

## THE DEVELOPMENT OF CLUSTERS AS A FACTOR INFLUENCING SUSTAINABLE TOURISM IN ARGOLIS

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### **Abstract**

*This paper aims to explore the necessity for a viable and sustainable operation mode of tourism enterprises in the Regional Unit of Argolis in Greece, through the development of local clusters.*

*The research is conducted through questionnaires, which are addressed to tourism enterprises of Argolis and through interviews with people in the tourism industry. Through this research are being investigated their perception and attitude regarding the development of local clusters as a factor influencing the competitiveness of the tourism enterprises and the development of Argolis as a sustainable tourist destination.*

*The tourism enterprises of Argolis and the interviewees are in favor of creating clusters in the tourism sector, as a means of to strengthen the competitiveness of tourism enterprises, with multiplier benefits overall for the Regional Unit of Argolis.*

*The conduct of the quantitative research with a questionnaire faced limitations in terms of response rate. Extracting information from bibliographic sources and personal interviews contribute to the validity of the research.*

*The findings on the development of clusters based on the tripartite "Tourism-Culture-Agriculture" are original as they change the existing facts of the sustainability of Argolis as a tourist destination.*

*The research findings can find practical application in the creation of a tourism cluster, based on cross-sectoral cooperation (primary, secondary and tertiary sector) in the Argolis under the auspices of a Destination Management Organization (DMO) and the operation of a Regional Tourism Observatory.*

*The connection of clusters in the tourism sector with the competitiveness of tourism enterprises, local development and the sustainability of tourist destinations was chosen as a topic with the aim of formulating proposals for the planning of the tourism policy and development of Argolis.*

**Keywords:** *Clusters, sustainable tourism development, Regional Unit of Argolis in Greece.*

### **Introduction**

Globalization creates new opportunities for Greek regions to host ecosystems which will cover the needs of green transition, circular economy, climate sustainability (agri-food, tourism, shipping, energy sectors), and to develop innovative products and healthcare services, digital defence, and cybersecurity. It also creates more challenges for tourism enterprises.

Local tourism enterprises should positively contribute to the environment and society. This should be a constant commitment and a *conditio sine qua non* for their operation. It

should form the basis for economic, social, and environmental sustainability. Tourism enterprises interact directly with their clients and associates and seek the provision of a safe, hospitable, and mainly sustainable environment. They are part of the complex production system and its values, as well as of the interaction of man-made and natural ecosystems.

Greece is dependent on tourism product, which is, nevertheless, exposed to dangers in Health, Human life, Geopolitics, and Economy (Attaloglou, 2020). To confront threats, such as the coronavirus pandemic (COVID-19) and climate change, it is necessary to institutionalise at a national and international level:

- The forms of cooperation in tourism sector both with the *other sectors of economy* and *within the sector itself*
- The support of the broader Greek innovation ecosystem and
- Synergy among various scientific fields, as tourism as a socio-economic phenomenon is interdisciplinary.

This paper focuses on the conclusions and suggestions of my Master's thesis in 2022, titled *Creation of Local Clusters in Tourism: A Case Study for the Regional Unit of Argolis* at the Joint Master's degree Programme *Strategic Management of Tourism Destinations and Hospitality Management*, University of the Aegean, Greece.

The first part presents the current background and attempts to clarify the concept of the business cooperative formation, i.e. the cluster. The second describes the methodology of the research that was part of my Master's thesis. The results are presented in the third part, and the final part illustrates the research conclusions.

## **Theoretical Background**

The quantitative and qualitative analyses of the economic data of SMEs show that clusters are the most integrated form of business networking. In the last thirty years, clusters in the most developed economies, mainly the U.S.A., north-western Europe, and south-eastern Asia, are examples of strategic strengthening of entrepreneurship and expanding in new markets (Avdikos et al., 2015, pp. 15-16).

This part includes three subsections, which aim to record the main characteristics of clusters and their differences from other forms of cooperation and business networks.

### **The Concept of Business Cooperative Formations (Clusters)**

A 'cluster' is a group, or coalition, or a complex of enterprises, or a partnership, or a business cooperation.

