Bricolage and Innovation in the Emergence and Development of the Spanish Tourism Industry

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Following the seminal work of Lévi-Strauss, developed by Baker and Nelson and Duymedjian and Rüling, this paper analyzes the role that entrepreneurial bricolage played as an innovation tool in the origins and growth of four important Spanish tourism companies: Meliá, Barceló, Iberostar, and Riu. Their development has been deeply embedded in the island of Majorca (Spain), whose historical market conditions shaped and drove the companies’ bricolage actions. Entrepreneurial bricolage has generally been studied from a short-term perspective; however, this work adopts a dynamic approach that, instead of focusing on the concept of bricolage, aims to explain its evolution over time. To this end, four historical and qualitative case studies are used. The main contribution made by this paper is that the four companies did not limit their bricolage actions to contexts of scarcity but made this type of entrepreneurship a regular mechanism in their business practices, as the island’s tourism context thrived. However, the resulting innovations, as well as their main drivers, did indeed change over time.

Keywords: entrepreneurial bricolage, innovation, tourism, Balearic Islands (Spain)

Introduction

Spain’s economic growth between 1950 and 1973 was accompanied by considerable structural change.¹ In 1950, almost half of the Spanish working population was still agrarian, compared with 26.5 percent in industry and construction and 25.9 percent in services.²

¹ For information on the Spanish economy during the twentieth century, the following readings are recommended: Prados de la Escosura, Progreso económico; Tortella, Nuñez, and Alianza Editorial, España Contemporánea; Domínguez Ortiz, Tres milenios.
² Prados de la Escosura, Progreso económico.
However, from 1960 onward, tourism became increasingly important in terms of GDP and employment, and by 1973, the Spanish economy was making steady progress toward tertiarization. Services were already the major sector, accounting for almost 40 percent of active employment, and tourism played a significant role, accounting for more than 8 percent of GDP. How did Spain build this tourism economy in an economic and political context marked by economic and institutional constraints?

Literature on the history of Spanish tourism highlights the great leap forward made by the consolidation of mass tourism from the second half of the 1950s. However, Spain’s success in tourism dates back to the end of the nineteenth century and the first third of the twentieth century. Despite infrastructure limitations and poor-quality accommodations, before the Civil War important public and private Spanish initiatives accomplished significant efforts to develop tourism. Attempts were made to institutionalize tourism policy and even the embryo of a public hostelry sector emerged. Particularly important was the provision of public credit to the tourism sector along with the creation of private companies in fostering the establishment of travel agencies, transport companies, and accommodation facilities. However, Spain still lagged behind the leading European countries in the sector—Italy, Germany, France, and Switzerland—until the aftermath of the Civil War, when tourism became a key sector for the survival of Franco’s regime. In fact, foreign tourism provided valuable foreign currency to compensate for the Spanish external trade imbalance and underwrite the cost of imported goods. In the 1950s, tourism became massive and thus acted as the pillar of economic and social development. According to the World Tourism Organization, in the 1950s, Spain’s share of the world tourism market increased from 1.8 percent to 6.2 percent in terms of foreign visitors and from 0.8 percent to 4.3 percent in terms of tourism revenue. The increasing European demand within the framework of the Keynesian policies applied in most western European countries, along with the international projection of the Spanish tourism sector and the irruption of northern European tour operators in the domestic market fueled this remarkable expansion. With a few exceptions, Spanish travel agencies succumbed to competition from foreign tour operators that, attracted by cheap prices and climate, turned the coasts of Spain’s Mediterranean provinces and islands into the European center of mass sun and sand tourism during the 1960s. These tour operators, including the German TUI and Neckermann, secured the touristic demand and boosted the supply of accommodation. Indeed, their financial capacity combined with Spain’s private

initiative to create Spain’s major hotel chains and consolidate the country as a world tourism power.\textsuperscript{10}

After the intense growth registered during the first half of the 1960s, Spain’s tourism sector entered a downward trend from the end of that decade that was reflected in the moderation of real expenditure per tourist, the fall in touristic real revenue, and the increasing pressure from European tour operators on national hoteliers.\textsuperscript{11} Finally, the 1973 oil shock triggered a crisis within mass tourism. In the Spanish case, the oversupply of accommodations and the specialization in highly seasonal tourism oriented to low purchasing power demand acted as internal drivers to worsen the situation.\textsuperscript{12} However, the Spanish tourism sector quickly overcame this phase of deceleration by diversifying and adapting its supply to new forms of tourism. Thus, the significant decline in Spain’s share of the international tourist market from 1974 was a temporary event. During the last quarter of the twentieth century, Spain managed to maintain its leading position as a tourist destination, accounting for between 9 and 13 percent of world tourists and 6 and 8 percent of world tourism income.\textsuperscript{13}

In short, during the twentieth century, Spain went from being a second-rate tourism nation to becoming a world tourism power. The mass tourism boom turned the country into a favorite destination for European tourists eager for sun and sand. The Mediterranean coast and the archipelagos were overwhelmed by the floods of foreign and national travelers. The entrepreneurial character of the businessmen and the flexibility of the workforce, reinforced by internal migrations, proved decisive in satisfying the needs of the growing demand. These factors were particularly relevant in the case of the Balearic Islands and were strengthened by their historical commercial tradition. The demand and supply factors that underpinned the growth of the touristic sector in Spain were even more intense in the Balearic Islands.\textsuperscript{14} By the early 1960s, the islands were already a “tourist emporium”: No other province was as economically dependent on tourism.\textsuperscript{15}

This paper analyzes the role played by Spanish tourism companies, deeply embedded in the island of Majorca, in the development of the sector between the 1940s and the 1980s. To do so, it focuses on the origins and development of four important Spanish multinationals: Meliá, Barceló, Riu, and Iberostar. All are currently among the top fifty hotel chains in the world, by revenue and number of rooms managed, and occupy very competitive positions in major destinations such as the Caribbean.\textsuperscript{16} Family-owned, each company entered tourism in the mid-twentieth century and then performed a successful process of


\textsuperscript{12} During 1958 to 1962, the number of hotels built (5984) exceeded the number of hotels existing at the beginning of the period (5268). Pack, La invasión pacífica, 308; Larrinaga and Vallejo, “Turismo español contemporáneo,” 12–27; Vallejo, “¿Bendición?,” 89.

\textsuperscript{13} Vallejo, “País turístico rezagado,” 9; Vallejo, “¿Bendición?,” 89; Pack, La invasión pacífica; Vallejo, “Economía e historia,” 203–232.

\textsuperscript{14} Cirer, Invenció del turisme; Manera, “Història del creixement,” 77–84; Manera and Garau, “Masas en el Mediterráneo,” 390–412; Segreto, Manera, and Pohl, Seaside.

\textsuperscript{15} Vallejo, Turismo en España, 597.

\textsuperscript{16} By number of rooms, worldwide, Meliá ranks nineteenth, Barceló twenty-ninth, RIU thirty-second, and Iberostar forty-seventh (Hotels Magazine, 2019).
internationalization. 17 Each founder—José Meliá, Simón Barceló, Juan Riu, and Lorenzo Fluxá—started out in a sector relatively unrelated to tourism; however, following a process of diversification, tourism soon became the core business for each of these entrepreneurs.

