

## **1. PUBLISHABLE SUMMARY**

### **Summary of the context and overall objectives of the project (For the final period, include the conclusions of the action)**

Hospitality and tourism (H&T) are one of the largest economic sectors in the world. Year after year investments in hospitality are growing at a good pace because of the continuous tourist market growth. Many European SMEs have developed strong capabilities to attend the big inner Europe hospitality market (especially western and Mediterranean countries).

In spite of the turbulences affecting the sector (due to political instability, natural disasters and others reasons), the hospitality investments in new and emerging tourist markets represent nowadays and for the next years a huge market opportunity.

Investments in hospitality (hotel renewals and new buildings), also known as contract hospitality; include the construction sector, interior furnishings and equipment, resources management (energy, water, etc...) and ICT solutions among others. A market approach offering sustainable products and services to the whole value chain will have an important competitive advantage. In this context, “sustainable” must be understood as both economic feasibility and environmental impact reduction looking at the life cycle analysis: resources efficiency use (energy, water) and designed attending circular economy principles.

According to the European Cluster Panorama 2016, the experience industries are the most dynamic emerging industries in the world. Among these industries, the hospitality and tourism sector occupies a relevant part and it is an outstanding generator of investments and therefore of employment.

On one hand, the touristic flows are directly and positively correlated with touristic investments and therefore with investments in the hospitality sector. As tourism growth and hospitality sector development are two correlated variables, it was considered adequate to explore the opportunities for the SME members to enter into these emerging markets.

The clusters in this partnership are all involved in developing a long-term partnership in order to help their SMEs in exploring, identifying, selecting and acquiring market intelligence on new and emerging markets where the hospitality sector has huge growth and therefore in finding market opportunities outside Europe.

Another aim is to enable their SME members to acquire capacities to start an internationalization process to enter in a successful manner the selected markets, which are Mexico, South Africa and the United States. Also taking part in a common cross-sectoral internationalization strategy with SME members of complementary clusters, and integrate them in a global value chain for the hospitality sector within this partnership.

### **Work performed from the beginning of the project to the end of the period covered by the report and main results achieved so far (For the final period please include an overview of the results and their exploitation and dissemination)**

The main objective of the SENTINEL project is to develop a long-term partnership, to help the SME members of the partners, to identify and acquire market intelligence on emerging markets outside Europe, where the hospitality sector will have huge growth in the medium term.

Moreover, the project is also aimed to enable SMEs to acquire capacities to start their internationalization process and entering in better conditions the selected markets, taking part to a joint cross-sectoral internationalization strategy with other SMEs belonging to complementary clusters.

Thanks to the actions taken during the first part of the project, the partnership has been able to identify, select, analyse and validate the above-mentioned target markets for, after that, stating an internationalisation strategy to ensure the success in entering to those markets.

Therefore, it has been able to reach the development of a joint internationalization strategy for the partnership with European clusters having SME members with common goals, in the hospitality sector, to study and enter in these third markets selected and supporting them to a better approach to those markets. To support this strategy or roadmap, the consortium created a new brand that will acts as umbrella to the SMEs for the partnership will support to their internationalisation process.

Therefore, the partnership has developed a roadmap, for implementation and facilitating the internationalisation of SME members of the partners, integrating the value chain of each individual cluster to a global value chain. That includes an adequate number of complementary clusters, with SME members interested or operating in the hospitality contract industry in order to gain an adequate critical mass to become a global long-term strong alliance.

In consequence, the results obtained have allowed continuing forward in the development of the project consolidating the first phase. In parallel, all the activities carried out by the consortium have been disseminated and communicated through the web and the LinkedIn group, with the aim of keeping SMEs informed about the progress of the project.

### **Progress beyond the state of the art, expected results until the end of the project and potential impacts (including the socio-economic impact and the wider societal implications of the project so far)**

During the first part of the project, the consortium has already worked on all the tasks planned from the beginning in different stages, which have allowed achieving the objectives and consolidating the project. The 20 planned tasks have been done on time and all mechanisms and control activities have been properly worked. Besides the face-to-face Steering Committee meetings, the consortium has done monthly teleconference meetings, to assure the tasks and activities were done on time.

The project has achieved all the milestones planned for the period. The most outstanding ones have been the validation of the markets and, in consequence, its final selection, which has been the United States of America, Mexico and South Africa, as mentioned above. To reach it, the cluster managers were involved in five exploratory missions and that allowed validating these three final markets to focus on them during the second part of the project.

Taking into account lots of general indicators, tourism and hospitality indicators and indicators of interest for each cluster in the different countries, the first identified markets were thirteen, which were United States of America, Mexico, Chile, Colombia, Turkey, Costa Rica, China, Morocco, South Africa, United Arab Emirates, India, Singapore and Thailand. After that, a markets pre-selection was done through a survey aimed at the SMEs members of each cluster, to identify interests in those markets. So, after surveying 123 SMEs, the pre-selected final markets were five, which gained the most score as follows: USA (371 points), United Arab Emirates (282 points), Mexico (263 points), South Africa (255 points) and Morocco (255 points). The maximum possible score was 615 points.

The next step was the validation of these markets, where a representative of each cluster member made an exploratory visit to one of these five pre-selected markets in order to validate the two or three main markets where the second phase of the project will target. During these markets validation, the cluster representatives participated in a total of 13 C2C events, 5 B2B events and 18 B2B meetings.

Finally, each cluster member-voted their priority countries and the results were the Mexico United States of America and South Africa. The selection of the final markets was done through multiple analysis processes implemented jointly by the partnership and taking into consideration:

- The information collected during the exploratory visits through interviews and meetings with local relevant actors and stakeholders.
- The results of the subcontracted studies, market and competitors analysis about the pre-selected markets.
- The information related to the results of the analysis of the forces implemented in the subcontracted studies and focusing on rivalry, bargaining power of clients and suppliers, substitute products and entry barriers.

In addition, other relevant achievements were accomplished, like the organisation of the project closure event in Torino, where 51 SME participated. The day was dedicated to European networking, started with the SENTINEL outcomes and continued with a pitching session by European companies with innovative technology solutions for the hospitality sector. The day ended with B2B meetings between clusters and companies, which was highly useful to made direct contacts between the participants.

On the other hand, the consortium performed the four project meeting visits according to the work plan. These were the team-building visit in Linz (Austria), the Organization of a European Networking Event in Barcelona (Spain), the team-building visit in Barcelona/Girona (Spain) and the team-building visit in Torino, held during the framework of the project closure event.

The most relevant output of the project has been the definition of an internationalisation strategy and roadmap to give support to those European SMEs interested in entering the hospitality market in the target countries. The deployment of this strategy will be performed through actions carried out using the new brand WELLIANCE, specifically created for the second phase or implementation phase of the project.

#### **Address (URL) of the project's public website**

<http://www.cosmesentinel.eu>

Infographic