The term is used to define a group of geographic concentrations and mutually related independent enterprises, institutions and organizations with cooperative and competitive models of collaboration, powerful interaction, knowledge and information exchange, good practices, common clients and/or suppliers, common access to infrastructure and services – operating within the same industry or based on the same technology – further aiming to gain comparative advantage at a local and global level (Makedos, 2014).

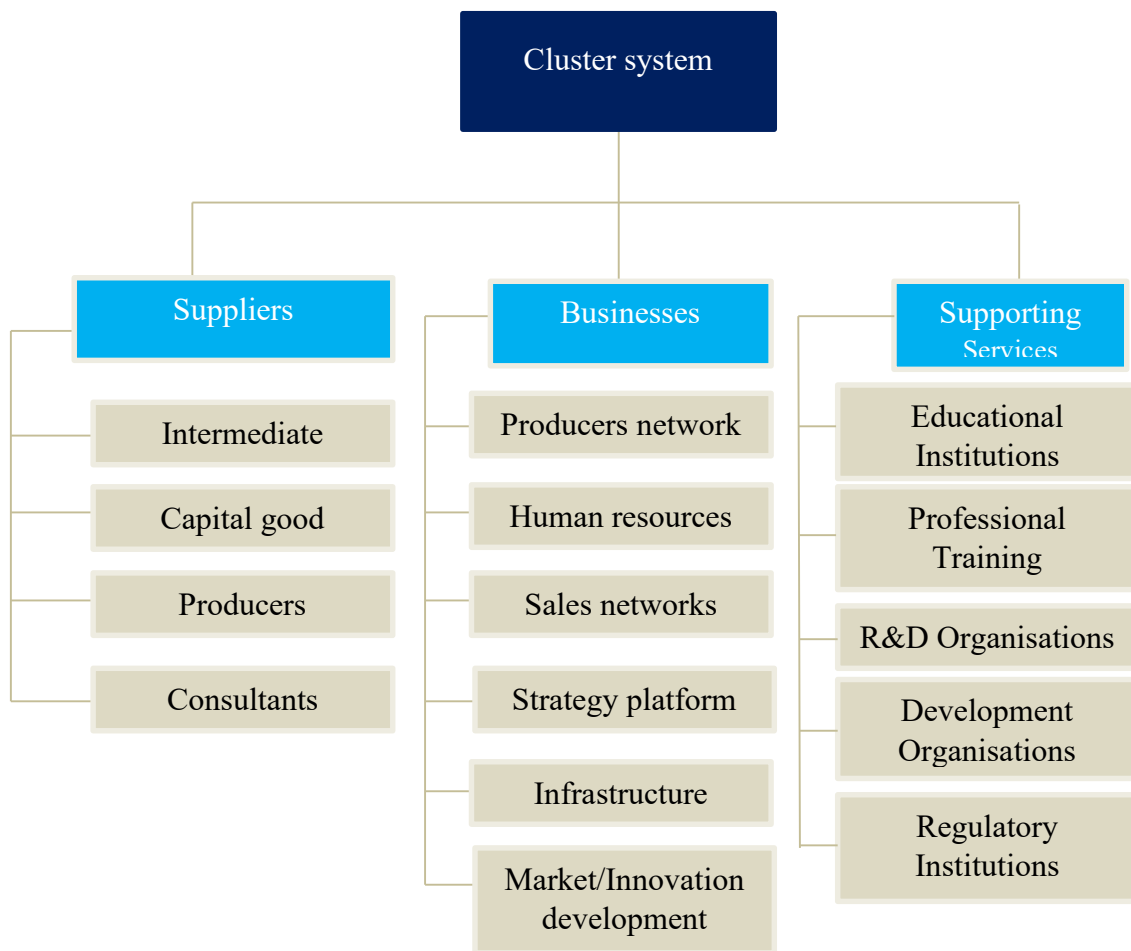
The **horizontal** dimension of clusters includes similar enterprises, operating in the same sector, sharing common special technology, and networking, whereas the **vertical** dimension comprises enterprises in different sectors of the same production chain. Each enterprise holds a different position in the production chain. (Titze, Brachert & Kubis, 2010).