Of the four entrepreneurs under discussion, only José Meliá started his tourist activity in the 1940s, in the midst of Spain’s autarky and international closure. The other three—Barceló, Fluxá, and Riu—entered this new business by taking advantage of the tourism boom in Spain in the 1950s. 18 Even though the context was more favorable than during the 1940s, Spain was still isolated from the international economy, and access to essential resources for entrepreneurship, such as capital or external networks, remained significantly restricted.

When analyzing the origins, growth, and internationalization of these Spanish tourism companies, this paper adopts the theoretical lens of entrepreneurial bricolage and explores how it acted as an innovation tool for the tourism entrepreneurs, using a close, qualitative analysis of four historical cases.

The concept of bricolage originated in the seminal work of Lévi-Strauss and was applied to the field of organization studies by Baker and Nelson, and Duymedjian and Rüling. 19 Bricolage can be defined as the ability to confront a context of struggle and scarcity through the creative application of the resources available to entrepreneurs, used in a different way; that is, the creativity to “make do with what is at hand.” 20 Entrepreneurial bricolage has generally been studied from a static, short-term perspective. Rather than focusing on the concept of bricolage, this paper adopts a dynamic historical approach that enables us to explain the evolution of bricolage in Spanish tourism in the long term, as well as its drivers and implications for organizations, the sector, and the whole economy.

The paper is divided into five sections. The first section one presents our theoretical framework, reviewing scholarship on entrepreneurial bricolage and innovation, and the second section outlines our data sources and methodology. The third section explains the history of the four entrepreneurs, emphasizing their business activities and, more concretely, the bricolage actions that allowed them to enter the tourism sector and achieve rapid growth. Finally, the fourth section presents a thorough analysis, combining empirical evidence with theoretical interpretations, and the fifth section offers our conclusions.

Entrepreneurial Bricolage and Innovation

The notion of “bricolage” was first introduced in 1962, in Claude Lévi-Strauss’s seminal book La pensée sauvage as a system for describing the way people relate to their environments. 21 Although Lévi-Strauss did not offer a definition of the concept, business theory usually interprets it as a type of creativity that emerges without prior planning to resolve a specific

21. Published in English as The Savage Mind in 1967.
need, using the means that an individual—the bricoleur—has at his or her disposal. In short, it is the capacity to “make do with what is at hand.” Bricolage was thus connected to the idea of the social construction of resources to understand, from a “practical” perspective, how things work.

Since the publication of Lévi-Strauss’s work, bricolage has been used to characterize organizational practices related to innovation as an alternative route to everyday action and to interpret entrepreneurship as a process of reusing and combining resources that, gathered without a clear purpose or intended use, help people cope with an unfavorable environment. Thus, entrepreneurial bricolage relates to how individuals or organizations deploy a resilient attitude to achieve their goals and handle any difficulties that might arise. While some authors describe this practice as a last resort, others maintain that bricolage refers less to resource scarcity than to the ways in which available resources are utilized.

Indeed, Baker, Miner, and Eesley have explored how firms generate heterogeneous value from seemingly identical resources. They pointed out that innovative organizations use existing resources creatively, challenging general theoretical approaches to their management. Thus, firms were able to overcome constraining environments through creative interpretation of available resources, which could be put to new uses through bricolage and improvisation. In this way, entrepreneurial bricolage rejects the determinism of an unfavorable economic and institutional environment and explains why certain companies are able to create something from nothing, to seize opportunities and develop their initiatives, exploiting physical, social, or institutional assets that other companies reject or ignore.

Within the set of valuable resources for the development of an entrepreneurial initiative, emphasis has been placed on the value provided by social resources, understood as the set of people with whom the entrepreneur relates and who constitute his or her network of contacts. Beyond economic, financial, or material resources, the so-called network bricolage highlights that this network of contacts is very valuable as leverage for acquiring other resources beyond the immediate reach of the entrepreneur.

Since Baker and Nelson, bricolage theory has dominated literature within the field of management and organization studies but with limited connection to other areas of knowledge. However, approached from a wider perspective, bricolage could be understood as an innovation tool that offers the opportunity to bring this management literature closer to

broader discussions on the economic history of innovation. As in other areas of academic study, business history acts as the bridge between theoretical fields, meanwhile serving as an outstanding empirical ground to test and develop theories.

According to Schumpeter, innovation is a deviation from existing and traditional ways of doing things and depends on the ability of entrepreneurs to act, based on their “freedom of mind” or their “rebellion” against the status quo. Innovation is “the fundamental impulse that sets and keeps the capitalist engine in motion,” as it allows for its continuous evolution and modernization through creative destruction. This describes a process of industrial change that destroys existing economic structures from within and creates new ones. Most studies have long identified innovation as a key driver of economic growth and authors such as Demirel and Mazzucato has proven a positive association between innovation and firm growth.

Innovation influences and is influenced by the market and the socioeconomic context. As different authors stress, innovation is presented as a dynamic and complex system that results from a combination of interactions within firms and between firms and with the technological systems in which they operate.

Innovation can take two basic forms, as both Brentani and Fagerberg have stressed: incremental (or adaptive) and radical (or discontinuous). Incremental innovations involve updates of technologies that modify existing technological paradigms. A technological paradigm is defined by the set of models, patterns, or schemes of possible solutions that lead to new forms of production, new products or lifestyles, or different working conditions. Radical innovations, on the other hand, drive technological regime shifts involving new technical functions, knowledge bases, and organizational forms. Incremental innovations are usually represented by small adaptations—for example, modification of the concept of an existing service—while radical innovations lead to changes in market structures or even generate new markets. Mintzberg characterizes incremental change as a series of small steps that gradually shape new strategies. Radical change is, however, identified with remarkable disruption that

34. Schumpeter, Capitalism, Socialism and Democracy, 82–83.
35. Ibid.
39. Dosi, Technical Change. The technological, economic, and social choices that define a given paradigm give rise to a technological trajectory. A technological paradigm reaches maturity when the returns generated by innovations in the set of technologies to which it gives rise do not produce the expected benefits. Consequently, another paradigm may emerge with the appearance of new technologies that will produce a change in the technological trajectory. The new paradigm will surface when the scientific base that generated the previous one is radically modified.
40. Acemoglu, Akcigit, and Celik, “Young, Restless and Creative.”
occurs repeatedly when facing an environment of uncertainty, crisis, or considerable opportunities.43

Therefore, these two forms of innovation differ in their time frames, complexity, commitment of resources, places of development, degree of novelty in the use of knowledge, and also in the learning processes, risk profiles, limitations, and socioeconomic changes that accompany them.44 The returns of the two types of innovation are also different. While incremental innovations have diminishing returns in a given “technology cluster,”45 radical innovations create new technological paradigms that increase productivity directly but also indirectly by facilitating new incremental innovations.46 Freeman and Louçã argue that the paradigm shift brought about by radical innovation constitutes the fundamental way in which innovation relates to economic growth.47 Indeed, this mode of innovation involves not only a change in firms and their associated knowledge bases, but a large-scale change in scientific and technological knowledge, in infrastructures, and even in the economic and technological organization of national economies.

