

Versatility in Hospitality Industry around the Globe

Case Study on Development and Challenges of Brazil

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Abstract: Brazil is the largest country in Latin America and the fifth in the world, and Brazil's economy is the most powerful in the region and has a significant impact on world markets due to highly developed agriculture, mining, manufacturing and services economic sectors. Brazil is the world's largest producer of coffee and sugar cane, and one of the largest exporters of agricultural products. This case study is about Brasil Foods, the largest Brazilian producer of meat and dairy. Today it has a leading position in almost all its domestic sectors and is strengthening its presence on the global market due to its potential. Globalization provides companies with many opportunities.

First: it allows the company to expand its market.

Second: it is expected to raise the importance of the country during the food crisis. Brazil with its rich resources is expected to be the largest supplier to countries such as China and India where the shortage of food will occur. In such circumstances, Brasil Foods, as the largest domestic producer, has all chances to become one of the largest producers in the world. Currently, the company is considered as the largest world exporter of poultry and has much more growth. It is important for the success of a company to develop an effective and competitive strategic plan for entering new markets and to find solutions on how to decrease the risks. In this case study, the author will analyze the main company's tactics in its operation and decision making and the main influences of globalization on it. For successful completion of the work there are 3 main objectives of the work:

To analyze the economy of Brazil, Its internal and external influences.

To explore the Brasil Foods' market position by implementing PEST and SWOT analysis.

To identify the best alternative country for global expansion to start with.

Brazilian hospitality is one of Brazil's strong suits! The hospitality is actually the factor that the tourists who have been to Brazil appreciate the most.

Keywords: Product, Industry, Service, Guest

I. INTRODUCTION

Brazilian food culture is made up of a variety of mostly traditional dishes that have their background from the history and culture of the country. According to historical information, before the Portuguese arrived, the Indians had already dwelled in most parts of the Brazilian continent and had already familiarized the locals with their traditional food. The Indian foods included sweet potatoes, fish, cassava meals, dates, spices and corn porridge. The West African slaves also influenced the Brazilian food culture by introducing their cultural foods which were peppers, coconut milk and dende (Lovera, 2005).

Brazil adopted food from the Indians and West Africans by incorporating the dried fruits, pastries and roots into their food. When slavery in the continent ended in the 19th century, the Brazilian food culture continued to receive more influence from Asian and Middle Eastern immigrants. This extensive variety of food from different countries and cultures has been able to make Brazilian food to be world renowned. Every region of the Brazilian continent has its own unique and tasty food dishes

Food Culture in São Paulo, Rio de Janeiro and Amazonas

The SouthEastern Region in Brazil is made up of Espírito Santo, São Paulo, Minas Gerais and Rio de Janeiro. The state of Rio de Janeiro and São Paulo form the major cities of Brazil. They are also the main industrial hub of the continent

where major industries and factories are located. These states are also home to a variety of food cultures that have made the continent's food dishes be internationally known. The northern part of Brazil is made of Acre, Amapa, Para, Rondonia, Roraima, Amazonas.

Many of the traditional cuisines found in most of the Brazilian states are similar with *feijoada* being the most common cuisine. A plate of feijoada in many of the Brazilian restaurants goes for between \$8 and \$12. There are however specific foods for the different states in Brazil, many of which are prepared for festive occasions such as carnivals, Christmas or new years festivities. A common Christmas delicacy in most of the Brazilian states is the *cuscuz a Paulista* which is made up of corn and cassava flour. The cuisine also features palmetto, sardines, boiled eggs, shrimp and tomatoes.

Another common delicacy that is eaten during the Christmas festivities is the feijoada do peru which is a mixture of stewed beans and the bones of a turkey. Foods that are common in the northeastern part of Brazil are *acaraje* and *vatapa* with *acaraje* being black eyed pea fritters and *vatapa* made of seafood stew. The cuisine that is most common in the south part of Brazil is the churrasco which is grilled meat. This is a common delicacy because of the many cattle ranches in the region. Rodizios are also a common meal in Brazil. Rodizios are grilled meat and poultry pieces placed on large skewers (Lovera, 2005).

The main food found in both Rio de Janeiro and Sao Paulo is *feijoada* which is made up of a black bean and meat stew. This meal is accompanied with rice and beans commonly referred to as *feijao com arroz*. The black beans or *rajadinho* are most commonly used in meals for the Rio de Janerians while the Sao Paulo inhabitants use the brown beans known as *carioquinha* to make the *feijoada*. Apart from the black bean meat stew another common meal in Sao Paulo is known as the *Virado a Paulista* which is made up of rice, a paste of corn flour or manioc flour and beans known as *tutu de feijao*, pork chops, sauteed collard greens and *bisteca*. The *Virado a Paulista* is usually eaten with an accompaniment of sausage, fried eggs or fried bananas (Lovera, 2005).