Apart from the business-partners (**core businesses**), clusters horizontally include **support infrastructure** (professional associations, chambers, technological institutions, research institutions, universities, funding institutions, governmental institutions, etc.), which provides services to the partners of the clusters. Clusters may develop at a local, regional,

national, and international level, as well as at urban or rural areas (EOMMEX, 2009, pp. 9-20). They include government and other institutions (universities, research centres, standard-setting agencies, think tanks, training providers, financial institutions, trade associations, business consulting companies specialized in quality management systems, local authorities, technology services providers, suppliers of specialised inputs (e.g. components, equipment) that provide specialized training, research, and technical support (Tziabazis, 2015, pp. 32).

The following figure illustrates the typical structure of a cluster, which contributes to strengthening local economies and redefining the development model of a region or a country, via ensuring partnership, financing, trust among its members and the dissemination of knowledge and information (Bergman & Feser, 1999).

Figure 1: The typical form of a cluster (adapted from Bergman, & Feser, 1999)



Source: Bergman, & Feser, 1999.

The comparative advantages for the regions (local products, tourist and cultural routes) are showcased through clusters (Krasanaki et al., 2020).

Researchers in the field of tourism stress the necessity to have - apart from enterprises - tourism destinations operating in the form of clusters<sup>1</sup>.

The geographic concentrations of networked enterprises, or clusters, which develop knowledge and innovations, form the new geographical “landscapes” of local and regional

<sup>1</sup> P. Tsartas, Professor of Tourism Development, Harokopio University of Athens, analysing the changes brought about by the pandemic in the Tourism sector, argues that tourism destinations should operate in clusters as well (Karatzavelou, 2021)

development in the post-Fordism era.<sup>2</sup> Institutions, spatial policies, and support programmes for the promotion of regional innovation and competitiveness of local economies support the formation of clusters in geographical space (Kourliouros, 2008).

### **Classification of Clusters**

In terms of development, clusters can be classified as follows: based on the depth of analysis and according to the type of the links developed by the parties involved. Regarding the depth of analysis, the micro-level includes clusters of enterprises. Meso- and macro-level include clusters of sectors. According to Hoen (2000, p.1) there are three (3) levels of clusters:

At a micro-level (clusters of enterprises)

- Emphasis on innovation
- Support of technology and knowledge among enterprises, research organisations, etc.
- Development of relations at the production level
- Participation of suppliers and buyers in the production process

At a meso-level (clusters of sectors)

- Innovation actions
- Exploitation of technology and knowledge in various sectors
- Creating links at the production level
- All kinds of links among sectors

At a macro-level (clusters of sectors)

- Innovation actions
- Linking economy with high technology
- Creating links at the production level
- Sectors creating value or production chains

“Homogeneous Clusters” usually comprise small enterprises with common goals, without the ability to impose their own priorities.

In “Hub-and-Spoke Clusters”, a dominant enterprise plays a decisive role in the operation and the target setting of the cluster.

According to their scope and duration of activity, clusters are distinguished into business clusters and project clusters. The former has a purely business nature, small scope, and long duration of activity. They are usually developed through market forces. Project clusters are created in the context of calls for proposals or invitations to tender of financed projects and aim to implement projects for a specific duration (EOMMEX, 2009).

Innovation clusters seek the collaboration of enterprises with research centres, in order to produce innovative products of high added value. They are known for their high level of competitiveness, outward-looking and exports to the regional, European, and international markets. They enhance innovation through the creation of corporate start-ups, spin-offs, and spin-outs (IME GSEVEE, 2013).

Successful cases of clusters, show that through their interconnection with high value-added chains, strong export orientation, knowledge intensity, and geographical concentration,

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<sup>2</sup> Fordism was named after Henry Ford, who introduced the system of mass production in industry. It is an accumulation regime characterized by vertically integrated mass production, stable business profits, constant operation of the factories with full production and full-time employment. The term Fordism was first introduced by Antonio Gramsci in the 1930s and was widely used to describe the model of economic development after World War II (“Fordism”, 2022)

“Post-Fordism” refers to the changes (in automation, multiple skills, teamwork, horizontal communication, increased interaction among employees in the workplace) that gradually emerged with different local intensity at the end of the 20<sup>th</sup> century (Arvaniti, 2015).

they dominate globally with positive multiplier effects for the development of the area in which they are located.