Kline and Rosenberg identify the two driving forces of innovation: scientific and technological progress, from the supply side, and market, from the demand side.48 Authors who stress the importance of supply as a driver for innovation, under the so-called science and technology-push approach, insist on the role of advances in scientific knowledge that create technological opportunities, thus driving the direction and pace of innovation.49 On the other hand, the demand-pull approach argues that demand determines the direction and pace of innovation to the extent that changes in market conditions create opportunities for firms to invest in unmet needs. Therefore, demand “guides” firms in solving problems.50

Both approaches have limitations. The science and technology-push approach ignores changes in prices and other economic conditions that affect the profitability of innovations.51 The demand-pull approach, on the other hand, ignores technological capabilities and explains incremental change better than radical change, when the latter is precisely the most relevant for understanding economic growth.52 Less strict interpretations argue that, in order to explain innovation, both supply and demand factors need to be considered.53 Both contribute to innovation and interact with each other.54 As Mowery and Rosenberg point out, the science and technology-push and demand-pull approaches are “necessary but not sufficient for innovation to occur, both must exist simultaneously.”55

43. Huy and Mintzberg, “Rhythm of Change,” 79–84.
46. Acemoglu, Akcigit, and Celik, “Young, Restless and Creative.”
47. Freeman and Louçã, As Time Goes By.
Using innovation as a lens to interpret bricolage, the literature interprets bricolage actions as clearly innovative in nature, introducing something new and being potentially useful.\(^{56}\) Thus, bricolage is considered to be an innovation tool to the extent that it gives rise to the creation of new options through the transformation and recombination of existing resources.\(^{57}\) According to Garud and Karnøe, such innovations are rarely radical, yet involve incremental changes that generate moderate gains rather than breakthroughs.\(^{58}\) In this way, bricolage can be linked with the dimension of relatively small innovations that, under a cumulative impact, drive change.\(^{59}\) Following Busch and Barkema, bricolage should be seen as “a local source of low-cost innovation” whose long-term implementation is made possible by replicating successful models and adapting them to diverse local contexts.\(^{60}\) However, despite this low-tech, local innovation approach, bricolage can generate remarkable results through the interaction of entrepreneurs with local knowledge and the accumulation of the stimuli generated by these actors to create new technological trajectories.\(^{61}\)

As we have already pointed out, bricolage and innovation have evolved as separate academic silos despite their close connection. Although bricolage is the main theoretical perspective of our paper, connecting bricolage with innovation will allow us to approach the ways in which entrepreneurs in the Spanish tourism industry created, developed, and internationalized their businesses, in different historical contexts, using bricolage as a tool for innovation. Our research connects with Broekel’s and Flanagan, Uyarra, and Laranja’s ideas on the need to study innovation through micro-level transformation processes. This avenue focuses on the available inputs for the entrepreneurial activity and the results obtained therefrom, helping to unravel the “black box” of innovation.\(^{62}\)

### Methodology and Data

Because this research aims to expose the role played by bricolage in the history of four Spanish tourism companies and their evolution over time, descriptive data are required to identify possible common patterns of behavior among the companies. This paper therefore employs a qualitative method, which fits our interest focused on the “how” rather than the “what.”\(^{63}\) This methodology follows previous studies that point to qualitative research as

suitable for the study of connections between an organization’s past and present. Qualitative research also suggests mechanisms for generating richer and more dynamic theories.

The qualitative research in this paper is based on four case studies. This method, while unable to generate standardized results, is useful if the cases are particularly representative for the research objective, as is the case with the four companies chosen, all of which are important players in their sector. In addition, case studies allow theory development through in-depth analysis of empirical phenomena and their contexts. Case studies are also particularly effective in providing a detailed sense of the context that forms the backdrop to the ways in which entrepreneurs implement the change process. Finally, a historical case study approach provides a profound understanding of entrepreneurial dynamics.

Our empirical research is based on an extensive collection of written and oral sources (see Table 1) gathered between 2013 and 2021, some in connection with a research project on Grupo Iberostar and others specifically collected for this paper. Oral history allows us to create “historical evidence through conversation with a person whose life experience is considered memorable.” The limitations of this type of research rest mainly on the nature of orality, researcher–informant interaction, and memory. Consequently, information may be biased due to “memory loss, selective memories and social desirability,” which may lead to processes of seduction, whereby the interviewer discovers an ideal character rather than a real character. We addressed these problems of interview bias by approaching knowledgeable informants who saw the phenomena from a variety of perspectives and by cross-checking their views with archival documents, external primary sources (historic press), and secondary sources, mainly published books and articles about the companies. The combination of oral and written sources, internal and external to the companies, provided different perspectives to guide our interpretations, supporting the overall credibility of our sources and the validity of our findings.

Meliá, Barceló, Iberostar, and Riu: The Four Main Actors of the Spanish Tourism Industry

Table 2 provides basic information on the four main Spanish-owned hotel companies: Meliá, Barceló, Iberostar, and Riu. The first three diversified their previous businesses toward

Table 1. Main written and oral sources

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<th>Data description</th>
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<tr>
<td>Interview information:</td>
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<tr>
<td>Carried out between 2013 and 2021</td>
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<tr>
<td>Interview with José Meliá Goicoechea (September 16, 2015), Iberostar Archive</td>
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<td>Interview with Francisco Meliá Goicoechea (September 23, 2015), Iberostar Archive</td>
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<td>Interview with Francisco Meliá Goicoechea (May 28, 2021)</td>
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<td>Interview with José Meliá Goicoechea (June 2, 2021)</td>
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<td>Secondary sources: 5</td>
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<tr>
<td>Fundación Barceló, Sebastián Barceló. Su vida, su obra, su pensamiento; Publicación homenaje en su 65º aniversario (Madrid: Fundación Barceló, 1995).</td>
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<td>Barceló Group, Barceló 75 años. Memoria de un viaje compartido (Madrid: La Fábrica, 2016).</td>
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<td>Joan Pla, Gabriel Barceló, semblanza de un líder (Palma de Mallorca: OMNI, 1993).</td>
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<tr>
<td>Interview with Guillermo Reus (February 13, 2013), Iberostar Archive</td>
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<tr>
<td>Interview with Miguel Fluxá (March 20, 2013), Iberostar Archive</td>
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<tr>
<td>Interview with Lorenzo Fluxá (October 2, 2013), Iberostar Archive</td>
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<tr>
<td>Interview with Miguel Fluxá (April 20, 2015), Iberostar Archive</td>
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<td>Letter from Lorenzo Fluxá Figuerola to Catalina Rosselló, Rome, Hotel Lago Maggiore, February 2, 1944, Iberostar Archive</td>
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<td>Josep Tàpies, Elena San Román, and Àgueda Gil-López, 100 familias que cambiaron el mundo. Las empresas familiares y la industrialización (Barcelona: Fundación Jesús Serra, 2014).</td>
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</table>
tourism, starting with travel agencies. This activity required relatively little capital at a time when Spain struggled to support its entrepreneurs financially, clearing the way for scarce and highly coveted international currencies.75 From his citrus fruit export business, José Meliá founded Viajes Meliá in the early 1940s, and he established a bus transport company in 1945 to supply his travel agency. Likewise, Simón Barceló supplemented his transport company with an agency dedicated to selling bus tickets. In 1956, Lorenzo Fluxá, seeking access to foreign currency to secure raw material for his footwear company, Lotusse, purchased a small travel agency called Viajes Iberia, founded in 1930. All three seized on their experience in the travel sector in pursuit of vertical integration, subsequently entering the hotel business. Only Juan Riu made the leap directly from his previous non-tourism business to hotels.

