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TOURISM MANAGEMENT FIELD LAB


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Abstract

With the opening of a new Pousada de Portugal in Covilhã, several external factors must be addressed in order to assure the success of the investment. Given the existent evidence on the importance of a wide, effective and properly managed network of agents, the purpose of this study is to analyse the current network of tourism related public agents in the Covilhã area. After gathering the necessary information through literature review, a series of interviews to the region’s public agents was undertaken. Such information allowed the characterization of all agents and their relationships with other actors, while facilitating the development of a network diagram and the subsequent Social Network Analysis (SNA). SNA showed a low-density network where MUSLAN and Turismo do Centro (through its Serra da Estrela delegation) are the most central actors. Such analysis, along with a service quality evaluation and further research on tourism destination’s network best practices, led to the final recommendations. The proposals focus on ways to improve communication, destination performance and introducing Grupo Pestana Pousadas in the network.

Keywords: Social Network Analysis, Covilhã, Grupo Pestana Pousadas, Public Agents

Introduction

Throughout the years, Portugal has become a strong player in the global Tourism industry. Traditionally sought for sun and beach tourism, efforts have been made in order to diversify the product offer. The sector’s total contribution to GDP has seen a remarkable growth trend in the last decade, having a positive impact in the Portuguese economy in the current crisis; in 2012 alone, the sector contributed with 5.7% to GDP (directly; indirectly the contribution increases to 15.9%). The majority of this income comes from foreign visitors (63.5% in 2012), which represent a very important segment for the industry.
Some agents have been particularly important for the development and growth of the Tourism sector in Portugal. The Pestana Group, the largest Portuguese tourism and leisure group, is one of them. Owner of 83 hospitality units in and outside Portugal, the group has invested in hotels, touristic animation and golf, among other areas. In 2003 the Pestana Group won the tender for the management of the Pousadas de Portugal chain and has been operating its 35 units since then through Grupo Pestana Pousadas (GPP).

Ever since its inception, Pousadas de Portugal has had a dynamic journey. While some hotels left the chain for several different reasons, others were added to the network, many of them as a result of the need to restore national architectural heritage. It is in this scope that the opportunity to open a new unit in Penhas da Saúde, Covilhã arise.

**Methodology**

In the course of this project, several information sources were used. The initial phase was dedicated to collecting the basic information about tourism in Portugal and Covilhã’s background and current situation, using such sources as PORDATA, the World Travel & Tourism Council (WTTC) and Turismo de Portugal. Indirect data gathering also included literature review on the role of networks and public agents within the tourism industry. Further literature research was done in order to determine the industry’s best practices, which lead to the final recommendations. In order to effectively access the network’s characteristics, information was collected through direct interviews to some agents, while resorting to e-mails when personal contact was impossible to establish.

**Covilhã**

The region of Covilhã is traditionally bound with industrial activities, mainly related to the wool industry. Historical evidence support the theory that such activities have been
performed in the region ever since the XIV century, when the Jewish communities arrived in the area (Espírito Santo, 2010). Wool transformation was performed in small workshops until the XVIII century, when the first large-scale factories were built (Espírito Santo, 2010). The spreading of the railways helped solving some of the communication and transportation issues faced by the local economy due to its geographical position and allowed the industry to reach its apogee throughout the late XIX and first half of the XX centuries (Espírito Santo, 2010).

However, the situation of Covilhã has been changing since the 1970s, when the wool sector became endangered, leading to the closing of several industrial units (Espírito Santo, 2010). In order to face the consequent challenges of this crisis, other economic activities were developed in the region, such as agriculture (fruit growing) or tourism (in Serra da Estrela), while betting in the growth of Universidade da Beira Interior (UBI). Furthermore, proper infrastructures have been created in several levels, from building industrial areas to the creation of public support offices in the sectors of Trade, Economy and Investment and Enterprise Creation, in order to attract people and investment.7

Nowadays, the region’s situation is still worrying. From 2009 to 2011, the number of companies operating in the municipality suffered a reduction.8 The unemployment rate doubled in the period from 2001 to 2011, and the amount of individuals searching for jobs was still growing in 2012.9 Another concerning measure is the aging index (i.e. the ratio of the number of elderly individuals - aged 65 and over - to the number of young individuals - from 0 to 14 years old), which reached 194.6 in 2012, an increase that is probably related to the reduction of the population living in the municipality.10 (See Appendix 2)
The tourism attractiveness of the region, proven by the opening of the third *Pousada de Portugal* within a short distance of Covilhã, is related to the cultural and natural resources of the area, particularly the richness of Serra da Estrela. According to *Plano Estratégico Nacional do Turismo* (PENT), the region should focus its efforts in developing religious, cultural, natural and health related tourism products to both internal and external markets.\(^{11}\)

**The New Pousada**

In 2011, the then called *Região de Turismo da Serra da Estrela* registered a total of 443.5 thousand overnights, which represents 17% of the overnights of Centre Region and demonstrates its importance within the regional touristic panorama.\(^{12}\) In the presence of these figures, the group decided to increase its capacity in the area with the opening of a new *Pousada*, which adds 92 rooms to the chain.

The hotel results from the rehabilitation of an historical building, built to be a sanatorium for those suffering from respiratory conditions. The architect in charge of the project was the acclaimed Eduardo Souto de Moura, winner of several national and international awards.\(^{13}\) All these points contribute to the attractiveness of the new *Pousada*, which aims at keeping the brand’s spirit of story-telling while appealing to consumers with little winter sports experience or searching for nature tourism, while enjoying the calming atmosphere of the mountain. Simultaneously, the new venture will increase the competition amongst local players, posing a threat to the IMB Group and *Casa das Penhas Douradas*.