The “Greek Tourism 2030 | Action Plans” study which was compiled in 2021 by the Deloitte-Remaco partnership for the Institute of the Greek Tourism Confederation (INSETE) stresses the need to develop destination clusters in all of the country’s regions based on the five (5) strategic priority domains for the development of Greek tourism: a) the development of public infrastructure, b) the upgrading, innovation and promotion of tourism product, c) the digital upgrading and transformation of tourism ecosystem, d) environmental protection and sustainability, and e) entrepreneurship development and enhancement of the skills that are necessary for the human resources working in tourism (INSETE, 2021).

### **Cooperation Schemes**

In addition to business clusters, other forms of cooperation between the enterprises and institutions can be found, such as consortia, public-private partnerships, strategic alliances, industrial districts and relevant business concentrations, virtual business networks, supplier cooperatives, franchise networks, and informal networks. The concept of clusters is differentiated from the concept of business networks in which enterprises participate in order to implement specific actions in a specific schedule, based on a common cooperation contract. Networks can be the first step in the creation of a cluster and are not a priori identical to clusters (Kyriakaki et al., 2016).

Both clusters and business networks are included in scientific discussion regarding knowledge management, “open innovation”, and business models.

### **Methodology**

The findings of this research which is part of my Master’s thesis, came from a wide range of secondary sources, as well as from primary field research. They revealed the perceptions and attitudes of the respondents regarding the development and operation of local clusters as a factor of influence: a) on the competitiveness of tourism enterprises in the study area, b) on regional development, and c) on the improvement of the overall image of Argolis as a sustainable and competitive tourism destination, but also as a means of: a) transferring information on enterprises and the destination, b) exchanging knowledge and know-how, c) achieving innovation, d) finding customers, suppliers, human resources, supporting services, and e) accessing new markets.

For the purposes of the primary quantitative survey a structured analytical questionnaire was sent out to three hundred (300) tourism enterprises of Argolis, almost half of which participated in the research providing 126 fully utilisable questionnaires.

The primary quantitative survey with interviews was conducted with people who, because of their position in public or private bodies, were fully informed and often played/play an important or decisive role in the decision-making process within institutional bodies in the tourism development sector of the Regional Unit of Argolis. More particularly, the members of the Tourism committee of the Chamber of Argolis were interviewed.

The secondary survey was based on narrative literature review, the typology of scientific references, and data mining from studies and researches of public and private institutions (Hellenic Statistical Authority, Ministry of Culture, Greek National Tourism Organization (GNTO), Institute of the Greek Tourism Confederation (INSETE), University of the Aegean, Hellenic Chamber of Hotels, Research Institute for Tourism (RIT) of the Hellenic Chamber of Hotels, Argolis Chamber of Commerce, etc.) in the tourism sector.

## **Survey Questions**

- The **first survey question** pertains to the result expectations of tourism enterprises in Argolis from their participation in a cluster.
- The **second survey question** is about the benefits that Argolis may derive from the creation of clusters in tourism sector, in the opinion of the tourism enterprises.
- The **third survey question** analyses the obstacles that exist, according to the tourism enterprises, in the creation, operation, and development of a cluster in the tourism sector in Argolis.
- The **fourth survey question** focuses on identifying the diverse views or stances, based on the tourism enterprises' intent to participate in clusters in Argolis.

### ***Survey Question 1***

In your opinion, what will the results for your tourism enterprise be, if it participates in a cluster?

On a 1-5 scale (1=Not at all, 2=Slightly, 3=Moderately, 4=Greatly, 5=Significantly), to what extent do you believe that the participation of your enterprise in a local cluster will result in:

1. Transfer of knowledge/information?
2. Strategic cooperation with long-term benefits?
3. Promotion of the enterprise?
4. Protection from competition?
5. Expansion in new markets?
6. Increase of customers?
7. Funding opportunities?
8. Increase in turnover?
9. Lower production costs?
10. Increased profits?