As Table 2 shows, three of the four entrepreneurs started their tourist activity in Majorca during the 1950s. This remarkable occurrence can be explained by the consolidation of the island as one of the main tourist destinations in Europe. In fact, during the 1950s and 1960s, the Balearic economy underwent an intense transformation from its former agro-industrial economic structure to a late process of industrial development and a quick deindustrialization that ended up in a service economy based on tourism.76 As a consequence, between 1950 and 1970, industry as part of the islands’ GDP dropped by more than 10 percentage points, and real GDP per capita grew by 5.8 percent annually.77

75. Throughout his correspondence, Lorenzo Fluxá frequently refers to the problems caused by the shortage of foreign currency in his activity as a footwear businessman: “Until today we have not been able to solve the problem of leaving for Switzerland, as we have experienced some problems with currency exchange […] we have lost a lot of work with this currency issue.” Letter from Lorenzo Fluxá Figuerola to Catalina Rosselló, Rome, Hotel Lago Maggiore, February 2, 1944, Iberostar Archive. For his part, Miguel Fluxá, son of Lorenzo Fluxá, acknowledged, “When I started, I started with the incoming business, because the incoming business doesn’t need capital, it needs connections.” Interview with Miguel Fluxá, March 20, 2013.


Table 2. Basic data of the four companies

<table>
<thead>
<tr>
<th>Name</th>
<th>Start of tourist activity</th>
<th>Starting point of tourist activity</th>
<th>Founder</th>
<th>Founder's entrepreneurial start</th>
<th>First hotel</th>
<th>First hotel outside the place of origin</th>
<th>First hotel abroad</th>
<th>First country abroad</th>
<th>Current situation/generation</th>
<th>No. hotels 2019</th>
<th>No. rooms 2019</th>
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<tbody>
<tr>
<td>Meliá</td>
<td>1939</td>
<td>Valencia</td>
<td>José Meliá</td>
<td>International trade and ship consignment</td>
<td>1948 (Toledo)</td>
<td>1948 (Toledo)</td>
<td>1972</td>
<td>Mexico</td>
<td>Sold in 1987 to Gabriel Escarrer (Meliá International Hotels)</td>
<td>325</td>
<td>82,011</td>
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<tr>
<td>Riu</td>
<td>1953</td>
<td>Palma de Majorca</td>
<td>Juan Riu</td>
<td>Fruit trade</td>
<td>1953 (Palma de Majorca)</td>
<td>1985 (Gran Canaria)</td>
<td>1991</td>
<td>Dominican Republic</td>
<td>Third</td>
<td>99</td>
<td>47,982</td>
</tr>
<tr>
<td>Barceló</td>
<td>1954</td>
<td>Palma de Majorca</td>
<td>Simón Barceló</td>
<td>Bus transport</td>
<td>1962 (Palma de Majorca)</td>
<td>1970 (Benidorm)</td>
<td>1985</td>
<td>Dominican Republic</td>
<td>Third</td>
<td>251</td>
<td>57,493</td>
</tr>
<tr>
<td>Iberostar</td>
<td>1956</td>
<td>Palma de Majorca</td>
<td>Antonio Fluxá</td>
<td>Shoes</td>
<td>1962 (Palma de Majorca)</td>
<td>1967 (Málaga)</td>
<td>1993</td>
<td>Dominican Republic</td>
<td>Third and fourth</td>
<td>104</td>
<td>35,700</td>
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Source: Compiled by the authors based on the information obtained in the interviews.

* Data from Hotels Magazine (2019). We use 2019 data, because 2020 data are nonrepresentative, due to the Covid-19 pandemic.
The islands’ ascent as a tourist destination was fueled by the Spanish and European socioeconomic context, but also by the archipelago’s own characteristics. Among the factors key to the Balearic Islands’ success were the market knowledge accumulated over long centuries of trading, the “Schumpeterian” character of the entrepreneurs, and the flexibility of the factors of production, especially labor. In the 1950s, as a result of the irruption of mass tourism, the leisure sector received a significant transfer of investment, labor, and organizational strategies. Ultimately, Majorca brought together all the necessary elements to promote tourism development that was almost unique in Spain and had few competitors in the Mediterranean. In fact, the “tourism intensity” of the Balearic Islands was eighteen times bigger than the national average in 1962, and twice that of Madrid, which ranked second.

Meliá

Since the nineteenth century, the family of José Meliá Sinisterra (1911–1999) was linked to citrus fruit exportation and ship consignment, the German Neptune shipping company being its main customer. José joined the family business around 1932, and one of his first entrepreneurial activities entailed modifying the process of buying oranges, thus differentiating the firm from its competitors in a growing sector during the years before the Civil War. Instead of buying ripe fruit, as was the custom, he opted to buy citrus fruit in blossom. This decision allowed him to acquire the fruit at a lower cost while assuming the risk of its failing to ripen. This decision implied a radical transformation of the sector, as it forced the rest of the competitors to follow the same process in order to compete.

The isolation of Spain following the Spanish Civil War opened an interesting window of opportunity for Meliá to diversify his business and enter tourism. The difficulty of travel, and the lack of means of transport, gave Meliá an intriguing idea: He would take advantage of the empty cabins on the ships that transported citrus fruits from Valencia to North Africa, offering them as tourist transport, aimed in particular at honeymooners. This was the starting point of Viajes Meliá, which was officially registered as a travel agency in 1942.

78. Nevertheless, as Vallejo recalls, tourism was not a postwar novelty in the Balearic Islands, and it is linked to a not insignificant tourist activity developed in the first third of the century in all of Spain, fed mainly by domestic tourism. In fact, in contrast to this tourism fueled by domestic demand, Majorca was the destination with the greatest relative presence of foreigners between 1900 and 1936. In fact, the islands ranked fourth among Spanish provinces for the number of travel agencies. Vallejo, Turismo en España, 168, 473.
80. Cirer, Invenció del turisme.
81. Vallejo, Turismo en España. Vallejo, Lindoso, and Vilar, created an innovative tourism intensity indicator to measure and compare the evolution of tourism within Spain. The indicator shows the presence of key words such as “tourism,” “travel agency,” or “touristic industry” in the digitalized historical Spanish press. Vallejo, Lindoso, and Vilar, “Antecedentes,” 137–188.
83. During the first third of the twentieth century, Spain became the world’s largest exporter of oranges, and Valencia played a key role in achieving this. Giner, “Desarrollo agrario,” 105–147.
84. Interview with José Méliá Goicoechea, September 16, 2015.
In its early days, José Meliá’s agency was mainly concerned with organizing trips and selling tickets. However, throughout the 1940s, the company also began to offer accommodation services to travelers. In tourism terminology, Meliá thus encompassed the three main branches of tourism: (1) outbound tourism—selling and organizing trips; (2) inbound tourism—attending to travelers when they are in a place, organizing transfers and excursions; and (3) hotels. For his inbound activities, and given the shortage of transport in post–Civil War Spain, José Meliá had the idea of converting trucks and ambulances from the war into buses. To provide accommodations for clients, in 1948, the Meliá family decided to rent and convert the Hostal del Cardenal in Toledo, one of the main cities where his travel agency organized trips, into a full hotel. This diversification strategy facilitated the growth of the business; however, any further expansion required two essential assets: buses and foreign currency. To expand transport possibilities, Meliá turned to the network of contacts he had developed before and during the Civil War to obtain the necessary authorization to import German MAN buses. This was a difficult permit to obtain in 1940s Spain, which lived under an autarkic regime with limited external connections. After acquiring the authorization, the company increased and modernized its fleet of buses. As far as foreign currency was concerned, the main source of access was operating abroad. To this end, Meliá resorted to an agent of the German Neptune shipping company who helped him launch a new service of excursions in Vienna.

