, which fits the proposal of a rustic environment and a rural scenery, drawing the attention of the guests. Another important feature are the rooms, which, besides being quite large (40 m²), have a balcony with hammock area, providing greater comfort to tourists and hence greater satisfaction in their stay.

The hotel is located in an environmental protection area, close to the most famous waterfalls in the region, a tourist attraction quite visited for appreciation of the sunset. It is helped by the geography of the region, which offers a mild climate and advantageous agronomic conditions. There are several plantations of fruits, vegetables, roots, and tubers that are used in the hotel consumption, some offered to tourists and others sold.

The variety of leisure activities and the available physical structure contribute to the attractiveness of the hotel. There are, for example, chlorinated water swimming pool and also a swimming pool with natural water for those who wish to have this experience. During recreational activities, there is the possibility of direct interaction with the routine of the rural environment, such as milking cows, feeding the animals, and fishing. These actions are consistent with the real proposal of rural tourism and help visitors have a unique experience in the place.

Concerning the financial resources, most of the capital invested in the hotel comes from bank loans, whose high financial costs (interest) limit the profit of the enterprise. Despite this, the management is satisfied with the results of the business and claims they can handle the expenses involved in the maintenance and expansion of the hotel.

As stated by King (1995), the practice of hospitality can be a differential between competitors and a source of competitive advantage, because the goal is to improve customer satisfaction. Hereupon, it is worth noting that the employees receive constant training updates and that the owners actively take part in the hotel everyday activities, because, according to the management, there is a policy of good service in which customers are literally served by the owners, to achieve customer satisfaction.

The manager's point of view also stands out regarding human resources. Recently, the owners started an investment in ecological brick machines to use in the expansion of the hotel. The proposal is to work as a condominium/hotel as a result of the construction and sale of flats located in the enterprise itself.

Regarding organizational resources, the organization chart of Hotel B is well-defined and lean. The concern with social and environmental responsibility stands out in this enterprise, being a noticeable policy in the organization. There are, for example, activities carried out with the community in festive dates, absorption of local work force (80% of the employees are from the countryside of the municipality), and practices such as delivery of used cooking oil for a company specialized in its reuse and also use of leftovers for compost.

The active participation in municipal, state, and federal associations and also the creation of a local association highlights the attention of the management in developing collective actions and integrating the tourist trade of this sector. Zonatto *et al.* (2014) emphasizes the importance of cooperation networks for an organization to differentiate itself from others and seek competitive advantage over its competitors.

This hotel commercializes the day use package, a common practice among the hotels of this sector, also providing the feeding system with three meals included. The latter information can be seen as a differential, as it adds value to the enterprise. According to the commercial director, the location, the landscape, the climate, the tour options, and the customer service are the factors that most differentiate the hotel from the competitors in the region.

Generating competitive advantage

Considering Barney and Hesterly's (2011) VRIO model, it was possible to evaluate which resources led to the construction of sustainable competitive advantage as a result of their value, rarity, imitability, and proper exploration by the organization. The charts below show the resources according to this model:

Chart 4 – Evaluation of the resources of Hotel A

Features of Hotel A	Resource
<ul style="list-style-type: none"> • Valuable: adapted to receive people with motor disabilities, with several compliments from clients in travel websites • Rare: after a search on travel websites, no hotel in this category showed a superior capacity of hotel infrastructure than this one, considering the region given the certainty of direct competition • Imperfectly imitable: no hotel in the region shows the capacity to maintain the same infrastructure or something similar • Explored by the organization: the geographical condition of the land contributes beyond the immense extension 	Quality infrastructure
<ul style="list-style-type: none"> • Valuable: customers praise it and publicize it to friends • Rare: few hotels present this quality • Imperfectly imitable: organizational culture influences • Explored by the organization: SEBRAE qualification as support 	Quality service
<ul style="list-style-type: none"> • Valuable: supply of raw material and stimulus to gastronomy/ tourism • Rare: no hotel in the region has the same landscape of this hotel • Imperfectly imitable: geographical aspect • Explored by the organization: the geographical condition of the land contributes beyond the immense extension 	Geographic location
<ul style="list-style-type: none"> • Valuable: unity of the workforce, motivation and love for what they do • Rare: few hotels manage to motivate employees, usually the turnover is high • Imperfectly imitable: organizational culture influences • Explored by the organization: organizational culture influences 	Commitment of employees

Source – Prepared by the authors

Of the thirteen resources found (Chart 2), only four provided the company with a sustainable competitive advantage, and they were: location, infrastructure, quality service, and commitment of employees. Location is one of the important strategic physical resources considered by Barney and Hesterly (2011) and that is easily applied to farm hotels.