**Literature Review**

**The Benefits of Tourism Destination Management**

When traveling, tourists must satisfy a variety of needs: they must be able to get to their destination, attractions to enjoy and a place to stay or eat, among many others. This
multitude of needs must be taken into account by the supply side in order to succeed. Thus, it is crucial that the “various components of the visitor’s stay are managed and coordinated to maximise customer value throughout the visit”, in which the Destination Management Organisation (DMO) has a huge impact (World Tourism Organization, 2007).

There are several known advantages to the proper management of a tourism destination: it fosters the establishment of a competitive edge comparing with other destinations, helps ensuring tourism sustainability, enables the spreading of tourism benefits, improves tourism yield and eases the building of a strong and vibrant brand identity (World Tourism Organization, 2007). In sum, managing a tourism destination is beneficial for all stakeholders, whether they are private agents, public agents or the community itself.

**Tourism Destinations as Networks**

In order to develop sustainable tourism and maximize its effects to a region, it is necessary to assure that certain interactions between the public and private sectors and local residents are established (Timur & Getz, 2008). Often, these stakeholders are part of “a complex web of interests and trade-offs” (Timur & Getz, 2008).

It is argued that tourism destinations are nothing more than a specific type of network. Meriläinen and Lemmetyinen define destinations as “a network of relationships between business organizations engaged in producing product and service offerings for tourist experiences” (Meriläinen & Lemmetyinen, 2011). Thus, the type of management applied to a specific tourism destination will depend on the type of network found, adapting to it and including the coordination of cooperation among agents and the strategic management of their relationships (Meriläinen & Lemmetyinen, 2011). Managing a tourism destination is, above all, managing the relationships between agents (Meriläinen & Lemmetyinen, 2011).
The Role of Public Agents

As previously mentioned, public agents are part of these networks, either as the Destination Management Organisation (DMO), governmental agencies or other entities capable of influencing the practice of tourism in the region. Anyhow, the importance of such agents to the development of a tourism destination has continuously been proven by researchers.

Presenza and Cipollina’s study led to the conclusion that “the public sector (tourism bureau, regional and provincial governments) is more important for both management and marketing activities than private stakeholders” (Presenza & Cipollina, 2010). Timur and Getz analysis on stakeholders’ power and legitimacy (and their consequent location within the network) determined that “the stakeholders located at the centre of networks in the three cities [under study] were the DMOs” (Timur & Getz, 2008). Another interesting finding of this research is that centrally located stakeholders enjoy a strategic advantage and tend to maintain that position for longer periods (Timur & Getz, 2008), showing the power and importance of public agents within tourism destinations.

The Public Sector as the Tourism Regulator

As any economic activity, tourism is subject of supervision and regulation. The state’s supervision and control of tourism might include a variety of aspects, such as preventing undesirable growth and unfair competition, create the necessary infrastructures or control environmental consequences (e.g. air traffic control) (Holloway & Humphreys, 2012).

In Portugal, several aspects of the tourism industry are controlled by the state. Through Turismo de Portugal, the state proceeds to the classification of each hospitality unit, communicates and assures compliance with quality standards, bridges the gap between tourism and territorial and environmental planning and finally determines the features that
each tourism-related venture needs to follow in order to operate within the national territory (including hotels, restaurants, travel agencies and touristic animation companies).\textsuperscript{14}

**Existing Public Infrastructures**

In general, one of the main aims of public agents is the creation of basic infrastructure for the community’s benefit, as they are usually valuable to a wide range of agents; some of these infrastructures will directly affect the tourism industry. Some examples include accessibility, security, health and access to the region’s information.

Equidistant from Lisbon and Oporto, Covilhã is easily reachable by the users of these cities’ airports, to which the town is linked by highway. There are several inland transportation infrastructures, including railways (connection with the south and north of Portugal and also with Spain) and roads, which allow the access of public and private transportation vehicles. Another road access which tends to have some media attention is that to the higher point of Serra da Estrela. The road is frequently closed due to climacteric conditions, which is harmful for tourism. However, it is likely that this situation remains unchanged, since the road is located in a Natural Park and authorization for construction work is harder to get and due to the strong restrictions regarding public spending.

Overall, Portugal is considered a safe destination for tourists; Serra da Estrela and Covilhã are no exception: in 2011, less than 25 crimes per 1000 citizens were registered.\textsuperscript{15} However, the climacteric specificities of the area call for some extra caution. First, there must be a concern regarding road safety. In order to address that situation, a Snow Cleaning Centre - belonging to *Estradas de Portugal* - was created in Penhas da Saúde, which mission is to maintain the roads usable under adverse meteorological conditions.
Furthermore, there is a *Guarda Nacional Republicana* (GNR) office in the highest location of Serra da Estrela, a site of great attraction for tourists.