From the late 1940s onward, organizing trips from Valencia to Majorca became an increasingly important part of Meliá’s activities. Palma de Majorca strengthened its role as a destination and center for Balearic tourism. The arrival of tourists to Palma was a growing source of income for the company, but the supply of hotels on the islands was very scarce. This led José Meliá to build his first hotel in Majorca, the Bahía Palace, in 1950. Once again, the scarcity of resources needed for carrying out the project was overcome with great creativity. Meliá devised a form of financing—“the points system”—that would eventually become standard practice in the construction of his hotels: dividing the cost of each hotel into “points” distributed among his friends. Those who subscribed to a certain number of points became

87. The beginnings of the trips organized by Meliá are controversial, yet beyond the scope of this research. The company’s buses not only transported tourists on their routes, but also actively participated in the transit of people arriving in Spain after the humanitarian disaster of World War II: Nazis, Jewish survivors, exiles, etc. In the words of the journalist Arthur Sandles in the Financial Times on October 31, 1969: “Meliá started a bus travel business based on the transfer of refugees.” Galindo Vegas, “Meliá,” 444–450.
88. Outbound tourism has historically encompassed two complementary modalities: wholesale agencies or tour operators and retail agencies. Fúster, Teoría y técnica, 320.
89. Interview with Francisco Meliá Goicoechea, September 23, 2015; interview with José Meliá Goicoechea, September 16, 2015. Until José Meliá took over, the hostel offered poor-quality accommodations focused mainly on catering. Fúster, Turismo de masas.
90. Interview with José Meliá Goicoechea, September 16, 2015.
91. Ibid.
92. In 1935, Palma de Majorca had 68 percent of the travel agencies in the Balearic Islands, and in 1962, 75 percent. Vallejo, Turismo en España, 470.
93. During these years, the hotel supply grew to 6022 beds available in 1955. López i Palomeque, “Geografía del turismo,” 49.
94. Interview with José Meliá Goicoechea, September 16, 2015.
part of the hotel’s board of directors, and the liquidity provided by all the partners financed the construction process.95

After this first venture into the hotel business, the family built more accommodations in different places along the routes covered by the Viajes Meliá buses across the peninsula, especially in Andalusia.96 Finally, in 1955, the company Hoteles Meliá was founded to unite the entire portfolio under a single brand. The growth of the company meant that new sources of financing were required due to the depletion of the usual shareholders involved in hotel construction. In 1965, José Meliá’s son, Francisco Meliá (1937), came up with a new formula, introducing the American aparthotel concept to Spain, a hybrid between a real estate business and a hotel business.97 This idea was not only a new financing model for construction, but a sample of the modernization process that the touristic supply underwent during the 1960s in Majorca. According to Vallejo, new accommodation formulas arose from the need to meet increasing demand in the face of limited financial means across this decade.98

The 1950s and 1960s were fundamental for the development of José Meliá’s company. The takeoff of tourism as an engine of the Spanish economy allowed Meliá to internationalize his company.99 The leap into international markets involved the company’s two lines of business, travel agencies and hotels, and Meliá became the first Spanish businessman to expand his hotel chain beyond national borders.100 Table 3 shows the status of Meliá’s hotel development in 1973 showing the dimension of the international expansion.101

Barceló

Simón Barceló (1902–1958) began his entrepreneurial journey at a very basic transport company, which became Autocares Barceló in 1931.102 The lack of transport in Spain, and especially in the Balearic Islands, prevented him from acquiring a complete, brand-new vehicle. Therefore, Barceló began operating from a chassis that he converted and fitted out, transforming it into his truck.103 The new bus line began with this vehicle, which ran between Felanitx and Palma, transporting passengers, mail, and goods.104 Interestingly, to support the launch of the business, Barceló created a system that became a precursor of modern courier services, exploiting the downtime at railway destinations to collect and deliver parcels.105

95. Interview with Francisco Meliá Goicoechea, September 23, 2015.
96. ABC, May 26, 1957, 23; La Vanguardia Española, April 13, 1950, 9; Vallejo, Turismo en España, 608.
98. On January 1, 1965, there were 300,584 hotel vacancies and 302,350 in extra-hotel vacancies in Spain. By the end of the year, the latter already accounted for 60 percent of the total. Vallejo, Turismo en España, 620; Vallejo, “¿Bendición?,” 89.
103. Barceló Group, Barceló 75 años.
105. Barceló Group, Barceló 75 años.
Table 3. International hotel development of the Meliá family before 1973

<table>
<thead>
<tr>
<th>Hotel</th>
<th>Place</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Spa Meliá San José Purúa</td>
<td>Michoacán (Mexico)</td>
<td>1972</td>
</tr>
<tr>
<td>Meliá Purúa Hidalgo</td>
<td>Mexico D.F. (Mexico)</td>
<td>1972</td>
</tr>
<tr>
<td>Meliá Puerto La Cruz</td>
<td>Venezuela</td>
<td>1974</td>
</tr>
<tr>
<td>Under construction/negotiation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Meliá Caribe</td>
<td>Venezuela</td>
<td>1973</td>
</tr>
<tr>
<td>Meliá Bagdad</td>
<td>Iraq</td>
<td>1973</td>
</tr>
<tr>
<td>Meliá San Andrés</td>
<td>Colombia</td>
<td>1973</td>
</tr>
<tr>
<td>Meliá Santo Domingo</td>
<td>Dominican Republic</td>
<td>1973</td>
</tr>
<tr>
<td>Meliá Ammán</td>
<td>Jordan</td>
<td>1972</td>
</tr>
<tr>
<td>Semiramis</td>
<td>Egypt</td>
<td>1972</td>
</tr>
<tr>
<td>Shepheard</td>
<td></td>
<td>1972</td>
</tr>
<tr>
<td>Casablanca</td>
<td>Morocco</td>
<td>1973*</td>
</tr>
<tr>
<td>Marrakech</td>
<td>Morocco</td>
<td>1973*</td>
</tr>
<tr>
<td>Agadir</td>
<td></td>
<td>1973*</td>
</tr>
<tr>
<td>Meliá Barbados</td>
<td>Barbados</td>
<td>1973*</td>
</tr>
<tr>
<td>Acapulco</td>
<td>Mexico</td>
<td>1973*</td>
</tr>
<tr>
<td>México D.F.</td>
<td></td>
<td>1973*</td>
</tr>
<tr>
<td>Ensenada</td>
<td></td>
<td>1973*</td>
</tr>
<tr>
<td>Meliá Aruba</td>
<td>Aruba</td>
<td>1973*</td>
</tr>
<tr>
<td>Aparthotel Meliá San Juan</td>
<td>Puerto Rico</td>
<td>1973*</td>
</tr>
<tr>
<td>Aparthotel Meliá London</td>
<td>London</td>
<td>1973*</td>
</tr>
<tr>
<td>Caracas</td>
<td>Venezuela</td>
<td>1973*</td>
</tr>
<tr>
<td>Litoral</td>
<td></td>
<td>1973*</td>
</tr>
<tr>
<td>Isla Margarita</td>
<td></td>
<td>1973*</td>
</tr>
<tr>
<td>Aparthotel Meliá Paris</td>
<td>France</td>
<td>1973*</td>
</tr>
<tr>
<td>Meliá Contadora</td>
<td>Panama</td>
<td>1973*</td>
</tr>
</tbody>
</table>