### ***Survey Question 2***

In your opinion, how could tourism in Argolis benefit from the creation of clusters?

On a 1-5 scale (1=Not at all, 2=Slightly, 3=Moderately, 4=Greatly, 5=Significantly), to what extent do you believe that a cluster may be a powerful tool in:

1. Enhancing the competitiveness of tourism enterprises in Argolis
2. Regional development
3. The constant flow of information for the enterprises and the destination
4. The exchange of knowledge and know-how
5. Finding customers, suppliers, human resources, supporting services (consulting, marketing, legal issues, etc.) and expanding to new markets
6. Improving the overall image of the area as a tourism destination
7. Providing security against competition
8. Achieving innovation

### ***Survey Question 3***

In your opinion, what are the obstacles in creating, operating, and developing a cluster in the tourism sector in Argolis?

On a 1-5 scale (1=Not at all, 2=Slightly, 3=Moderately, 4=Greatly, 5=Significantly), to what extent you consider the following as obstacles:

- The lack of relevant know-how
- The lack of trust and cooperative spirit
- The lack of information / education
- Not understanding the potential benefits from the creation of a cluster
- The lack of state funding
- The refusal of hotels to participate
- The refusal of local producers to participate
- Insufficient institutional support and institutional framework

#### ***Survey Question 4***

What are the views or stances of the tourism enterprises in Argolis based on their intention to participate in clusters?

At this point the following working hypotheses were formed:

H0: The willingness of an enterprise to participate in a cluster affects its participation in the cluster.

H1: The willingness of an enterprise to participate in a cluster does not affect its participation in the cluster.

#### **Findings**

##### ***Profile of the Tourism Enterprises that Participated in the Survey***

Regarding the types of tourism enterprises which participated in the survey, 31.74% were one to five-star hotels, 21.42% were rented apartments, 17.46% were restaurants, and 12.70% were rented houses. A small percentage of the sample of 5.56% were recreational areas, travel agencies, and agencies promoting forms of thematic tourism.

The enterprises that participated in the survey were sole proprietorships, general partnerships, S.A. companies, private companies with registered office mainly in the Municipalities of Nafplio and Hermionis and were established after 2000. One out of three enterprises were hotels employing up to 10 employees. Their visitors were mainly Greeks, Germans, and French, and the degree of repeat visitors was moderate to high. The visitors' age ranged mainly between 30-65.

The main source of information about the destination, according to the respondents' answers, is the personal experience of their social environment (friends, relatives, and acquaintances) that had visited the area in the past. The social media is the next source of information for the visitors of the enterprises that participated in the survey. The visitors' duration of stay ranges, according to the responses of the enterprises between three and five days.

The majority of the enterprises implement a quality assurance system for the services provided, cooperate with other similar enterprises, as with other institutions. Many enterprises have developed cooperation in the fields of cultural activities and excursion to neighbouring destinations. Almost all enterprises use products and services from the local market, mainly food, local traditional products, beverages, and raw materials. The main reason for not using local products was the prices, which were considered high compared to the equivalent imported products.

Almost nine (9) out of ten (10) participants in the survey know what a cluster is. Three (3) out of four (4) do not know if there are local clusters in their area. The vast majority of participants are willing to participate in a local cluster.

***Expected Results from the Participation of Tourism Enterprises in Local Clusters in Argolis***

The expected results from their participation in a local cluster for the participants in the research are as follows:

*Table 1: Percentage distribution of enterprises perception regarding the expected results from their participation in a local cluster*

<b>Results from the participation of a tourism enterprise in a local cluster</b>	<b>Percentage of enterprises</b>
Strategic cooperation with long-term benefits to a great and significant degree	58.7%
Transfer of knowledge/information to a great and significant degree	56.3%
Promotion of the enterprise to a great and significant degree	54%
Increase in turnover to a moderate degree	62.7%
Increase in funding opportunities to a moderate degree	55.6%
Increase of customers to a moderate degree	53.2%
Lower production costs to a moderate degree	49.2%
Increased profits to a moderate degree	42.9%
Protection from competition to a moderate degree	38.9%
Expansion in new geographical areas to a moderate degree	34.1%

Source: Authors' estimations.