Impact of the Economy on Brazil's Food Culture

The economy of Brazil is known to be the eighth largest in the world. The economy mostly relies on the agricultural sector with the main food commodities produced being sugarcane, soybeans, orange, cocoa, rice, wheat, cotton, and coffee. Brazil is also a major exporter of beef products because of the vast cattle ranches that are present in the southern parts of the country. The tremendous growth in the agricultural industry has accounted for 13 percent of the country's Gross Domestic Product (Lovera, 2005). The agricultural industry employs one quarter of the Brazilian labor force in the coffee, wheat and cotton plantations. The availability of the various food commodities impacts the food culture of most Brazilian states as most of the cuisines incorporate ingredients such as soybeans, wheat, rice, and coffee. The strong economy of Brazil also affects the eating patterns of most Brazilians as they can access affordable food at reasonable prices in the various food markets and hotels. [2]

Dietary and Nutritional Implications

According to historical information, the 1960s and 70s saw Brazil experience economic growth as a result of the growing agricultural industry as well as global industrialization. The 1980s saw the agricultural production of most of the Brazilian states increasing to make the country the fourth global exporter of food commodities. This period was however marked with poor dietary patterns for most of the country's citizens which made it to rank sixth globally in a list of countries such as India, Pakistan, Bangladesh, Indonesia and the Philippines that experience malnutrition (Lovera, 2005).

Because of its large population, the country faces a very complex social situation where there are large disparities in social and health services for the country's citizens. In the current situation, Brazil faces a major epidemiological problem with regards to malnutrition and chronic disease problems. According to 2003 epidemiological statistics from the Brazilian national strategy on diet and health, the rate of circulatory disorders had increased over the years amongst the Brazilian population. The rate of Infectious diseases such as tuberculosis and cholera had decreased over the years, a sign that the population was aware of the preventive measures used to avoid these diseases.

Electronic Commerce and Tourism

Electronic commerce is a form of commercial transaction for goods and services through the internet, popularly known as e-commerce. In 1998, the WTO adopted a broad definition of electronic commerce: the production, distribution, marketing, sale, or delivery of goods or services by electronic means. The definition coined almost 20 years ago seems to be more suitable to define what is now called “digital economy”, which is broader than the simple activity of buying and selling services or goods electronically. Turban et al. state that e-commerce offers benefits for organizations, individual customers, and society, such as the possibility to compare prices and product on different websites; flexibility of access timewise; greater access to a wider range of products and suppliers; strengthening of competition, which can result in price reduction, generating better business opportunities for consumers; decrease in the costs of organizations; expansion of the market in which companies operate, given the possibility of access at any time, and from anywhere; obtaining assessments and recommendations through interaction and social engagement; and a decrease in the digital divide, by allowing residents of rural areas and/or developing countries to use more services and purchase what they really like. Therefore, easiness and convenience are among the key characteristics of e-commerce, given that it allows consumers to purchase a given good/service without necessarily leaving their homes. In the tourist context, Carvalho et al. (p. 1928) affirm that “tourism is one of the most benefited sectors by the introduction of ICT, as it is a service, and tourism activity is linked to the intangibility factor, in which there is no possibility for those who buy the service to experience it beforehand, as they do when purchasing a tangible product”; these benefits of using ICT improve revenues, and contribute to the development of the hospitality sector.

Conceptual Model and Hypotheses

According to Tacco, to consolidate electronic commerce, electronic barriers must be overcome. Therefore, for this business model to succeed, the stakeholders (consumers and sellers) must adhere to ICT, and there are several studies addressing the adoption of technology by individuals. Internationally, studies in several areas address the use and acceptance of technology: banking services; radio frequency identification service; and mobile payment services. In Brazil, following the international trend, some studies were conducted considering the themes of consumption, technology, and tourism, such as consumption through collective purchases; internet use on smartphones; and the adoption of online shared hosting platforms, such as Airbnb. Additionally, according to Vera, the conceptual model unified theory of acceptance and use of technology 2 (UTAUT 2) is the most recent model of technology adoption, and encompasses more constructs than previous models.

II. SUMMARY

Professional

The hospitality industry in Brazil is driven by travelers who are visiting the country on business purposes and have accounted for more than 70% of the hotel occupancies during 2017 and 2018. [1]

The industry performed well during 2018 after three years of continuous decline and recorded a 4.7% growth in revenue per available room (RevPAR) and a 58.9% occupancy rate which was 4.1% growth than the industry recorded in 2017.



This positive impact helped the industry to raise gross operating profit to 26% in 2018 which was 23.3% in 2017 and helped to record a slight yet positive average daily rate growth rate which was increased by 0.8% during 2018.

In typical locations of the country like Sao Paulo, Fortaleza, Brasilia, Recife, and Belo Horizonte the industry registered a high growth rate of RevPAR ranging from 13 – 16% .

Ethics

People in Brazil tend to be more focused on work, but, in general, Brazilians greatly value their personal time.

As Brazil becomes more integrated into the global economy, there's a discernible focus on efficiency and industriousness.

