### Chapter 6

# Perceptions of Entrepreneurial Ecosystem in Tourism Sector: A Study in Municipality of Setúbal

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#### **ABSTRACT**

Tourism is a strategic sector for the Portuguese economic and social development in general, and for Setúbal municipality in particular. Consequently, the existence of an effective ecosystem that promotes competitive business is crucial for the region. This chapter considers how the entrepreneurial ecosystem concerning tourism sector is perceived and operates in this Portuguese municipality. The authors chose a case study research strategy, in addition to documental analysis, through which we selected 45 stakeholders to participate as a focus group, related to the entrepreneurial activity in tourism in the municipality. The evidence shows that Setúbal municipality has relevant ecosystem elements, which are determinant for the development of the tourism entrepreneurial activity in this region. However, it is not functioning systemically in a way that can generate more effective results in the entrepreneurial activity. This result is also related with the fact that tourism activity in the region is in an initial phase and it is expected that, with its continuous development, the entrepreneurial ecosystem will also grow and become stronger, being able to create more synergies that will support new businesses.

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#### INTRODUCTION

There is a trend in public policies that inspires the creation of entrepreneurial ecosystems involving different types of social actors, as a tool to promote local development. This process requires regional environmental conditions, particularly the presence of important elements identified in this chapter, as well as an effective combination among them.

It seems that entrepreneurship ecosystems have not received significant research attention in the field of tourism (Xiao, 2006; Xiao & Smith, 2007). However, because of the importance of the tourism sector to in the development of both local and national economies, it is important to understand the functioning of the entrepreneurial ecosystems in regions where this sector is relevant. The present study tries to understand how tourism entrepreneurial ecosystem is perceived and operates in Setúbal municipality.

This study pretends, specifically, on what tourism entrepreneurial activity is concerned:

- 1. To know the environmental region' conditions for its development;
- 2. To identify the elements that, combined, promote its development in the region;
- 3. To verify the region' capability to develop innovated tourism products and services;
- 4. To understand its constraints;
- 5. To understand if the adequacy of entrepreneurial ecosystem elements in the region;
- 6. To understand the existence of networks and collaborative relationships in the region able to promote its development.

We believe that the results presented in this study can contribute to useful insights about the basic conditions needed in Setúbal region, to build a local entrepreneurial ecosystem, and develop a climate of cooperation among stakeholders.

#### LITERATURE REVIEW

#### **Entrepreneurship**

There is no universally recognized definition of entrepreneurship. According with Morrison, Rimmington and Williams (2011), entrepreneurship can be related with: an economic function; ownership structure; degrees of entrepreneurship; size and life-cycle of firm; and a resource base. These economists are concerned with the subject of entrepreneurship because they see it as a means of stimulating the economy through the personal initiative in the creation of firms and jobs. The authors also understand a relation between entrepreneurship and ownership structure or the creation of a new enterprise. This approach excludes firms which have a different ownership structure, such as the shareholder-owned corporate groups, charities, or public-sector organizations because the process of entrepreneurship is not applied by, such organizations. However, authors also refer that entrepreneurship can be related with degrees of entrepreneurship and they notice that some efforts have been made to categorize the degree of innovative and creative behavior of entrepreneurship according with growth factors such as market size, return on personal investment, number of employees, and increased diversity of products/services. Also, for

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