E-Commerce for Micro and Small Companies in Brazil: An Exploratory Study of the Hospitality Sector

Nadia Kassouf Pizzinatto¹ Misael Victor Nicoluci²
Antonio Carlos Giuliani³ Osvaldo Elias Farah⁴

Abstract—This paper is based on an exploratory research that investigated the adoption of e-commerce or e-marketing in the hospitality industry in Brazil. The study selected 18 cases of micro and small hotels in Campinas and São Lourenço. In Campinas, there are 40 hotels, which were selected 11 (27.5% of the universe); in São Lourenço, there are 18 hotels and were selected 8, a sample representing 44.5% of the universe. The result of the survey presented in this paper will cover the profile of organizations that adopted e-commerce or electronic marketing in the hospitality industry, the factors involved in the process, the barriers to the adoption of e-commerce as well as their justifications for not adopting it etc.

Keywords—electronic marketing, micro and small companies, sector of hotelier services.

I. INTRODUCTION

In the last decade, the Internet had a deep influence in the life of the society as a whole, revolutionizing its way of if communicating, getting information, goods and services, to lead the businesses and even to interact with the government. One of most popular term to describe the activities of the electronic marketing, or either, with transactions via Internet, is the electronic commerce (e-commerce), that it comes being definite as the sharing of business-oriented information, the maintenance of commercial relations and the conduction of business-oriented transactions by means of nets of telecommunications. In the words of Czinkota et al. (2001: 467): the term electronic commerce includes all the commercial activities between final manufacturers, intermediate and consumers using the Internet to assist in the exchange of products. The problematic of the inquiry is not limited to the fact to create or not a web site, and nor in as to promote it, but if small and micro corporations, have difficulty in passing of the real marketing for which had virtual marketing, due to its characteristics (low intensity of capital, greater difficulty of access to the working capital financing, high birth rates and mortality, fort presence of proprietors as hand of busy workmanship in the businesses, use of not qualified or half-qualified man power, low investment in technological innovation (IBGE, 2001). However, without its inclusion in the age of the management with electronic profile, they lose in competitive differential and its probabilities of success diminish. The situation is particularly preoccupying in the area of services, especially in the sector of the hospitality, where the agility in the contact with the customer is a critical factor of success and the market, in geographic terms, does not have borders: the potential customer can be in unimaginable places. So, electronic environment is very important for this sector.

The purpose of the paper is investigate the application of the electronic marketing in the micro and small rendering companies of services of hospitality, in the attendance to the customers, identifying the involved the barriers and others factors in the process to its adoption by organizations of the sector of services, specifically small and micro hotels from Brazil.

II. BACKGROUND

The Internet and the Electronic Marketing: the e-commerce concepts

In the current days, the Internet is to be the technology that will modify the way as the businesses are lead, being simple its functioning and extremely stimulating how much to its utility. Appraised by Limeira (2003: 55) as "an environment mediated for computer, where if they carry through: communications, relationships and transactions between companies and its customers, or either, innumerable activities of marketing that have the potential to modify and to intensify the relations between the companies and its customers, increasing the degree of satisfaction of the participants and the results of the business ", the Internet brought the electronic commerce for all the companies: small, average or great. According Patrick (2003:83), “the e-commerce should be helped by the very rapid and continuous evolution of the Internet”. A time that is necessary to be connected to a server, exactly the lesser companies can use it for internal communications, as well as for relations business-to-business. The private nets of a company also can be connected with the Internet.
These nets generally are had access by means of varied systems and passwords. The electronic commerce or e-commerce consists of the accomplishment business-oriented by means of the Internet, including products selling and physical works to be delivered off-line physically, and of products that can be written by the computer and delivered on-line, through the computer networks or other electronic way, in the segments of consuming, enterprise and governmental market. Limeira (2003:40) it defines the applications and the respective segments of market of the electronic commerce: "the definition of electronic commerce includes the accomplishment business by means of the Internet, including selling not only of products and physical works, delivers off-line, that is, for traditional ways, but also of products as softwares, that they can be written by computer and you deliver on-line, by means of the Internet, in the segments of market e-business-to-business (B2B) and to e-business-to-consumer (B2C)". Moreover, the electronic commerce involves other types of exchanges of products, services and information between consumers, (consumers), governments, (government), organizations, (identified as business), forming known relations as to consumer-to-consumer (C2C), consumer-to-e-business (C2B), government-to-business (G2B), to government-to-consumer (G2C), consumer-to-government (C2G) and government-to-government, business you business (B2B)".