Another valuable asset to tourists is the proximity to medical services. This is not a problem in Covilhã due to the existence of *Centro Hospitalar da Cova da Beira*, the regional hospital which is also the Health Sciences Faculty Hospital.\(^\text{16}\) It is the region’s largest and most sophisticated unit, which will pose as a relief for tourists who need medical care during their stay in Serra da Estrela.\(^\text{17}\)

Regarding the services of information to tourists, some examples are worth mentioning. *Turismo de Portugal, Turismo do Centro, Delegação de Turismo da Serra da Estrela* and the Covilhã Municipality have websites (or sections of websites) with information entirely devoted to the tourist: where to stay, where to eat, what to see, among others. The first three are focused on the region (*Centro* or Serra da Estrela), while the latter’s information is exclusively about the municipality’s legal territory. *Instituto para a Conservação da Natureza e das Florestas* (ICNF) equally provides information on the several natural parks in Portugal, including Serra da Estrela, in its website. Its information is especially valuable for those who are seeking for nature tourism: in the website, one can easily find routes, maps and other advices to keep in mind.\(^\text{18}\)

**The Network of Tourism Related Public Agents**

A network is made of three essential components: agents, relationships and resources (Scott & Cooper, 2010). The number, size, importance and role of tourism related public agents is not predetermined and changes from one case to another. All these actors must communicate in order to assure the sustainability of the region as a touristic destination. Links among agents might be formal or informal and serve a variety of purposes.
Furthermore, the content and finality of such relationships will influence the type of resources exchanged among agents. This section is devoted to the identification of agents, relationships and resources are present in Covilhã’s public actors’ social network.

_Turismo de Portugal_, the Portuguese State Tourism Organization, belongs to the Economy and Employment Ministry’s domain. It is responsible for the development and sustainability of the tourism industry in Portugal, as well as its internal and external promotion. Its mission also involves touristic infrastructure development, human resources training and investor support. However, the responsibilities of this entity concern the Portuguese territory as a whole and no specific region; thus, all their activities and decision-making are centralized. For such reason, _Turismo de Portugal_ is outside the scope of this project.

_Turismo da Serra da Estrela_ was the region’s Destination Management Organization, one of the oldest in Portugal. Since May 2013, and due to the restructuring process of the Portuguese regional tourism areas, _Turismo da Serra da Estrela_ became a delegation of _Turismo do Centro de Portugal_ (TCP) and no longer enjoys strategic autonomy. TCP is the Regional Tourism Organization and its action covers all the central region of Portugal, being accountable for strategy, marketing and investor support matters (either centrally or through its regional delegations). TCP is completely independent from _Turismo de Portugal_, but the two entities are in constant contact and cooperation.

Serra da Estrela’s delegation represents TCP in this specific region (and not merely Covilhã), being in charge of the primary connections with regional agents. Its responsibilities include participating in TCP’s planning activities (marketing and strategic), executing previously determined tasks, mostly regarding the region’s promotion and
marketing (in the national and Spanish markets) and investor support. The delegation can also present propositions to organize and participate in events that promote the region’s products and heritage. Due to the restructuring mentioned above, TCP and, consequently, delegation of Serra da Estrela are currently going through some internal changes. Still, their different competencies imply relationships with various agents, which will now be examined.

The delegation’s promotion and event organization activities justify most of the links with companies and institutions. Serra da Estrela delegation strives to keep a good relationship with private agents of the regional tourism industry, acknowledging that hotels are probably the most important actors. However, collecting information from these players can be quite challenging, as they are not always willing to provide it, unless in compulsory contexts. Touristic animation companies were also mentioned as important stakeholders within the network. With these two types of agents, the resources exchanged lie within the scope of promotional activities: the delegation advertises their events, while using them as a channel to publicize the region’s attractions. On the other hand, partnerships are created with both players in the light of events in the region, when the delegation hires their services or provides funding. Nonetheless, there is still a lack of contact with both restaurants and handicrafts shops, which are heavily visited by tourists.

The situation somehow changes when it comes to public agents. The Serra da Estrela delegation is linked to all the municipalities that belong to the region. Simultaneously, all municipalities are associated to the delegation (through a formal link), giving them the opportunity to participate in decision making. Nonetheless, the delegation has faced some troubles managing the relations amongst them, hampering a healthy communication
between all parties. Political interests easily interfere with the cooperation efforts in question, since each municipality prioritizes its own development over that of the region (this situation is amplified in times of uncertainty, such as election period). Municipalities often participate as sponsors or boosters for the region’s events, thus the relationships between them and the delegation are extremely important. Almost equally important for this TCP delegation is UBI. The two institutions partner up to develop congresses and other related events, where the delegation is often responsible for defining programs for UBI’s guests, contact hotels, among others. Furthermore, the delegation maintains a close relationship with all museums of Covilhã, helping them mostly by promoting them near the tourists.

The Covilhã’s Municipality (CMC) is the entity of local power. Its role is to manage the several facets of the municipality, from the maintenance of public spaces, licensing and supervision to the participation in education services, sports or culture. Despite not having a specific tourism department, the Municipality can influence this economic activity in several manners: it is in charge of the territory, its maintenance, infrastructure creation and patrimony preservation; it often participates as sponsor for the different cultural events happening in Covilhã, which have the power to attract tourists; and finally, it is the manager of the region’s two municipal museums (Museu de Arte Sacra and Museu de Arte e Cultura da Covilhã).

For these reasons, CMC is, clearly, another very important public agent to the region. Its jurisdiction does not include Serra da Estrela’s territory, which is under the supervision of ICNF; this fact implies that the municipality is not in charge of maintaining or supervising Serra da Estrela. Regarding their relationships with other agents, there are some
communication channels already implemented. CMC belongs to *Comunidade Intermunicipal das Beiras* (COMURBEIRAS), which promotes the development of common projects; CMC claims to be completely willing to cooperate with other municipalities as long as it envisions the development of Covilhã. Concerning private agents, the municipality believes the current connections are properly developed. Hotels appeared to be crucial inside the tourism sector, as they contribute to the accommodation figures and to the municipality’s reputation.