* An asterisk (*) denotes hotel under construction in 1973.

After the Civil War, the economic downturn and the shortage of petrol made it difficult for Barceló to resume his transport activities. In 1944, to counteract these problems and gain additional income, Simón Barceló decided to open the Bar Oriente, located in Felanitx. In so doing, he created a new business concept, whereby the establishment would no longer function as a traditional bar, but as a point of arrival and departure for coaches, turning travelers into potential customers of his restaurant and vice versa.

In the 1950s, Barceló became a pioneer of Balearic tourism by adding an extra service to his transport company: offering tourist excursions around the island. The success of this service encouraged the entrepreneur to enter the travel agency sector in 1954 through

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106. Ibid.
107. Ibid.
108. Ibid.
establishment in Majorca of a subsidiary of the Catalan travel agency Ultramar Express. In 1960, Barceló created its own travel company, Viajes Barceló.

After Simón Barceló’s death in 1958, the company passed to his two sons, who divided its management. Gabriel Barceló took charge of the travel agency, while Sebastián Barceló headed up the transport division. The arrival of the second generation coincided with the company’s entry into new activities: construction and hotels. Sebastián Barceló supplemented his activities in the transport sector by creating the company Construcciones Arte, founded in 1959, engineered to build a depot for the company’s buses. However, given the shortage of accommodations in Majorca, the company soon participated in the construction of the Barceló family’s first hotel, the Hotel Latino in El Arenal (Palma de Majorca), which opened in 1962. Four years later, in 1966, the company built the Hotel Pueblo on the Playa de Palma. The Pueblo hotel was an important milestone—a pioneering model in Spain; it introduced a new concept to the hotel industry and inspired today’s “resorts.” In effect, the Barceló brothers realized that Majorca contained large plots of land of great, untapped natural value, and they decided to build a type of extensive hotel that offered a plethora of services aimed at family summer holidays. Thus, Barceló also contributed to the abovementioned modernization process that Majorca experienced during the 1960s to adapt supply to growing demand.

Barceló’s internationalization took place in a different context from Meliá’s case. While the latter took advantage of the mass tourism boom to go abroad, Barceló did so within the context of tourism recovery after the slowdown following the 1973 oil crisis. The company’s foreign activity began in 1981 with the purchase of an already internationalized Spanish tour operator, Turavia. Regarding Barceló’s hotel business, the international breakthrough came in the mid-1980s, when Gabriel Barceló purchased virgin land in the eastern part of the Dominican Republic for hotel development. The Playa Bávaro opened in 1985 with four hundred beds and became the first beach resort built by Spaniards abroad, a new concept of a tropical beach hotel soon imitated by Meliá, Riu, and Iberostar.

Iberostar

The Fluxá family began its entrepreneurial activity within the footwear industry. In 1877, Antoní Fluxá (1853–1918) opened a small artisan shoe workshop in the town of Inca,

110. “Ultramar Express was founded by the Count of Ruiñada, a man who had no idea about tourism; but clearly, at that time, when tourism was just beginning, someone must have told him that this could be the right thing to do. His managers didn’t really know what to do and a friend met my father and suggested that he set up an agency in Palma.” Interview with Gabriel Barceló, September 6, 2013.
111. Between 1935 and 1962, the number of travel agency establishments almost tripled in Spain, from 101 to 298. Vallejo, Turismo en España, 467.
112. Already in 1957, the Balearic Islands were the first province in terms of net value contributed by the hostelry sector with respect to the net value of total production, 8.25 percent. Vallejo, Turismo en España, 597.
113. Fundación Barceló, Sebastián Barceló.
114. Barceló Group, Barceló 75 años.
115. Ibid.
116. Ibid.
117. Vallejo, “¿Bendición?,” 89.
Majorca. This business was one of the many textile and footwear companies that emerged in the Balearic Islands during the 1870s.

In 1928, Antoni Fluxá’s son, Lorenzo (1906–1993), took over as director of the factory. Though he inherited the business in a fragile financial state, Lorenzo Fluxá managed to revive its fortunes thanks to financial help from friends. By 1936, the company, renamed Lotusse, was already one of the largest footwear companies in Majorca.

After the Civil War and during Spain’s international isolation, Lorenzo Fluxá needed foreign currency to acquire the raw materials used in his factory. In 1956, the entrepreneur decided to buy a travel agency, Viajes Iberia, as a way of accessing foreign currency and to take advantage of the incipient growth of tourism. He also initiated some activities in the hotel sector by purchasing, constructing, and investing in and acting as a board member for several hotels.

In 1962, Lorenzo Fluxá’s son, Miguel (1938–), inherited the family’s tourism business, which expanded, driven by mass tourism, to inbound and outbound tourism and hotels.

In the field of inbound tourism, and after intense commercial activity in America, Miguel Fluxá achieved important contracts with operators such as American Express in 1966 and American International Travel Service in 1969, which made Fluxá their exclusive representative in the Balearic Islands. In addition, in 1979, he signed two exclusive contracts with the German tour operator Neckermann and the English tour operator Intasun to manage their incoming business in Spain. A year later he launched an incoming tourism company in the United States (Visit Us). In the 1980s, Fluxá expanded its inbound business to the Canary Islands by acquiring a local travel agency (Cyrasa).

In terms of outbound tourism, Miguel Fluxá entered the tour operator business in the early 1970s, as a member of the network of Spanish companies that created the country’s first tour operator: Club de Vacaciones. Shortly afterward, he decided to leave this tour operator to create his own, Iberojet, which launched in 1973. Almost two decades later, in 1991, Fluxá also created the first Spanish tour operator in England, Sunworld.