A. The consumers on - line

Who are the consumers on-line and what they buy? Why they had chosen to buy products and services in the new virtual market instead of buying them in the traditional market? Of that it forms a purchase modality can complement to another one? The answers to these questions are important for the companies and offer tracks for the future growth of the e-commerce and for the interactive marketing, since to know the customer it is the base for a program of successful marketing in the real world and also in the Internet. In the words of Bertkowits et al. (2003: 213) 

"many labels are given for the consumers on-line: virtual ciber-purchasers, purchasers, and e-purchasers, suggesting that they constitute a homogeneous segment of the population. But they are not so homogeneous thus, still that, as groups, differ demographically from the population in general ". The planning and the implementation of the strategies and programs of marketing must be preceded by the study of the behavior of the consumer, who can be understood as the process of exchange between the participant agents, the purchaser and salesman. Althoug Piumelli (2002: 36) states that:" first, the importance of building and of maintaining a policy of strong and lasting relationship with customers is typically seen as a function of the sales department", it is important to remember that the market for hospitality is dispersed and that relationship with the clients can be maintained by e-commerce.

Turban;King (2004) Add that other stimulus, marketing, promotional, pricing, product and quality, can help sustain the relationships with customers.

B. Micro And Small Corporations

Camargo (2001: 3) affirms that “the Micro and Small Enterprises predominant characteristic is the fact that the dynamic organizational be given by interpersonal relations, while in large organizations is marked by the dynamic formal relations. In MSE, depending on the type of work performed, there is great specialization and division of labor, because every employee performs a number of functions in various production cycle.”

The number of employees is the criteria more used to define the port of the companies, as demonstrated in Table 1, below

Table 1 - Classification of the MSE, according to number of Employees

<table>
<thead>
<tr>
<th>Port</th>
<th>Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro company</td>
<td>In the commerce and services, up to 09 used in the industry, up to 19 used</td>
</tr>
<tr>
<td>Small business company</td>
<td>In the commerce and services, of used 10 the 49 In the industry, 20 up to 99 employees</td>
</tr>
<tr>
<td>Company of average port</td>
<td>In the commerce and services, 50 to 99 employeesIn the industry, if used 100 to 499 employees</td>
</tr>
<tr>
<td>Company of great transport</td>
<td>In the commerce and services, more than 99 used In the industry, more than 499 used</td>
</tr>
</tbody>
</table>

Sebrae, Brazil- 2.000 (classification used for the seek area) Economic Research

The micro and small rendering companies of services have, as main characteristic, it is common that all make of everything a little in the organization. All the decisions emanate from the direction; it’s him who is it gives the final judgment; the person of the Director is worshiped as the absolute Mr., all thus respects it. In the small company, certain trend to the centralization exists between that they have greater abilities and capacity for leadership.(CAMARGO, 2001)
C. The micro and small companies of the hotelier sector in the general classification

For Castelli (2001:59), a hotelier company can be understood as being an organization that, by means of the payment of daily rooms, offers lodging to an indiscriminate clientele. Although micro and small companies of the hotelier sector receive a classification differentiated from the other rendering companies of services, defined for the Brazilian Institute of Tourism, Embratur,(2003) and other international agencies, to assure to the customers the compatibility between the offered quality and prices practiced for the ways of tourism lodging, in this study, the classification means of hosting, followed criteria of the Sebrae (Table 3)

Table 3 - Characterization of the micro and small companies of the hotelier sector