***Benefits from the Creation of Local Clusters in the Tourism Sector for Argolis***

According to the participants in the survey, the formation of clusters would be a very powerful tool for Argolis, to a great and significant extent in the following areas:

- Strengthening competitiveness of tourism enterprises (61.9%)
- Exchange of knowledge and know-how (60.3%)
- Provision of constant information regarding the enterprises and the destination (59.5%)
- Regional development (57.9%)
- Improvement of the overall image of the area as a tourism destination (57.1%)
- Innovation (55.6%)
- Ease in finding supporting services (53.2%).

The benefits for Argolis to a moderate degree, in the opinion of the participants in the survey, are the following:

- Finding customers and expanding to new markets (57.1%)
- Ease in finding suppliers (54.8%)
- Ease in finding human resources (53.2%)
- Protection from competition (50%).



### ***Obstacles in the Development and Operation of a Cluster in Tourism Sector in Argolis***

The lack of know-how, trust, cooperative spirit, and the lack of information/education, are a great and significant obstacle in the development of a cluster in the tourism sector of Argolis.

The lack of state funding and a favourable institutional framework, and the lack of support from the institutional bodies are obstacles to a moderate degree for the development of a cluster in the field of tourism in Argolis.

### ***Views/Stances of Tourism Enterprises in Argolis Based on their Intention to Participate in Clusters***

The participants in the survey who were not willing to join a local cluster appear to have a more negative stance and perception on the whole, compared to the participants who were willing to join a local cluster.

There is no statistically significant relationship between the intention to join a cluster and the cooperation of tourism enterprises with other enterprises of the sector. Both those that were willing and those that were against, cooperated with enterprises in the sector.

However, there is a statistically significant relationship between the intention of an enterprise to join a cluster and its cooperation with other enterprises or institutions. More specifically, it was found that the percentage of the people cooperating with other enterprises while being against their participation in a local cluster was lower than the percentage of the people who were willing to form a local cluster.

There is no statistically significant relationship between an enterprise's intention to join clusters and the size and type of the enterprise. However, respondents from rented apartments and cafés (recreational areas), recorded lower percentages than respondents from other types of enterprises. Moreover, enterprises related to visitor accommodation do not cooperate with similar enterprises to a very high degree.

The most significant obstacle for the people that were against participating in a cluster is the lack of state funding, while for those that are willing to join a cluster is the lack of know-how.

### **Interviews**

In the interviews that were conducted on 25/01/2022 and 27/01/2022, the interviewees were unreservedly in favour of the creation of clusters in tourism sector, as a means to enhance the competitiveness of tourism enterprises and the destination, with multiplier effects for Argolis as a whole.

Regarding the existence of clusters, they stated that neither horizontal nor vertical clusters do exist in Argolis. However, mainly in the last decade there are informal cooperations both among enterprises of the tourism sector and between tourism enterprises and other economic activity sectors.

In order to contribute to the overall proposal for the tourism development of the area, the Tourism Committee of the Argolis Chamber of Commerce, is preparing a comprehensive Strategic Development Plan for Food tourism, aiming to strengthen the gastronomic identity, and to promote its gastronomic richness in the Greek and international market in a targeted and organised manner.

In the context of a new development model with emphasis on thematic and alternative tourism, the results that the operation of local clusters would have in tourism, according to the interviewees, are the strategic cooperation with long-term benefits, the transfer of knowledge, the promotion of tourism enterprises and the increase of their profits.

The benefits for Argolis from the creation of local clusters in the tourism sector, according to the interviewees, are primarily the strengthening of competitiveness of tourism enterprises, the improvement of the overall image of Argolis as tourism destination, the possibility to achieve innovation and the facilitation of the enterprises in finding supporting services.

The development of a cluster in the tourism sector, in the opinion of the interviewees, is hindered by the lack of know-how, trust, cooperative spirit, information and education. Regarding the communicative strategy for the promotion of Argolis as an attractive thematic and alternative tourism destination, the interviewees believed it should focus on culture, food, love of nature, and marine wealth, as well as agrotourism activities.