119. San Román, *Viajes y estrellas*.
120. Reig and Tadeo, *Economía balear*.
125. Neckermann was a German tour operator founded in 1967, which was second only to TUI (Touristik Union International) among German tour operators by the end of the 1960s. Neckermann acquired the English tour operator Thomas Cook in 1999 and adopted its name. The company ceased operations on September 23, 2019, after declaring bankruptcy. Fúster, *Teoría y técnica*, 338–339; Tàpies, San Román, and López, *100 familias*, 175–179.
126. Interview with Miguel Fluxá, March 20, 2013.
128. Interview with Miguel Fluxá, April 20, 2015.
129. San Román et al., “Networking from Home,” 327–360. Intasun was an English tour group founded by Harry Goodman in the early 1970s. In the late 1970s, it became the second-largest English tour operator in terms of revenue, behind Thomson.
Miguel Fluxá sold the small hotels acquired by his father and started a new activity in 1979 with the help of the tour operator Neckermann, which funded him to begin the construction of luxury hotels in Majorca. With Neckermann’s support, Fluxá acquired large plots of land formerly used for agricultural purposes, which allowed him to build hotels on virgin beaches. In 1993, Miguel Fluxá internationalized his hotel business by building his first hotel in Bávaro, Dominican Republic, but he internationalized without the financial support of Neckermann, which acted only as a commercial partner.

**Riu**

When Juan Riu (1908–1996) launched his first business venture, a fruit trading company in Olot (Girona), he traveled each day by truck to Barcelona to purchase fruit at the wholesale market. Noticing the short average lifespan of the bananas arriving from the Canary Islands, Riu rented a basement in Barcelona and devised an ingenious sprinkler irrigation system, which he subsequently patented—a precursor of the systems used today to extend the ripening time of the fruit.

Juan Riu diversified the business of selling fruit by adding a delivery service. To do so, he took full advantage of his own truck, as well as the daily journeys that took him from the wholesale market to the retailer. The Spanish Civil War was a hammer blow for the businessman, who saw his truck confiscated by the authorities. In the immediate postwar period, Riu turned to a priest from Barcelona, with institutional contacts in the Franco regime, to obtain a replacement truck that would allow him to restart his business. In exchange, Riu would help him to get food for the children of the orphanage he ran. This truck was soon joined by others, by means of new agreements with the clergyman.

Despite the reactivation of this transport service, the downturn of the 1940s forced Juan Riu to look for new opportunities. In 1950, the Riu family immigrated to Venezuela, where Juan Riu initially worked as a mechanic. Once there, an opportunity arose for running a hotel, which had previously been managed by a fellow countryman who was returning to Barcelona. After three years of hotel experience in Venezuela, the family decided to return home with some savings and embarked on a new project: developing the hotel sector in Spain. In 1956, Juan Riu bought the San Francisco Hotel on the Playa de Palma, the first link in the Riu family’s chain of hotels. The choice of Majorca over his native Gerona was due to the island’s potential to become one of the main destinations for mass tourism. Despite the important hotel development of Gerona in these years, its figures were much lower than those of the Balearic Islands. Between 1945 and 1970, the weight of the Balearic Islands in the number of hotel beds in Spain grew by 30 percentage points, while Gerona grew by only 8.4.

To increase the flow of foreign clients to the San Francisco Hotel, Riu set out to find a transnational partner. He took advantage of his son Luis’s honeymoon trip to Germany to send

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130. San Román, *Viajes y estrellas*.
131. Ibid.
132. Ibid.
133. Ibid.
him a series of brochures about his hotel and put him in charge of the search. Luis Riu thus secured a vital agreement with the German tour operator Dr. Tigges, the future TUI, to attract German tourism to the island of Majorca.136

The 1960s and 1970s represented a period of growth and consolidation for Riu’s company in Majorca, owing to the productive arrangement with the German tour operator and the development of tourism in the Balearic Islands, promoting Majorca as a winter destination and cementing tourism from Germany.137 During these years, the company strengthened its alliance with TUI, eventually cofounding Riu Hotels S.A. in 1976, with the aim of constructing new hotels.138

The expansion of Riu hotels in Spain beyond the Balearic Islands took place in the 1980s under the guidance of TUI, which on many occasions recommended new locations to its Spanish partner.139 Riu began its internationalization in 1991; however, while the German tour operator was initially reluctant to join the foreign venture, the early success of the Spanish company drove a change of heart. In 1993, the two partners founded a new hotel management company, RIUSA II S.A., whose function was jointly to operate the Riu brand hotels abroad.140

The partnership between TUI and Riu continues to this day, making Riu one of the four largest hotel companies in Spain.

**Bricolage, Innovation, and the Rise and Development of a New Sector**

The Appendix identifies and categorizes the main entrepreneurial bricolage actions detected in our four case studies. As well as noting the historical moment in which they occurred, it explains both the original use of the resource and its creative use for a new purpose to give rise to the bricolage action, including the reference source.

**Figure 1**, based upon the Appendix, illustrates the process of bricolage application in the four cases studied, and **Figure 2** shows the main bricolage actions identified in the trajectories of the four companies, outlining two distinct stages. Period 1 covers the early professional development of the entrepreneurs, as well as their first steps in the world of tourism. Period 2 encompasses their entry into the hotel business and the companies’ international expansion. For each company, Period 1 and Period 2 have their own chronological frameworks, as each firm launched, diversified, and internationalized its activity on a different timescale.

When the four entrepreneurs began their entrepreneurial activity, at the start of Period 1, the scarcity of resources in an adverse environment (+ Scarcity) combined with the entrepreneurs’ lack of previous experience (− Experience) forced them to resort to

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136. Dr. Tigges was a travel agency founded in 1928 in Wuppertal, Germany, and was considered one of the pioneers in the study-trips market. In 1968, Dr. Tigges merged with the German tour operators Scharnow, Touropa, and Hummel to create TUI, becoming the largest tour operator in Europe. Kopper, “Package Tour,” 67–92.


139. Interview with Carmen Riu, February 26, 2016.

bricolage, in line with understandings of bricolage as a creative way to overcome contexts of scarcity.\footnote{141}

In this way, José Meliá changed the historical use of orange blossom: Rather than letting them ripen and then selling the mature oranges, he made orange blossom the final product to be traded. This allowed him to cut costs and revolutionized the market. Simón Barceló reused a truck chassis to create a bus and start his passenger transport service. Lorenzo Fluxá tapped his social network of friends for financial providers in 1928, which enabled him to revive the family business. Finally, Juan Riu repurposed his truck—the original tool of his fruit trade—using it to set up a new package delivery business.

Bricolage was used once again during Period 1 when the entrepreneurs launched their tourism activities, showing resilience to achieve their organizations’ objectives.\footnote{142} José Meliá exploited the cabins of the ships that distributed his citrus fruits by renting them to tourists. Simón Barceló created a new service, touristic excursions, taking advantage of his regular passenger transport line. Lorenzo Fluxá bought a travel agency to gain access to foreign currency, enabling him to finance the raw materials needed for his shoe company. Finally, Juan Riu made creative use of his social network, which assumed an economic purpose when a compatriot in Venezuela allowed him to become a hotel manager.