<table>
<thead>
<tr>
<th>Port of the company</th>
<th>Number of employees</th>
<th>Annual rude invoicing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro company</td>
<td>to maximum 9 empregados</td>
<td>To maximum R$ 244 mil reais</td>
</tr>
<tr>
<td>Small business company</td>
<td>From 10 to 49 employees</td>
<td>From R$ 244 mil reais to R$ 1,2 milhão de reais</td>
</tr>
</tbody>
</table>

Source: Sebrae – 1.999 (classification used for the seek area of the Sebrae) Economic Research - Sebrae-SP

III. METHODOLOGY

It was an exploratory study with field research of multiple cases, selected for not probabilistic sampling of the universe of hotels in the city of Campinas-SP and of São Lourenço-MG, classified as micro and small rendering companies of services. In Campinas, there are 40 hotels, which were selected 11, a sample that represents 27.5% of the universe. In São Lourenço, there are 18 hotels and were selected 8, a sample representing 44.5% of the universe. They had been chosen, for the difference among the companies in relation to the types of services disposable: the hotels of Campinas receive congressmen and executives who pass for the city or region for the participation of events, accomplishment business-oriented, participation of meetings and those from São Lourenço receive hikers and tourist in drawn out vacations or holidays to rest and to usufruct of the tourist structure of the city, mainly the Park from Mineral Waters of São Lourenço. The study was based, too, in surveys of secondary sources - bibliographical surveys, dissertations, research in the Web was also carried through sites. In accordance with of Yin (2001: 93), in the study of cases, the field procedures must be adequately projected, having the data to be collected of people or existing institutions, and not inside of the limits of a laboratory. "Thus, in a case study, the researcher must learn to integrate events of the real world to the necessities of the plan traced for the collection of data, not being possible the researcher to control the environment of the collection of data.” The study of multiple cases produces tests more convincing in comparison to the projects of only case. The field research used the method of personal interviews with the managers and proprietors of the hotelier net. Initially, only one questionnaire was elaborated, however when carrying through the test of its application, was verified that the micro interviewed companies did not have computer and, as the questionnaire interrupted its continuity due not the ownership of the equipment, was constructed a specific questionnaire for these companies, so that the reasons of not the adoption of the electronic marketing could be identified. Finally, two questionnaires, one for micro companies and another one for small companies had been applied for personal interviews; its passed by a test, following guidance of Marconi; Lakatos (2003:169): "after the collection of the data, carried through in accordance with the indicated procedures previously, they are elaborated and classified of systematic form.” The data had been tabulated, with analysis based on percentage and, according Malhotra, (2001: 106), the results of the exploratory research must be considered as given for posterior descriptive study.
A. The universe and the cases of companies of the hotelier sector of Campinas and São Lourenço

Tables 4 and 5 presents the universe of hotels in both cities studied, by size, following Sebrae´s criterion, in Table 1.

Table 4 - Hotel net of Campinas

<table>
<thead>
<tr>
<th>Kind of the hotels</th>
<th>Criterion of classification</th>
<th>Number of hotels</th>
<th>Percentage in relation to the total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro company</td>
<td>Maximum 9 employees</td>
<td>14</td>
<td>28</td>
</tr>
<tr>
<td>Small business company</td>
<td>From 10 to 49 employees</td>
<td>18</td>
<td>36</td>
</tr>
<tr>
<td>Company of average port</td>
<td>From 50 to 99 employees</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>Company of great port</td>
<td>More than 100 employees</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>49</td>
<td>100</td>
</tr>
</tbody>
</table>


Table 5 - Hotel net of São Lourenço - MG

<table>
<thead>
<tr>
<th>Port of the hotels</th>
<th>Criterion of classification</th>
<th>Number of hotels</th>
<th>Percentage in relation to the total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro company</td>
<td>Até 9 empregados</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Small business company</td>
<td>10 to 49 employees</td>
<td>4</td>
<td>28</td>
</tr>
<tr>
<td>Company of average port</td>
<td>From 50 to 99 employees</td>
<td>2</td>
<td>14</td>
</tr>
<tr>
<td>Company of great port</td>
<td>More than 100 employees</td>
<td>6</td>
<td>44</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>14</td>
<td>100</td>
</tr>
</tbody>
</table>


Among establishments investigated, nine of the cases were classified as micro companies, and others nine, small companies, following the criterion of classification of Table 3.