### **Primary Quantitative and Qualitative Survey**

The findings of the primary quantitative survey are consistent with the findings of the qualitative survey. The participants in both the quantitative and the qualitative survey were in favour of the formation of clusters in the tourism sector.

The areas of cooperation included in the quantitative and the qualitative survey are as follows: the supply of raw materials and specialised services (e.g. marketing services), cultural events, excursions to neighbouring destinations, food tours, and agrotourism activities.

The interviewees described the cooperation between tourism and manufacturing enterprises as remarkable, since many products are identified as agricultural and with Protected Designation of Origin (PDO) and Protected Geographical Indication (PGI) in Argolis, promoted through its tourism enterprises.

### **Conclusions**

#### ***Public Policies to Strengthen Clusters***

Despite the fact that the creation of clusters is identified as a significant tool for regional, innovative, industrial, and tourism development, the results of public policies promoting the institution of clustering in Greece and the response of enterprises to actions aiming to strengthen the institution, appear to be unsatisfactory (IME GSEVEE, 2013).

Greece is significantly lacking in the creation of sustainable and competitive clusters. Based on the “state of cluster development” index, it ranks 128th in the international ranking, out of a total of 141 countries (Schwab, 2019).

According to the data of the Global Innovation Index report for 2020, Greece, in terms of the level of development of business cooperative formations (clusters), is in 118th place among 131 countries worldwide (Kalogirou et al., 2021, p. 120).

Public policies aiming to strengthen clusters should be accompanied by: a) the compilation of data and comparative data on Regions and Regional units (research structures, skills, infrastructure), b) the strategic planning and identification of value chains and value networks, c) coordination of resources and networks (appropriate partners, incentives for cooperation and coordination of funding from different sources and at different levels), d) the development of an action plan and a roadmap, so to ensure that all interested parties will remain active (Komninos, 2021).

#### ***Success Factors of Clusters***

The success factors that contribute to the development of clusters are the following: co-ordinators-enterprises' or institutions' initiative to form clusters (e.g. at the level of sectoral

professional/cooperative organisations), the existence of facilitators/brokers, focusing on existing activities that have proven successful, achieving external economies of scale (e.g. improving bargaining position and ensuring favourable terms of cooperation with suppliers), and internal economies of scale (e.g. operating common exhibition centres, common supply chain, etc.).

In Greece, the small size of enterprises, due to the flexibility and immediacy of its organizational processes, can be an advantage for a cooperative business form. Small enterprises achieve innovations externally, in contrast to large enterprises, which achieve them internally (Deakins & Freel, 2017).

Greece, due to its diverse local communities and the decentralisation of Universities and Research Institutes, has the potential to develop business cooperative formations (APOPSI S.A. – PLANET S.A. Vocational Training Centre, 2016).

A full recording of the available natural, human, and material resources, the economic assessment of the ecosystems, and the in-depth understanding of the conditions prevailing in each region of the country are prerequisites for the coexistence of enterprises (clusters). The implementation of productive investments aimed at reassociating economy with the real life of the people and attracting innovative people who wish to live and be creative in Greece, requires sustainable resource management towards a growth-oriented reform and change of the development model (EPEM S.A. 2022, pp. 78-79).

Methodologically, each resource (material, natural, human), in the context of the Aristotelian logic, should be exhaustively described as distinctive, with its own characteristics: Substance (what it is), Quantity (size), Quality – Reference – Relation (what it refers to and is related to), Place – Time – Being in a position (what state it is in), Possession (what it has), Doing (how it affects other resources), and Undergo (what happens when other resources affect it) (Maloutas et al., 2013, p. 314).

### ***Clusters and Tourism***

The results of the qualitative and quantitative research show that the vast majority of the participants have realised that the participation of tourism enterprises in a local cluster strengthens competitiveness, interaction, and complementarity and that they can offer a wide range of different activities and satisfy a wide range of tourists.

By joining clusters, tourism enterprises are encouraged to strengthen their formal and informal relationships with other enterprises and other institutions and organisations, to enhance their specialisation and the mobility of their employees, to improve the relations between suppliers and customers, manufacturers and equipment users, and to increase synergies with regard to tourism destinations, in order to create and offer authentic tourism experiences.