In the context of the hotel sector, having a room with a bathroom is something quite common among lodging facilities, thus, in this respect, it is not a rare resource; on the other hand, having a room overlooking a beautiful landscape, as is the case of this hotel, can be a rare resource, since some factors make the imitation of competitors more difficult, such as natural factors (VASCONCELOS and CYRINO, 2000). This landscape is explored by the construction of a mirador “very appreciated by tourists,” according to information from the management.

Having a structure that allows access to people with disabilities can be considered valuable and rare, as not all hotels of this category have it; however,

it is not difficult to imitate and explore it, thus it will only generate a temporary competitive advantage to the company (BARNEY and HESTERLY, 2011). On the other hand, the infrastructure of the hotel as a whole can be considered as a sustainable competitive advantage, since it is hard to be imitated by the high costs involved.

Although the agronomic conditions are advantageous, as it is a valuable resource since food production leads to a decrease in the expenses of the hotel, it is not a rare feature, because this type of enterprise is usually built on farms with quality land for planting and this is a common practice of hotels of this segment. Therefore, this resource allows a competitive parity, meaning that, if it is not properly explored, it will generate a cost disadvantage (BARNEY and HESTERLY, 2011).

The same occurs with the variety of leisure activities and special spaces for children, because these are features present in several enterprises of this sector. Thus, even being valuable to explore opportunities such as the word of mouth marketing of children, those resources are not rare and generate only competitive parity.

Below, we evaluate the resources of Hotel B, and then we detail the established relationships.

Chart 5 – Evaluation of the resources of Hotel B

Features of Hotel B	Resource
Valuable: proximity to customers and long-term view Rare: entrepreneurial skills Imperfectly imitable: knowledge and motivation hinder the imitation by competitors Explored by the organization: expansion of the hotel with ideas of environmental preservation	Manager's point of view
Valuable: proximity between client and organization Rare: few hotels present this quality Imperfectly imitable: organizational culture influences Explored by the organization: SEBRAE qualification as support	Quality service
Valuable: supply of raw material and stimulus to tourism in the region Rare: no hotel in the region has the same landscape of this hotel, which has an important tourist attraction inside the property Imperfectly imitable: tourist attraction inside the property Explored by the organization: proximity to tourist attractions to attract customers	Geographic location
Valuable: Unity of the work force and mainly zeal with guests/ customers Rare: few hotels manage to motivate employees, usually the turnover is high Imperfectly imitable: organizational culture influences Explored by the organization: organizational culture influences	Commitment of employees

Source – Prepared by the authors

This chart shows that, of the 16 resources identified in Hotel B, only four generate sustainable competitive advantage. This is due to the fact(*continues...*)

that these resources are valuable, rare, difficult to imitate, and explored by the organization. In Hotel A, the number of resources that generate this type of advantage was the same as in Hotel B, but the total amount of resources identified was lower (16 in Hotel B and 13 in Hotel A).

The location is an important strategic resource for both hotels. Located in an area of environmental preservation, with pleasant climate and close to major tourist attractions of the region, some even inside its property, Hotel B has this rare and difficult to imitate resource as one of its main strengths in the market.

Similar to Hotel A, the agronomic conditions and the variety of leisure activities generate competitive parity for Hotel B, as they are not rare nor difficult to imitate. The same takes place with the financial resources, skilled work force, multipurpose employees, and feeding system with three meals included. Although Hotel A does not have this last resource in its organization, we observed that it is a common practice to other farm hotels in the state of Pernambuco after analyzing travel websites.

The differentiated service is almost a “trademark” in enterprises of this sector. In both hotels, we noticed a big emphasis on quality service and hospitality, the latter in accordance with Andrade and Polo (2016), who proposed a theoretical model in which managers and customers consider hospitality a strategic resource for the hospitality sector, thus potentially generating competitive advantage.