IV. RESULTS

This item presents the results of the research. Analysis was performed vertical (when base 100% was in the column of the Tables) and horizontal, when used lines of Tables (SAMARA, 2002: 105). On this text, the results are presented only of analytical form, for a question of space for the article. Bigger detailing can be found in Nicoluci (2005).

A. Profile of the companies by computer possession

Possession of computer occurs in 73% of cases, concentrated in small businesses, and 27% in the segment of micro enterprises. The main reasons of the ownership of computer for the micro companies are not: the unfamiliarity of computer science, (66% of the answers of the proprietors of the micro companies), and not to find the use of a computer necessary (16%). Of the respondents who had alleged not the ownership of the computer due to its raised cost, half did not have any notion of its cost or softwares. It can also be evidenced, for the answers opened in the carried through interviews, that a great majority of the employees of these establishments had only the primary course.

B. Profile of the companies on use the Web site

The use of the Web site is inexistent in the micro companies of the hotelier sector, in the studied cases. Already in the small companies, the data show that 88% adopt it. How much to the reasons that lead to the use of the electronic marketing, the considered item of bigger importance was of the improvements in the contact with the customers, followed of the imitation of the competition and finally, for believing that it propitiates increase in selling. As if it sees,
they are placed, in last place, the purchases for the Web site. The small companies consider as main reason of use of the Web site, the item “the competition uses.” The data above allow to deduce that to imitate the competition it is the one of the main reasons of the application of the electronic e-marketing also lack of a knowledge more deepened on the electronic marketing for the managers and proprietors of the small companies. How much to the purposes of use of the Web site, the item considered as of bigger importance was of the spreading of mark, followed of direct selling/reserves, of the contact with new customers and contacts with current customers e, finally, the congratulators for the anniversaries of its customers and promotions. The analysis above allows deducing that the entrepreneurs consider direct selling/reserves as resulted of a good spreading of the mark of the hotel, reason for which if it finds in according to place. The contacts of the company with its current customers are made way email or telephone and not through the Web site. The companies, in the studied cases, practically do not make promotion and, as cited, almost they do not send congratulators for the anniversaries of its customers, and, when they make it, they are used of the email.

C. Purposes of use of the Internet

How much to the purposes of use of the Internet, the considered item of bigger importance was to check email of the company, followed for making contacts with new customers and current customers, and, finally, to consult the Web site. In the sequence, they appear items: to search general competitors, information and payments, research in the Internet, to check particular email and to sail in the Internet. The result of the analysis above allows to infer the great importance of the use of the Internet in the act of receiving of e-mails and to make contact with new customers.

D. Strategies for adoption of the e-commerce

Procedural analysis the main strategy for the development of the Web sites was the act of contract of external services, disclosing that the delegation to another firm, in this area, is a great chance business-oriented. Also the interviewed ones had disclosed that, in the process of implantation, of the Web site no adequacy due to use of available computer in the organization was not necessary.

E. Cost of development and implantation of the Web site

The cost of development and implantation varied of R$ 500.00 and US 2,000.00, values that if relate to the amount of pages and photos of the site, as well as exploitation of existing photographic material already. Moreover, 43% of the searched companies did not pay tax of maintenance of the site.

F. Main difficulties of implantation and operation of the Web site and forms of overcoming the unfamiliarity and overcoming ways

On the part of 57% of the proprietors and managers of the small companies of the hotelier net, of the benefits that could happen of the implantation of the Web site was one of the barriers to the attainment of a more practical system, of bigger utility, of which if it could get resulted greater, or together to which if it could more obtain differentiated information. They had not found difficulties in the implantation process and operation 42%, followed of 42%, that they had had difficulties in grouping and selecting the main information of the company that would have to be divulged in the Web site.

G. Passed time of adoption of Web site

3/4 of the small companies had adopted the Web site has only 2 years, very short period for deeper analysis of the happened benefits of its adoption. 5,8 selling/reserves done saw Web site the small companies carries through in average of 5 10% of its selling web site.