Due to certain robust indexes, most analyses regarding tourism development in Greece focus on the positive impact of tourism in economy, neglecting the dimension of including tourism development in an integrated economic development plan, through sectoral, income, and geographical diffusion of benefits (Nikolaidis, 2017).

Taking into account the structure of local economies, the development of partnerships and synergies is favoured in the tourism sector. The greater geographical concentration of enterprises directly or indirectly linked to the tourism sector regarding certain sources of wealth (e.g. agrotourism accommodation in areas with rich natural and cultural background, producers of local traditional products, wineries) offers the possibility of developing partnerships and synergies (Gousia-Rizou & Sdrali, 2017, p. 140).

### *Clusters to Strengthen Sustainable Tourism Development and Sustainability in Argolis*

The concept of clusters seems to be linked to the improvement of the competitiveness of tourism enterprises and the sustainable tourism development in Argolis.

The creation and operation of clusters in Argolis, in the context of an integrated programme for the interconnection of the individual sectors (tourism, culture, manufacturing and marketing of local products, local product quality agreements) contributes to the sustainability of SMEs, allows for the development and supply of alternative thematic tourism products (cultural, food, ecotourism and nature-based tourism, agrotourism, marine tourism, sports tourism), which are complementary to the products of mass tourism.

The creation of business clusters in the tourism sector, enables learning about the value chain of tourism, the creation of links, achieving economies of scale, risk avoidance and the prospect of strengthening sustainable tourism through the development and promotion of the cultural and creative industry, which is expected to further strengthen innovative entrepreneurship and outward-looking for Argolis.

Hotel complexes, such as the iconic Amanzoe<sup>3</sup> on the east coast of the Peloponnese, which has been recognised by the international press as one of the top world-wide holiday resorts, establish Argolis as a quality tourism destination in the Mediterranean region, as a mythical place, with a history of approximately 5,000 years, incorporating the Mycenaean, the Byzantine, and the Roman civilisation. Amanzoe is a model of Corporate Social Responsibility, as its main pillar is to promote viability and sustainability and it aims to saving energy resources and respecting the environment.<sup>4</sup>

### **Suggestions**

Based on the comparative advantages and the development potential of Argolis (long history, particularly rich cultural heritage, local products, wine and food culture, interconnection of the sea front with the historic centres of the towns, development of “smart, green, cultural, and business routes”, exploitation of cruise tourism, development of thematic routes in the historic centres and traditional communities of cities, towns, and villages) it is suggested to create a cluster based on the following:

- The triangle “Tourism-Culture-Agri-food sector” and
- The synergy of alternative and mass tourism enterprises, agri-food enterprises, manufacturing, restaurants, entertainment, commerce, local producers of all the “production systems” (forming “value chains”: olive groves – olive oil, vineyard – wine, citrus fruits – juices, fruit and vegetables – sheep and goat farming – production of dairy products), cultural institutions, local administration bodies, cooperatives, cultural associations, professional chambers, the University of the Peloponnese, research centres/institutes, academic institutions, technology and innovation centres, scientific institutes and social partners, educational services providers, and other bodies.

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<sup>3</sup> Amanzoe near Kranidi, Argolis (<https://www.aman.com/resorts/amanzoe>) is a milestone in the global map of luxury tourism: (Pefanis, 2022).

<sup>4</sup> Amanzoe’s personnel undertook initiatives to restore the natural environment of the wider area and to replant its flora. For every tree that was planted following the wildfire of 4 July, Amanzoe made a donation to the local Fire Authorities, which assisted in safeguarding the property (OT – Newsroom, 2022).

The creation of a tourism cluster based on a cross-sectoral cooperation (primary, secondary, tertiary sector) under the auspices of a Destination Management Organisation (DMO) and the operation of a Regional Tourism Observatory would contribute to the development of an integrated tourism product in many different ways.

Investigation of the possibilities of creating and piloting one cluster in the tourism sector in the Argolis, and the expansion into new markets, emphasizing cultural, gastronomic tourism and agro-tourism, could be the subject of further research.

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