CMC plays another role inside the tourism network of Covilhã: that of museum manager of *Museu de Arte Sacra* and *Museu de Arte e Cultura da Covilhã*. The museums were created in response to the need to stimulate the region’s cultural scene and allow tourists to enjoy activities beyond winter sports or nature tourism. They are part of the municipality, thus sharing the same partners.

As previously mentioned, when the first problems related to the industrial activity of Covilhã started, UBI was funded. The university offers courses in diversified areas, operating under the authority of the Education and Science Ministry. It is currently one of the larger employers of Covilhã and plays a dynamic role within the community, having several linkages with tourism. It is involved in the supply of a touristic product through its Wool Museum (MUSLAN), but it also stimulates the region’s tourism sector from the demand side.

The university has enriched the regional touristic panorama through the several studies, strategic plans and consultancy projects requested by the municipality, contributing for their bonds with *Turismo do Centro* (through Serra da Estrela’s delegation) and with CMC. It has equally cooperated with other higher education entities (*Escola Superior de Hotelaria*...
e Turismo de Seia) in the creation of tourism related curricular proposals. UBI is also one of the larger clients for the region’s private tourism agents, mainly hotels, restaurants and handicrafts shops. Such demand can be directly (accommodation and typical products for guests in congresses and other events) or indirectly created by the university (family visits for students, mostly related to student welcoming and graduation).\(^a\)

MUSLAN, an award winning museum, member of the Portuguese Museums Network, was created as a way to preserve the town’s industrial heritage, accompanying the University’s strategy; its mission is to show the history of the wool industry in the region.\(^{25}\) Due to this deep connection with the textile sector, MUSLAN is committed to maintaining a good relationship with its agents. Despite the museum’s efforts, these ties are not very strong. However, their relationships with private agents go a lot further. They keep active contacts with hotels (creation of vouchers for routes and tours), INATEL, touristic agencies (in and outside the municipality) and touristic animation companies.

Regarding public agents, some details must be noted. According to MUSLAN, their relationship with Serra da Estrela delegation does not present any problems. The same cannot be said about the link with CMC, with whom communication has been scarce in the last years due to some incompatibilities between CMC and UBI. Since there is a new executive in the municipality, this reality might change in the near future. Schools also belong to the museum’s network. This agent fits perfectly in the University’s sphere of activity and also plays an important role in promoting the museum, through student’s word-of-mouth. In fact, promotion needs justify many of MUSLAN’s links. In order to publicize

\(^a\)Note: In order to enrich this content, data-crossing was performed with other Field Lab colleagues.
the museum or any specific exhibition, they use mostly hotels and touristic information offices (Covilhã and Belmonte) as channels to reach the target audience.

MUSLAN seeks to make the most of Covilhã’s geographical location while maintaining a strong relationship with other museums, in and outside Portugal. As such, MUSLAN belongs to two networks of Portuguese and Spanish agents: TRANSLANA (wool route) and Mouseion. TRANSLANA’s aim is to investigate the importance and secure the maintenance of archaeological evidences of wool production in the Iberian Peninsula. Mouseion is a network between some of “Alentejo, Beiras and Extremadura’s museums that focuses on cooperating on the management of resources related to exhibitions, human resources training, conferences”, among others. Within Covilhã, MUSLAN communicates regularly with the Cheese Museum. Inversely, and due to the lack of contact with the municipality, there is no current relationship with either Museu de Arte Sacra or Museu de Arte e Cultura da Covilhã. However, the Wool Museum is receptive to the creation of common initiatives and projects.

ICNF is in charge of assuring biodiversity and nature’s preservation, mainly inside the predetermined protected areas throughout the country. Serra da Estrela is one of this areas (Parque Nacional da Serra da Estrela - PNSE), making ICNF one of the entities indirectly accountable for the area’s touristic attraction and worthy of analysis. It performs – among others – a supervision role for nature related tourism ventures and an informative role for tourists, always advocating sustainable tourism.

However, PNSE’s competencies do not include the supply or development of touristic products. It does perform, nonetheless, the role of regulator within the park’s territory: any activity or event taking place inside the park’s boundaries must have PNSE’s approval and
supervision. Regarding ongoing relationships with other agents, only TCP and *Turistrela*, S.A. were mentioned, as the three agents are partners in the management of *Centro de Interpretação da Torre*, a centre dedicated to exhibitions (permanent and temporary) about the natural and anthropological characteristics of Serra da Estrela.\textsuperscript{28}

The region is composed by these and many other public agents, most of them smaller in size and impact. This category includes mostly museums, such as the Cheese Museum. This museum was created with the help of the Municipality and aims at promoting one of the most valuable assets of the region, their worldwide known cheese, through a multisensorial experience.\textsuperscript{29}

The Cheese Museum is located in Peraboa and is extremely interested in cooperating with other agents of Covilhã. Currently, their partnerships are mostly directed towards mutual activity promotion or participation in events and include agents such as hotels, travel agencies, municipalities, social media and other regional museums. The latter stands out, as there is a strong intent in deepening the relationships with other museums through the creation of a common ticket and organization of common events. Finally, the Cheese Museum is currently involved in punctual partnerships, such as the creation of vouchers with regional producers in specific times of the year (e.g. cherry season).