H. Reasons of the micro companies who possess computer and do not adopt the electronic marketing (page in the Internet) and results

How much to the reasons of not the adoption of the electronic marketing for the micro companies, the analysis allows to deduce that the lack of knowledge of the amplitude of the benefits of the use of a computer is responsible, in 67% of the cases, for not the adoption of the electronic marketing, data that 34% assume this openly and excessively make of indirect form, alleging that they had acquired the computer recently. The sprayed answers how much to the main disadvantages and weak points for not the adoption of the electronic marketing for the micro companies, they had not allowed to an analysis consensual, but to only raise hypotheses for a future descriptive study that selects in bigger scale the occurrence of each option: promotional damage, damage in the conquest of customers, damage in the costs. Although 3 between 6 respondents to indicate unfamiliarity of the advantages that could happen of the adoption of the electronic marketing, approximately 100% of that they do not use it denote concern in finding new customers and the spreading of the hotel. Moreover, the micro companies who possess computer does not consider not the adoption of the electronic marketing as disadvantage or weak point.

Trends of adoption of the electronic marketing (page in the Internet) for the micro companies. Perhaps for not perceive the advantages, only 1/3 of that they did not have computer, intended to adopt the electronic marketing, alleging the reasons of not adoption: high cost and lack of qualified staff. Main advantages of adoption of the electronic marketing in the micro companies who do not possess computer Corroborating the deduction, 1/3 of the proprietors of the micro companies who do not possess computer considered that it does not make difference, therefore 17% only visualize the technology to facilitate the work and to register in cadastre customers, who are answers of use of computer and not of adoption of a Web site. The result
above raises the hypothesis of the lack of knowledge of the benefits and not perception of the damages for not the adoption of a web site.
Weak disadvantages and points for not the adoption of the electronic marketing in the micro companies who possess computer.
It is perceived that, in relation to the main advantages of adoption of the electronic marketing in the micro companies who possess computer in the previous analysis, 1/3 alleged do not identify advantages, being able itself to infer from there that a great reason not to invest in the electronic marketing is the unfamiliarity of the benefits and not the perception of the damages of its not adoption.