A key player in Latin America and globally, Brazil has advanced through a myriad of challenges throughout its history. With its colonization background, largely connected to Portuguese culture and values, Brazil has also been influenced by other European countries (especially Germany, Italy, Spain, France, and the Netherlands), Japan, and African countries. [2]

Rules

Tips are not revenue of the employer but are exclusively for the employees and will be distributed based on criteria established by a CBA.

If there is no CBA, the criteria for sharing and distributing the tips, and the percentage of the tip amounts that may be withheld for payroll taxes, will be determined by a vote of the employees in a general assembly called for that purpose.

The tip is paid directly by the customer to the employee, the criteria for sharing and distributing the tips will be set forth in a CBA, and it may include the withholding mentioned above.

Eight hotel entities gathered with the aim of debating and establishing standards and protocols for hygiene and safety for guests and employees. It is called the Movement of Safe Hospitality.



Hospitality

“Hospitality” is defined as the “offer of services or expenses with transport, food, accommodation, courses, seminars, congresses, events, fairs or entertainment activities.

Rio de Janeiro and one of the most sought cities in Brazil for tourism purposes.

Being one of the largest cultural and economic centers in the country, Rio de Janeiro is located in the southeastern region of Brazil, where 60% of the Brazilian GDP is concentrated.



Hotels and restaurants provide numerous opportunities to reduce poverty in many parts of the world. In 2007 alone, hotels and restaurants within developing countries generated profits of more than US\$260 billion. 40 In 46 of the 49 least developed countries (LDCs), the HCT sector was one of the leading sources of foreign exports and, in 2006, their share of travel exports totalled 53 per cent of service exports.

Even though tourism creates jobs and contributes significantly to economic growth, it is not automatically a solution for poverty reduction. Therefore, it is important for local investors to actively participate in tourism and its related activities. The local workforce can also help by engaging in and encouraging the use of local companies for the provision of transport, services and food in order to assist in alleviating local poverty. While many small-scale projects have been developed to combine tourism with poverty reduction, on a large scale this requires the implementation of effective national poverty reduction strategy plans (PRSPs).

As illustrated in the T20 joint communiqué 42 (Appendix II), the importance for the sector to alleviate poverty and facilitate development in less developed and emerging economies has been recognized. An increasing number of countries have acknowledged the MDGs and have made tourism a priority in their national development policies and measures. In addition to poverty reduction, the creation of employment opportunities in the tourism sector for ethnic minorities has also become a major focus (see the emphasis placed on this by the Lao People's Democratic Republic in their HRD strategy for tourism).

Tourism accounts for about 1 percent of the total outward FDI received by larger recipient countries and has an even lower percentage of inward FDI from larger host countries. This figure however does not include other tourism-related sectors like construction, transport and business activities. Thus, tourism-related FDI is mostly concentrated in developed countries. However, the United Nations reported that FDI has been growing in developing countries providing one third of tourism FDI inflow. [1]

III. CONCLUSION

Because of the many immigrants the country hosts from many countries around the world, the Brazilian food culture experiences dynamic cuisines and delicacies that have reputations amongst the local and the international population. [2]

In this comparative analysis, we identify that both DGBPs conceive that food derives from eating practices that have social and cultural meanings. The materials consider that foods add unique cultural, behavioral, and affective meanings and that they cannot be neglected when creating strategies to promote adequate and healthy food consumption. However, the DGBP2006 presents a medical-nutritional discourse on the social and cultural dimensions of food, limiting the approach to traditional food patterns, national culinary, and commensality as strategies to improve the nutritional quality of foods and meals consumed by Brazilian families.

Brazil is world-famous as a travel destination, with a rich breath of cultures, incredible diversity of landscapes, and unmatched festivities. Brazil is world-famous as a vaunted travel destination, owing to the country's rich breadth of cultures, incredible diversity of landscapes, and unmatched festivities, including the Brazilian Carnival, an annual festival held between the Friday afternoon 51 days before Easter and Ash Wednesday. [2]

In turn, the DGBP 2014 conceives that healthy eating habits should be based on fresh or minimally processed foods and that the culinary preparations should be based on these foods as well. In addition, the DGBP 2014 uses sociological, anthropological, and popular knowledge to build more holistic dietary guidelines. They address ways of eating related to the following topics: eating regularly and with care; eating in appropriate environments; eating in company; eating food produced in an environmentally and socially sustainable manner; planning the use of time for food preparation; being critical of information, guidance and messages about food in commercial advertisements; practicing domestic cooking and sharing cooking skills or activities among all family members.

While Carnival—which features some of the largest and decadent city-wide parade events in the world—may steal headlines when it comes to the tourism industry in Brazil, it's far from the only enticement for would-be visitors. The beaches of Rio de Janeiro are gorgeous, and filled with gorgeous people, while eco tourists and adventurers are sure to flock to the country's extensive tropical rain forests. [1]

It's a cliché in the hospitality industry to say that a place offers something for everyone, but this may be true of Brazil, which presents a tapestry of people, places and events as rich as any locale on the planet. The Brazilian economy has also become a major player over the past two decades, rising in an array of areas, from agriculture to real estate, meaning that hotel owners and operators have seen a boost from business travelers to the country as well. [1]

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