**GPP within the Network**

Throughout the interviews, questions on the impact of the new Pousada in the region and on the current relationship with the group were made. Regarding relationships already established, only Serra da Estrela’s tourism delegation mention the existence of some links with GPP; however, they also referred that communication is now weaker than a few years ago. Nonetheless, all entities affirm to have high expectations regarding the opening of the
new Pousada (increase amount of quality accommodation, growing dynamism in the region) and feel eager to cooperate with the group.

Creating links between GPP and the network’s agents would be beneficial for both parties. Public actors could leverage on this high quality service and well-known brand in order to increase the number of visitors. Simultaneously, GPP could offer a more complete product to its guests, under different themes: culture, nature, Jewish heritage, among others.

**Network Diagram and Analysis**

![Network Diagram](image)

*Figure 1 – Network Diagram*

The relationships between agents that were described earlier are visually displayed in the network diagram (figure 1). The layout of this diagram is extremely valuable for the
understanding of the network’s specificities and will help in the process of defining improvements and recommendations.

In order to perform the Social Network Analysis of Covilhã’s tourism related public agents, the program NodeXL was used. NodeXL is a template for Microsoft Excel which allows, through the definition of nodes and links among them, the representation of a network in the shape of a diagram. NodeXL equally uses the input information to determine not only the graphical aspect of the network, but also its central and peripheral actors and several graphic metrics used in Social Network Analysis (SNA).

Centrality is probably the most important and commonly used variable in SNA. There are different measures for centrality to be considered: centrality by degree (“number of other actors to which the focal actor is tied”), centrality by betweenness (“frequency with which actor falls on the path between pars of other actors”) and centrality by closeness (“actor’s ability to access independently all other member of the network”) (Timur & Getz, 2008). Nonetheless, researchers agree on the fact that the centrality of a player’s position inside the network indicates the “amount of power obtained through the structure and capacity to access information and other members” (Timur & Getz, 2008).

Regardless of the centrality measure chosen, there are two actors that stand out in the network: MUSLAN and Turismo do Centro through its Serra da Estrela delegation. These agents scored the highest in degree, betweenness and closeness based centrality, MUSLAN having 11, 96.33 and 0.033 and the delegation 10, 67.167 and 0.033, respectively (results computed through NodeXL – see Appendix 2 and 3). As a result, these entities (and UBI, as it is the third more central entity and is linked with MUSLAN) are the most powerful within the network, “have access to different nonredundant sources of information” and are
seen as “gatekeepers”, since they have the ability to “control over others or facilitate exchanges between less central actors” (Timur & Getz, 2008).

In the study performed by Timur and Getz, the DMO was the central actor in all the three cities under analysis, but cultural attractions were also close to the centre in two cases (Timur & Getz, 2008). In the case of Covilhã, the situation is the exact opposite, with a cultural entity outranking the DMO. The inversion of positions is probably related with MUSLAN’s access to critical resources (knowledge from UBI, connections with international agents, link with the region’s most coveted products - wool) while being an actor that is fully embedded in the tourism industry. Another critical determinant of Serra da Estrela delegation and MUSLAN’s position is their high degree of legitimacy inside the industry, as they are the official DMO and a widely praised, awarded museum. Despite of the reasons behind their position in the network, it has been proven that a central player enjoys a strategic advantage (Timur & Getz, 2008). As mentioned above, these actors have easier access to information, are able to manage information flows and might even influence other agents (Timur & Getz, 2008). As such, other powerful stakeholders might become aligned with them, achieving a greater control over decision making.

Another important measure to apply in SNA is that of network density, which is given by the “ratio of the number of ties to the maximum number of ties” (Li, 2013). In a undirected graph such as the one above, the maximum number of ties is calculated by N(N-1)/2, where N stands for the number of nodes (i.e. actors) (Li, 2013). For this network, the maximum amount of links is 210 and the actual links are 39, resulting in a network density of 18.57%. Such value is an evidence of the room for improvement in the network under study. Reaching 100% is obviously utopian, but having a density of less than 20% shows that
many ties within the network are yet to be developed and agents do not communicate enough among them, which might result in serious lacks of information. Given the relatively small size of Covilhã, such network density could represent some unwillingness to cooperate, lack of perceived benefits from cooperation or mere apathy.

Quality in the Services Provided by the Public Agents

As can be seen from the previous section, each institution provides services to the general society, but also to each other and to other entities, public and private, with several different purposes and backgrounds. Despite belonging to the public sector, it is important to know the quality level of the services provided, as it might interfere with network’s partners. In order to proceed to such analysis, five service quality dimensions will be addressed and the experience of data collection to the elaboration of this project will be used as an example to study each variable (Foster, 2010).

The tangibles dimension includes “the physical appearance of the service facility, the equipment, the personnel and the communication materials” (Foster, 2010). In all personal interviews, the appearance of the service facility and the personnel were not problematic issues: the necessary facilities existed (i.e. meeting rooms) and the personnel were easily identifiable, although a more perceptive differentiation would be advisable (adding a name and function tag would be helpful in some cases). However, the same cannot be said about the equipment and communication materials. Websites were generally weak, outdated, lacking important information (e.g. prices and opening hours) and links to other relevant websites; exceptions include those of Turismo do Centro. Regarding equipment, the realization of videoconferences with some entities was impossible due to the inexistence of proper equipment, which might hamper future meetings with partners.
Concerning service reliability, the ability “to perform the promised service dependably and accurately” is assessed (Foster, 2010). From the moment these entities agreed to cooperate in the development of this research project, it was expected that they would contribute with prompt, accurate answers to the questions made (or, in case of incapability in doing so, ask for another’s collaboration). However, that was not always the case, and in many situations the answers were provided in an imprecise and delayed manner. If the same happens in the relationship with partners, the satisfaction level of the other party is likely to be negatively affected and pose a challenge to the network’s future.