V. FINAL CONSIDERATIONS

To the ending of this research, mainly perceive that the micro companies does not adopt the electronic marketing, for also being unaware of its benefits, the low level of hand of - used workmanship and for the difficulty of the necessary resources to the purchase of the computer and the implantation of the Web site, being that only 27% of the micro companies possess computer. Also they demonstrate very little perception on the advantages, disadvantages, damages and weak points of not the adoption of e-commerce. The results of the research had shown that the use of the Web site occurs in 88% of the small companies and are not adopted by the micro companies. Of any form, the passed average time of the adoption of the Web sites for some of them, of only two years, more makes it difficult any deepened analysis of the benefits of its implementation. He is meaningless to speak in adoption of the electronic marketing, in a sector where if it arrives at the preoccupying situation, in the current days, of if managing a hotel without the support of a computer, exactly being micro company. The micro entrepreneurs of the investigated hotelier net attributes its incapacity to advance for a computerizing management to the low level of formation of its employees and to the unfamiliarity of computer science. It can be said, then, that these are the main barriers to the adoption of e-commerce by the micro hoteliers professional corporations together in which the research were developed. Also it was evident that this behavior of the entrepreneur averse to assume the electronic marketing is proceeding mainly from the unfamiliarity of the happened benefits of the use of e-commerce. Any analysis of the strategies of e-commerce in a sector is also engaged where the small companies only use computers to facilitate its internal works and to make connection with the Internet, and only possess a Web site with the purpose to show physically the hotel and to relate the given services, supplying to the email and the telephone contact. For the results of the research, one perceived that strategies for adoption of the electronic marketing are only restricted to the act of contract of third creating and operate the web site. One perceived, also, that practically 50% of the searched companies do not pay tax of maintenance of the site, or either, or either, its sites are not brought up to date, losing the visual impact and the capacity to attract the visitors." The trends of adoption of the electronic marketing in the micro companies who possess computer of the sector in study are of 2/3 of the total, and only 1/3 of that they do not possess, what it raises the hypothesis of that the micro and small companies in study of the hotelier sector still do not perceive and understand the characteristics specific of the electronic environment. The main lines of direction for the application of the electronic marketing imply the agreement with clarity of the virtual environment, for example, as the businesses in the Internet and the basic characteristics of the electronic marketing, the adequacy of the marketing strategies, the profile and the behavior of the consumers of services are processed on-line. After the accomplishment of the field research and the tabulation of the results, can be confirmed, being based on the exploratory study carried through in the work, that potentially the Internet can benefit the strategy of marketing of a company, facilitating the growth of the value of its mark in the market, to transform a potential customer into an effective customer, to improve the services to the customer allowing that it serves itself of such technological resources when and where to want e, finally, the Internet make possible a communication in two ways that it enables the companies interacting with its customers. The contributions of the study for the sector show as the practical one of the electronic marketing is occurring, as the companies see the benefits happened of the practical one of e-commerce. The problem is that the micro companies really does not visualize, does not use, does not understand the importance of if bringing up to date to be able to remain itself competitive, selling its services in a new virtual environment with together exponential growth to its customers, for which the attainment of the information and of images of easy form, specified as to user friendly, much contributes, providing the tangible elements necessary to materialize selling of a service. The profile of the entrepreneur who only knows the computer science and e-commerce of empirical form, only for words of third, perhaps either the main barrier to the use of this technology. It takes as example of this, in one of the interviews with one of the proprietors of a pretty hotel that still not have equipment computerized, that answered, how much to the intention to assume the electronic marketing: "only my son who studies outside and comes back in the July vacations, will be able to answer on the use of the electronic marketing". This and other entrepreneurs who have as main concern the survival of its organization in an extremely competitive environment, and are apparently not worried about the adoption of the electronic marketing, would have to acquire knowledge themselves that its survival will only happen with the use in its companies, of the new technologies. This is one of the descriptive studies that if can suggest that it is developed in the hotelier sector, as a more representative universe of research: the profile of adoption of the electronic marketing as well as the barriers to its implementation, can be investigated in the total of professional corporations of the sector of hotelier, being able itself, until, to extend the universe for the category of Lodging and Feeding to include the enterprises foreseen in the National Classification of Economical-CNAE Activities. In the suggested descriptive
studies, the validity statistics is essential to be able itself to make any affirmation on the subject, with bigger security. Another suggestion of to be carried through study must enclose the companies of the sector of rendering of services that carries through the update of its site systematically and in which if it can verify the real advantages, represented, for example, for the number of new customers happened of the practical one of e-commerce. The carried through work can be the principle of another one with validity statistics, extended for analysis of the sites of the companies, with the main purpose to produce an elaborated manual of form and with a well simple language, or as a course of extension or perfection for the micro and small entrepreneurs, so that they can understand and visualize the importance of the management of its companies with computerized equipment and the rendering of services, using themselves of electronic canals through a web site, for a bigger easiness to give to information and access of the customer to the services given for the company. By not taking up e-commerce, the micro and small entrepreneurs of the hospitality industry forget that, as suggested Turban; King (2004) are leaving to use a stimulus marketing which can be, for example, a shipment of Promotion Strategy the direct mail to customers, offering discounts.

The results of this study may suggest the development of new research, as descriptive study, attempting to identify, for example, among the micro and small entrepreneurs of the hospitality industry that took the e-commerce, which benefits were found. The study may also be extended to the entire hospitality of the two cities, increasing the sample and also by a descriptive form, the results extend to the entire universe, for more accurate conclusions, statistically verifiable. It also suggests repeating the study in other cities, developing comparative studies of results. May be suggested, too, the expansion of the universe including all types of organizations included in the category of Lodging and Food of the National Classification of Economic Activities-CNAE. In descriptive studies suggested, the statistical validity is essential to be able to make any statement on the matter, with greater security.

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