In Hotel B, there is the active participation of the owners in direct customer service. We highlight the fact that the owners receive tourists paying maximum attention to their demands along the stay, always with the intention that they leave satisfied and return soon.

The manager’s point of view is another human resource that deserves attention in Hotel B. His discourse has noticeably the intention to expand the business and improve the local infrastructure, sometimes bearing costs that would be the responsibility of the public authorities, for example. There is also the view of collectivism, such as the participation in associations, and of sustainability, which include the social and environmental responsibility actions adopted by the hotel. These aspects show that the manager’s point of view, as well as the commitment of employees, generates a sustainable competitive advantage for the enterprise.

FINAL CONSIDERATIONS

From the information obtained in this research, we could observe that farm hotels are inserted in the dynamic sector of rural tourism, with a positioning that can be considered strategic for the development of this activity. The integration with the local community and the appreciation of rural practices are factors that can strengthen the countryside culture and help to preserve the nature of these places.

Unlike hotels located in urban areas, farm hotels generally do not work with economies of scale, because they have a reduced number of rooms and, to achieve a good profitability, they need to explore other resources, such as the

location in an attractive and pleasant environment, enabling a closer contact with nature and with the rural way of life. Therefore, this physical resource is of essential importance for this type of enterprise, and it may generate a sustainable competitive advantage, as seen in both cases under study.

Regarding organizational resources, we highlight the commitment of employees and their involvement in the workplace, aiming to generate more customer satisfaction. Concerning human resources, customer service and hospitality also stand out in both cases, in addition to the variety of attractions and leisure activities that are developed in each place. We highlight, for example, the practice adopted by the owners of directly receiving the tourists and talking to them to solve any complaints when needed, emphasizing these feedbacks for improving the service.

One can imply, therefore, that the physical and human resources, especially the location and service, have clear importance before the other resources of a farm hotel regarding the generation of sustainable competitive advantage for them. Several other resources, such as sustainability policies, participation in local associations, and the adaptation of the infrastructure for greater accessibility, can and should be explored. Nevertheless, one has to realize that, as these resources are liable to imitation, they will only generate a temporary competitive advantage or a competitive parity, if they are not rare.

It is valid to remember that we had no intention to compare the case studies analyzed, but to describe in detail the resources that each one had in their particularity and local reality. However, some comparisons were carried out during the analyses to facilitate the understanding and better discuss the theory used.

One of the contributions brought by this research is the use of a simple and practical model as the VRIO model to evaluate the strategic resources objectively in scientific research. From the qualitative approach, in this case based on the discourses of the managers of the farm hotels surveyed, it was possible to identify and evaluate the strategic resources that support the competitive advantage of these enterprises.

Although farm hotels have a prominent position in the rural tourism sector, the RBV presented a fresh and perhaps “never” imagined perspective of analysis for these managers, mainly regarding the proper importance of exploring their resources strategically. Thus, in addition to the academic contributions this study provides, there is also a marketing contribution to the strategists involved in this sector.

As in any scientific research, some limitations were found and need to be mentioned. The greatest of them was the difficulty to fit some specific resources of farm hotels in the definition of Barney and Hesterly (2011), because, although the classification was clear, the hospitality sector presents peculiar characteristics not addressed by these authors. On the other hand, we did not find other classifications that could meet the expectations of this study.

Based on the identified limitations, opportunities for further research emerge, such as the construction of an evaluation model of resources that could meet the requirements of the hospitality industry and, more specifically, of enterprises located in a natural environment, such as farm hotels. Thus, one could align the studies on RBV with the hospitality sector and rural tourism.

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Received on: 02/15/2017
Approved on: 10/05/2017

CONTRIBUTIONS

Luana de Oliveira Alves: defined the research problem and objectives; developed the theoretical proposition; performed the literature review and theoretical framework; chose the methodological procedures; carried out data collection and data analysis; prepared tables, graphs, and figures; wrote the manuscript and adapted it to the RTA standards.

Luana Alexandre Silva: defined the research problem and objectives; developed the theoretical proposition; performed the literature review and theoretical framework; chose the methodological procedures; carried out data collection and data analysis; prepared tables, graphs, and figures; wrote the manuscript.

Viviane Santos Salazar: carried out data analysis; prepared tables, graphs, and figures; performed the critical review of the manuscript; wrote the manuscript.