Responsiveness, i.e. the “willingness of the service provider to be helpful and prompt in providing service”, was definitely a difficult point in the contact with every entity (Foster, 2010). The first contact attempts were done through e-mail, but it was necessary to resort to telephonic contact in all cases in order to get a final response. In the most extreme case, it was inevitable to go to the entity’s facilities and request a quick meeting. Such slow and inefficient response mechanisms might hinder the effectiveness of communication within the network and probably prevent the establishment of new, beneficial partnerships.

The dimension of assurance in service providing is defined as “the knowledge and courtesy of employees and their ability to inspire trust and confidence” (Foster, 2010). This was another problematic dimension, as the theme under study was often new to the interviewees. For this reason, it was difficult to find someone knowledgeable enough to accurately answer the questions presented; finally, when someone was addressed to this case, the answers provided were often vague and unrelated to the question (this problem was solved through data-crossing). Furthermore, throughout this information gathering journey, some situations of institutional changes appeared where the interviewees were still
unsure about the future and explained that major alterations might occur within the next months. This uncertainty within the network is prejudicial, and might harm the future of these relationships as well as postpone or impede the development of common ventures.

**Empathy** is the final dimension (Foster, 2010). Although there was an individualized attention in the service provided in order to develop this project, caring from the other parties was seldom displayed, mainly when the contacts were made via e-mail. However, in in-person meetings, there was a true effort to understand the specificities of the problem and a good dialogue was easily established. This example reinforces the need for frequent, face-to-face meetings between the members of the network in order to effectively develop projects and activities, rather than having a purely institutionalized relationship that only exists because it is contemplated in the entity statutes.

**Conclusions and Recommendations**

From the analysis performed, some conclusions regarding Covilhã’s network of tourism related public agents can be drawn. In sum, this is a quite incomplete, sparse network, with an unexpected central agent and where even the existing relationships are mostly promotion-focused and show a lot of room for improvement. Such situation might be a cause of the region’s 2011 decrease in overnights (less 5.1% comparing with 2011) and its representation of less than 1% in the national tourism panorama.\(^30\) The overall poor quality of the service provided to the researchers must also be noted. Furthermore, it has become clear that Covilhã itself cannot be considered a tourism destination. Rather, it is one of the parts of a bigger whole – Serra da Estrela. Results could have been different if the full network had been studied.
With a density of 18.57% (i.e. out of all the possible connections amongst players, less than 20% are actually developed), the network under study is quite sparse. At the source of these results is the fact that relationships that should be very strong inside a tourism destination are still inexistent in Covilhã’s network. A good example is the current negligence of restaurants, souvenirs and handicraft shops by Serra da Estrela delegation. Each of these agents plays a very important role in the visitor’s experience and must not be ignored, mainly in a country like Portugal, where tourism has a deep connection with gastronomy and crafts. They should be inserted in the network and treated as equally important partners, be promoted by the delegation, included in the destination’s events, etc. Furthermore, Turismo do Centro, through Serra da Estrela delegation, is the most fitted entity to try to improve the overall quality and efficiency of the network, by spreading and deepening the ties amongst agents, increasing the network’s density. A good way to address this problem is the creation of a series of tourism related conferences, where topics that are pertinent to all players are included (e.g. new and alternative activities, gastronomy, promotion techniques) and where networking opportunities are fostered.

Another entity which contributes for the low density of this network is the Municipality. Being the entity of local power with institutional legitimacy, it would be expected to occupy a much more central spot in the network; however, with a degree centrality of 7, betweenness centrality of 10.33 and closeness centrality of 0.026, it does not go beyond the fifth position. The institution has been accused of favouring politics over good relationships with other actors and even competing through its museums in the past. Moreover, Turismo Covilhã, an association for the touristic development of Covilhã which worked under the purview of the municipality, has been extinct. Such attitudes have jeopardized CMC’s
position within the network. The Municipality should, then, try to leverage on its existing links with other institutions while betting in the creation of new ones in order to improve its current situation and the functioning of the overall network.

First, it is fundamental for CMC to foster better relationships and continuous communication among the municipalities that belong to the region, which has not been easy in the past. Such cooperation would only improve the destination’s performance and facilitate the implementation of other measures. In order to increase commitment to such relationships further efforts must be undertaken, such as having a percentage of the annual budget directed mandatorily to the development of common projects.

One point where the collaboration of municipalities might bring better conditions to the destination is that of accessibilities. Despite the improvements made in the last years, the access to the mountain’s top in snowy days remains a challenge. Since road alterations and construction work are inadvisable, the supply of public transportation might be an adequate alternative, as it would solve the chaotic traffic and improve road safety. Tourists and locals could park their vehicles in different parking locations spread throughout the mountain and, from then on, use public vehicles. However, unless this is a common measure used in all the mountain’s entries, the problem is likely to persist.

