

ASSOCIATIONS, NETWORKS AND THE TRANSFORMATION TOWARD EXPERIENTIAL TOURISM MARKETING. THE CASE OF THE DISTRICT BARRIO DE LAS LETRAS. MADRID

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As the traditional model of tourist development becomes saturated, Public Administrations and the tourism industry is seeking for alternatives that provide a response to an increasingly demanding and segmented urban tourist that seeks authenticity and unique experiences.

The governance of historical city centers, due to its concentration of small businesses and their cultural heritage, rely heavily in merchants associations and social relationships to improve their performance and adapt to changing environments. Additionally, experiential or emotional tourism has become more important. For example, Richards (2004) affirms that cultural tourism is a product of experience in which the visit is judged not only for its cultural value, but for all the features of the place. So the intangible cultural heritage is converted to a key resource for the differentiation of destinations.

To explore historical centers and experiential tourism, we study the case of Barrio de las Letras in Madrid, a district in which the commercial, historic and cultural city overlap. Barrio de Las Letras is a neighborhood with a unique identity. Formerly known as the “Zona de Huertas”, is located in the heart of Madrid and is a member of the Confederation of Historical Centers (COCAHI). It has a cultural atmosphere mostly generated by new commercial and cultural ventures. The neighborhood is part of the historical center of Madrid and is very attractive for commercial, social and cultural activities. The area has remarkable historical resources such as the Cervantes house or The Ateneo and the most important museums of the city (El Prado, Reina Sofía and Thyssen Bornemisza).

Based on traditions and cultural heritage, small businesses can, use organization, social collaboration and marketing to leverage these historical assets and transform urban spaces into attractive tourist destinations, while protecting the social fabric. The Small Businesses

Association of Barrio de las Letras, in Madrid, is an example of how transformation of a decaying neighborhood in Madrid into an experiential tourist destination is possible.

The main goal of this paper is to explore how small business associations and networks among entrepreneurs can transform neighborhoods with cultural heritage into thriving and economically attractive touristic and trade areas, for example, through the creation of a quality label for tourist destinations to distinguish and differentiate areas of the historical centers of cities.

Our results show that the major changes that have occurred in Barrio de las Letras in Madrid, a district in which the commercial, historic and cultural city overlap, are explained by three factors: the emergence of a network of small merchants and entrepreneurs, the creation of the Small Business Association and the brand "Barrio de las Letras" and the implementation of marketing strategies focused on developing experiential tourism.

The paper is structured as follow. The first section is presents a literature review on the role of networks and marketing in the transformation of historic centers. The second part explain the methodology and the data. Subsequently, we describe the evolution and the activities of the business association. Then, we present the results on the characteristics of the entrepreneurs and small retailers and the commercial actions they carried out. Finally, we depict information about the networks among all the relevant stakeholders of Barrio de las Letras. The goal of this section is to understand how the network is articulated and to what extent there is collaboration between the entrepreneurs, small shops and cultural institutions of Barrio de Las Letras.

Before the 2000s the Barrio de Las Letras was in an important state of degradation. The Association was founded in 2005 to develop a plan of support and promotion of the district. Its general mission is to provide business advice to members and to develop Barrio de las Letras as a brand and a micro-destination within the city of Madrid.

The association pursues the renaissance of the neighborhood based on three working axes: trade, culture and tourism. The Association agglutinates small entrepreneurs, cultural institutions, lodging, gastronomy and commercial shops of the area. The association pursues the renaissance of the neighborhood based on three working axes: trade, culture and tourism.

- Trade: The BDLL offers a rich variety of establishments where the most diverse products and services are offered. From the most genuine bookstores in Madrid, to the most avant-garde art galleries, fashion stores, antiquaries, etc.
- Culture: present in every stone of the neighborhood, dozens of commemorative plaques remember historical events and characters who lived in the neighborhood.
- Tourism: the main engine of the neighborhood, every year millions of people visit the streets of the BDLL and enjoy its rich offer of leisure and gastronomy experiences.

The area is populated by small shops, original restaurants, art galleries and other businesses, always on a small scale, avoiding commercial franchises and a "Main street". All this gives rise to a "character of authenticity" of the neighborhood with a very varied

and original commercial offer. We find an inclusive informal network of collaboration between the entrepreneurs, cultural institutions and shops in the district.

A large group of stakeholders, that include the Association and several of its members, participate in the creation of a mixture of emergent activities and experiences that take advantage of the commercial, historical and cultural heritage already available in Barrio de las Letras.

The main activities organized by the Association and its members are very aligned with the cultural identity of the area. They can be consider experiential marketing and cultural activities conceived to promote the "Barrio de Las Letras" brand.

The experimental marketing actions are organized and count with the participation of local small retail shops and entrepreneurs, creating an enjoyable atmosphere appreciated by tourists. Our data reveal an important participation of the associates and tourists in the numerous events organized by the Association of Barrio de Las Letras. The Frog Market (El Mercado de las Ranas) and DecorAcción are the two events with the greatest participation, media coverage, and number of tourists.

The Association agglutinates small entrepreneurs, cultural institutions, lodging, gastronomy and commercial shops of the area. This result shows that the interrelation and collaboration is very important among the diverse shops and entrepreneurs of Barrio de las Letras. They constitute the informal network of entrepreneurs, the second governance mechanism necessary to create a cultural and historic tourism ecosystem.

To conclude, our work is relevant for three reasons.

- First, historic urban centers of world cities have an extraordinary growth potential because of the rise of cultural and historic tourism in last years.
- Second, old city centers are more complex than the simpler commercial town center, because not only small retailers are present, but social, historical and cultural entrepreneurial activities are part of these districts, so there is a need to develop novel models that integrate these dimensions.
- We consider the interaction between commercial and other type of productive activities in urban centers (cultural institutions, hospitality industry and retail to promote cultural experiences and historical tourism).

The study reveals that the development of urban spaces which aim to offer tourism experiences required an ecology of networks and activities that becomes complex and multi-tiered. There is an interplay among different levels. For example, at the individual networks level between entrepreneurs. Interaction and collaboration between them is high and cooperation is very important to provide quality services. In addition, there are activities organized by the Association that also promote networking among their members and the integration between locals and tourists, giving a sense of authenticity.

The dominant sectors in the Barrio de Las Letras are small businesses, service businesses and establishments of catering and accommodation of medium type. The predominant activity is trade and hospitality catering, therefore 50% of the sample are approximately merchants (primarily of fashion, art and antiques and bookstores) and 35% is dedicated to the hotels and restaurants.

New trends in the industry have led to the emergence and growth of urban tourism of experiences that the districts respond "tourist destination", as it is the case of the Barrio de Las Letras. Cultural, shopping and entertainment of the Barrio de las Letras is an adaptation and renovation of a historic centre that offer new experiences to tourists with new needs and this has helped associations and networks of collaboration of the small entrepreneur trade in the area, together with cultural institutions located in this neighborhood.