Simultaneously, the scarce communication between the University and the Municipality must be addressed. Both UBI and MUSLAN are strong, central players in the destination, transforming a good relationship with them in a major asset. Although museums rarely occupy such central positions and Universities are seldom considered in tourism networks, in the case under study they are of utmost importance. These entities have a connection with crucial resources such as knowledge, the wool industry, international agents and are
responsible for events that foster tourism in the region. For all these reasons, it is crucial for the past disputes between UBI/MUSLAN and CMC to be solved. Since these problems were connected with CMC’s previous executive, improvements should be visible soon, as it is inconceivable that such important entities in the region experience the described problems. Better communication would bring many options to be explored, such as the creation of a common ticket for the museums or program for the celebration of specific dates (e.g. international museum day). If the understanding does not happen naturally, other institutions, such as Turismo do Centro, should consider mediating the agreement.

As the relationships among agents improve, other challenges arise. An important and delicate matter in the specific case of Serra da Estrela is its dependence on snow-related touristic products. Being dependent on one single product is definitely not advisable; however, research advocates that losing sight of the key icon attraction is unwise (Cox & Wray, 2011). In order to surpass this challenge, the region must use the snow as means of developing their remaining resources: rely on local partners (restaurants, hotels, museums) to heavily promote alternative regional attractions in times of peak demand and promote cross-selling in travel agencies and booking websites (e.g. booking a stay in high season offers you a discount in low season) are just a few examples. Furthermore, these offers must be made taking into account one of the industry’s best practices of presenting themed packages, promotions and brochures (Cox & Wray, 2011). Serra da Estrela has several options to explore in this field, from nature tourism, to the region’s Jewish heritage or industrial landmarks.
One issue that was often mentioned in the interviews was the need for education and awareness regarding tourism. There are two different sides to this matter: the training of those who work in the tourism industry and the consciousness of the community.

According to the interviewees, there seems to be a lack of qualified workforce within local tourism professionals, mainly in the restaurant sector and despite the current offer of EPMFundão – *Escola Protocolada do Município do Fundão*. Also, and due to the importance of Rural Tourism, knowledge of an international language is still scarce. This can harm the destination’s image to foreign tourists and hamper their satisfaction regarding the stay in Serra da Estrela. The DMO should implement short training program in the areas of customer service and idioms through partnerships with local schools (e.g. UBI, EPMFundão) and make them available to all businesses in the region. According to Cox and Wray, such initiative not only improves customer service levels, but also creates a highly skilled workforce, establishes a “friendly” destination and encourages operator buy-in (Cox & Wray, 2011).

Educating a community is a much harder challenge. The community’s understanding and acceptance of tourism is critical for the improvement of the destination as a whole (Cox & Wray, 2011). Awareness campaigns that foster the residents’ interest for the local tourism initiatives or special benefits for them in museums or monuments might foster engagement amongst the locals. Double efforts should be made regarding the younger generations. Putting them in contact with the region’s history and overall touristic resources will clarify the importance of the industry, create some empathy towards it, but will also create a more knowledgeable community for the future, one that is prepared to help visitor and improve the destination itself.
Promotion is consistently mentioned as the object of public agents’ relationships and is, probably, the activity that registers more overlapping among the studied entities. It is important that each entity continues its own promotion efforts, since each of these channels will reach a different audience. However, and because the accuracy of the information and the promotion of a proper destination image must be guaranteed, some improvements must be undertaken. An option to consider is establishing a tourism data warehouse, probably more beneficial at a national level, in light of what exists in Australia (Australian Tourism Data Warehouse). This service is dedicated to inventoring tourism product listings that are submitted to quality control and then made available to distributors who disclose them in their own websites and other digital media.\(^{31}\) This platform was built to “ensure accuracy and relevance to the customer who views the information” and, thus, guarantees a consistent promotion of the destination’s brand image (Scott & Cooper, 2010).

Further advice must be given on the internal functioning of some of the studied entities, mainly CMC and TCP. Currently, the promotion of the whole central region of Portugal, undertaken by TCP, is developed by two centralized teams: “Promotion and Touristic Animation” and “Touristic Product Management”.\(^{32}\) According to Cox and Wray, the destination must have a dedicated and experienced marketing committee which is, among other, responsible for doing ongoing, relevant research (Cox & Wray, 2011). These studies and researches must include tourism capacity profiling, visitor satisfaction, and market awareness analysis. The latter is of utmost importance and seems to remain undone – it is crucial to understand the results and impact of the initiatives done so far to plan for the future. Having this single committee, fully dedicated to the marketing of the destination, could also give it more power with the central decision-makers, allowing the negotiation of
a larger influence area that goes beyond Portugal and Spain. In such case, the well-known brand of *Pousadas de Portugal* could be used as an attraction of the region.

As mentioned above, CMC is not in a very favourable position in the network of tourism related public agents. This is in part due to the lack of an internal structure that favours its involvement in the tourism sector: there is neither Tourism Office nor a dedicated municipal enterprise (in light of what happens in Coimbra, for example), leaving all tourism-related matters to the Culture Department. Having a tourism dedicated unit would definitely improve the overall performance of CMC in the sector, increasing the resources to dedicate to relationships, promotion, event organization, among others.

Finally, it is crucial to note the challenge that GPP faces: the entry in an established network of agents where it has little impact. To facilitate such entry, the group must start by creating partnerships with the agents located at the centre of the network, i.e. MUSLAN and Serra da Estrela Delegation. Justifying this choice is the fact that these two actors are the network’s “gatekeepers”, having the ability to facilitate GPP’s influence spread throughout the network and lead to an easier and timely access to information, resulting in an increased power in the long-run. Until then, GPP might want to be aligned with these players’ strategies in order to achieve a place in the decision making process.

Overall, Covilhã – and Serra da Estrela – has a great potential in the tourism sector. However, due to misconceptions regarding cooperation between agents and internal inefficiencies, results are quite disappointing. GPP might have an opportunity to improve the situation, leveraging on its current investment in the region. Being an important player, it has the power to influence other agents in the right direction and collect the benefits in the years to come.
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A Work Project, presented as part of the requirements for the Award of a Masters Degree in Management from the NOVA – School of Business and Economics.

TOURISM MANAGEMENT FIELD LAB


APPENDIXES

MARGARIDA SERRALHEIRO FALCATO | 1130

A Project carried out on the Management course, under the supervision of:

Professor Sonia Dahab

Lisbon, 6th January 2014
Appendix 1 - SWOT

**Strengths** - Covilhã enjoys a privileged location in Portugal due to its proximity to Serra da Estrela and inclusion in the Centre Region, where there is a wide range of tourism supplies (nature, culture, health and religious).¹ There is climacteric diversity throughout the year, which attracts tourists for different activities and contributes to a (surprising) low seasonality.² As a result of its deep connection with the textile industry, there is an extensive patrimony related to such activities that can and should be used.³

**Weaknesses** - Covilhã suffers from most of the symptoms of a depressed region: high unemployment rate (mainly in the service sector) and an ageing population are dangerous for this town.⁴ Because of its location in the Interior of the country, there is less accessibility to the region.

**Opportunities** - UBI is a provider of qualified workforce to the area and a very dynamic actor in Covilhã. Despite its not so favourable location, the town is relatively close to both Lisbon and Oporto (and, consequently, the two main Portuguese airports), enjoying several daily bus and train connections. European Union structural funds have been used in the region for several purposes in the past; with a new batch of funding from 2014 to 2020,

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¹ Source: “Plano Estratégico Nacional do Turismo” - http://www.turismodeportugal.pt/Portugu%C3%AAs/turismodeportugal/publicacoes/Documents/PENT%202013%20vfinal.pdf
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⁴ Source: PORDATA - http://www.pordata.pt/Municipios/Quadro+Resumo/Covilha+{Municipio}-4025
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several new projects can be supported, always envisioning regional development.\textsuperscript{5} Finally, and thanks to its proximity to Spain, there are good possibilities for fostering cross-border partnerships.\textsuperscript{6}

**Threats** - Some external factors might jeopardize the touristic importance of Serra da Estrela. The destination faces competition from larger urban centres, which are increasingly trendy, but also from other relatively close winter sports destinations (Sierra Nevada and Andorra). Given the relative weight of national tourists (in 2011, they represented 89\% of the total visitors), Portugal economic situation poses some risks for the region’s performance.\textsuperscript{7} Finally, the worldwide climacteric changes are likely to affect the number of snowy days in the year.

\textsuperscript{6} Source: Programa Territorial de Desenvolvimento – Comurbeiras
\textsuperscript{7} Source: Turismo de Portugal – O Turismo em 2011
http://www.turismodeportugal.pt/Portugu%C3%AAs/ProTurismo/estat%C3%ADsticas/an%C3%A1liasesestat%C3%ADsticas/oturismoem/Anexos/O%20Turismo%20em%202011.pdf
### Appendix 2 – Table Social Network Analysis (NodeXL)

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<th>Betweenness Centrality</th>
<th>Closeness Centrality</th>
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Appendix 3 – SNA measures’ formulas (Source: Li, 2013)

**Degree Centrality**

\[ C'_k = \frac{\sum_{i=1}^{n} D(A_i, A_k)}{n-1} \]

where \( A_k \) means node i and \( D(A_i, A_k) \) is the dummy account for whether \( A_i \) and \( A_k \) are linked. Freeman (1979) adjusted the measurement of degree by dividing the maximum number of degrees by \( n-1 \).

**Betweenness Centrality**

\[ b_{ij}(A_k) = \frac{g_{ij}(A_k)}{g_{ij}} \]

where \( g_{ij}(A_k) \) denotes the number of geodesic links (shortest path) between \( A_i \) and \( A_j \) that contains \( A_k \) and \( g_{ij} \) denotes total number of geodesic link between \( A_i \) and \( A_j \) (Freeman, 1979). The overall betweenness centrality of node \( A_k \) for all undirected pairs of nodes can be written as \( C_b(A_k) = \sum_{i=0}^{n} \sum_{j=0}^{n} b_{ij}(A_k) \) \((i \neq j \neq k)\). The final centrality measure will be weighted by \( n^2-3n+2 \).

**Closeness Centrality**

\[ C_c(A_k)^{-1} = \sum_{i=0}^{n} d(A_i, A_k) \]

where \( C_c(A_k)^{-1} \) is an inverse measure of closeness centrality, and \( d(A_i, A_k) \) is the distance (path length) in the geodesic path between \( A_i \) and \( A_k \) (Sabidussi 1966).

**Network Density**

\[ \frac{\text{Number of Ties}}{\text{Maximum Number of Ties}} = \frac{\text{Number of Ties}}{n(n-1)/2} \]

where \( n \) is the number of nodes.