Throughout Period 1, all four firms experienced predominantly demand-driven and radical innovation. It was demand that determined the direction and pace of innovation, as argued by the demand-pull approach.\footnote{143} Indeed, unmet consumer needs, derived from a constraining

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure1.png}
\caption{Process of bricolage application by tourism entrepreneurs.}
\end{figure}

\footnote{142. Weick, “Collapse of Sensemaking,” 628–652.}
\footnote{143. Rosenberg, “Technological Change,” 1–24.}

\url{https://doi.org/10.1017/eso.2022.28} Published online by Cambridge University Press
Figure 2. Bricolage actions of the four entrepreneurs.
context during the 1940s and early 1950s, generated opportunities that the four entrepreneurs were able to seize. The tourist excursions offered by Meliá and Barceló in response to an unsatisfied domestic demand for tourism in postwar Spain constitute a clear example. The four entrepreneurs used bricolage to generate innovations that fundamentally changed market structures, or even created new ones. Arguably, they met the definition of radical innovation proposed by Engen and Holen. This type of innovation is especially noticeable in the activities developed by the four entrepreneurs before their respective leaps into the tourism business, supporting Huy and Mintzberg’s notion that radical innovation occurs in the face of uncertainty, crisis, or great opportunity. Thus, for example, Simón Barceló created an innovative delivery system—a precursor to modern couriers—that promoted the modernization of the sector. In this way, radical innovation allowed entrepreneurs to overcome extremely unfavorable circumstances and enter the Spanish tourism sector. The four cases also illustrate the relationship between radical innovation and economic growth, as formulated by Freeman and Louçã, demonstrating how this type of innovation not only affects the companies involved, but also generates large-scale changes in the economy.

During Period 2, when the companies moved into the hotel industry, bricolage continued to shape the business management of the four entrepreneurs, but scarcity became less prominent (−Scarcity) than experience (+Experience) in their entrepreneurial activity. This differs from Desa and Basu’s and Kwong and colleagues’ conceptualization of bricolage as a last resort practice. It supports, however, the interpretation of Louvel, whereby the key factor in bricolage is not the general scarcity of resources but the way they are used. Indeed, the environment became less adverse as Spain experienced greater economic growth from the late 1950s onward. Nevertheless, the experience gained in the travel agency business was key to the bricolage actions that propelled José Meliá, Simón Barceló, and Lorenzo Fluxá to leap into the hotel business. Meliá—the only entrepreneur to enter Period 2 at the end of the 1940s—created the concept of aparthotel, reusing hotel rooms to sell them as real estate property, thereby getting the financial means to build the hotels. Both Barceló and Fluxá gave agricultural land a new purpose by building hotels in prime locations.

Moreover, despite an improving situation from the late 1950s, entrepreneurs continued turning to bricolage throughout Period 2 to consolidate their companies in Spain and to move to the international stage. This trajectory once again differs from the theoretical approaches that understand bricolage as a practice employed only in unfavorable contexts. Moreover, as opposed to the radical demand-driven innovation of Period 1, innovation in Period 2 is incremental and driven mainly by supply factors. Following the science and technology—push approach, innovation was promoted in Spain after the nation’s growth and reincorporation

146. Freeman and Louçã, As Time Goes By.
into international circuits beginning in the early 1950s. In our four cases, this took the form of an incremental innovation consisting of small changes, which allowed new strategies to be configured gradually. Thus, for example, Meliá devised a points-based system to finance the construction of its hotels; Barceló developed a pioneering concept of the resort: the Pueblo Hotels; Fluxá joined forces with other travel agents to begin a new activity: operating tours; and Riu used a personal trip to seek a partner to support the company’s expansion. These actions constituted bricolage practices that enabled a certain diversification or modernization in the businesses, gradually consolidating their growth and paving the way for their internationalization.

In short, the four cases analyzed allow us to illustrate how bricolage, and therefore innovation, are present throughout the business evolution of our entrepreneurs, especially in their transition toward tourism, and subsequently toward growth and internationalization. Our research demonstrates how the four entrepreneurs follow a common pattern over the years: Once they have overcome the context of scarcity, they continue to use bricolage as one of the tools of their business management. However, the resulting innovation, and the factors that drive it, change over time. While the context of scarcity through unsatisfied demand generates a radical type of innovation, the subsequent—less restrictive—context favors incremental innovation driven by supply factors and reinforced by experience.

The analysis of bricolage allows us to identify the “Schumpeterian” profile of the Balearic entrepreneurial class as a driver of their success. However, this characterization should be nuanced in our cases. All four entrepreneurs had a marked innovative character, but their bricolage actions rarely involved a process of creative destruction, even when the resulting innovation was radical. Thus, except for Meliá’s change in the process of buying oranges, the rest of the bricolage actions did not mean the disappearance of previous market structures. Rather, we observe a permanent adaptation to the environment in which the interaction between resources, economic agents, and the socioeconomic system was key in the technological paradigm shifts.

This also shows the importance of softening the myth of an entrepreneurial hero. The success of our four cases should be understood in the context of the Balearic Islands and their commercial tradition. This “know-how” was also reinforced by other factors driving entrepreneurial bricolage. Among them, the flexibility of the workforce and the collaboration with foreign tour operators stand out. The first made it possible to overcome the deficits of a skilled workforce during the beginning of mass tourism in the islands. Labor flexibility occurred at both the sectoral and geographic levels. From the sectoral perspective, local workers were able to reorient their professional activity from agriculture and industry to the unfamiliar field of

153. Rosenberg, Perspectives on Technology.
tourism. From the geographic point of view, the intense transfer of labor from other provinces to Baleares also facilitated the process.\textsuperscript{156} The presence of foreign tour operators constitutes the second key factor driving bricolage. They provided Spanish hotel companies with commercial and financial support to grow domestically and internationalize. However, the relationship with these operators was different in each case. Meliá and Barceló limited this link to the promotion and distribution of their hotel rooms, while Iberostar signed financial and commercial agreements with Neckermann, which had no stake in the hotel property. Meanwhile, Riu developed a joint venture with TUI in Spain and abroad.

Conclusions

This paper has analyzed how entrepreneurial bricolage, as an innovation tool, facilitated the emergence, development, and internationalization of four Spanish tourism companies. This long-term study has enabled us to identify common patterns in the application of bricolage. Hence, we have shown that the four entrepreneurs did not limit their bricolage actions to contexts of scarcity but made this type of entrepreneurship a regular practice in their business management. Thus, unlike Baker and Nelson, Duymedjian and Rüling, Kwong and colleagues, Desa and Basu, or Wagner, who identify bricolage as a creative tool to start a business and overcome adverse circumstances, this paper shows that, in our case studies, bricolage can be a tool for sustained innovation in the long term.\textsuperscript{157} However, the resulting innovation and its drivers change over time. Spain’s constraining context during the 1940s and early 1950s, through unsatisfied domestic demand, favored radical innovation, which generated disruptive transformations. Nonetheless, Spain’s growth and progressive openness since the early 1950s led the entrepreneurs to move from radical innovation to incremental innovation that sustained the development of their companies in the long term.

This work also illustrates how entrepreneurial bricolage developed in the long term, as well as the role it played in the creation of a “tourism economy” in a still backward Spain and especially in Majorca. Bricolage was a key factor in the four companies’ paths toward their current leadership positions: from the start of their tourism activities, through the leap into the hotel business and its subsequent growth, right up to their international expansion. Our work has also shown that bricolage was not an isolated action taken by entrepreneurs but the result of their context embeddedness. More specifically, the historical conditions of the Balearic Islands and their potential as a main tourist destination shaped the trajectory of the four entrepreneurs. The market culture, the flexibility of the workforce, and the relationship with foreign tour operators acted as key elements driving bricolage and therefore innovation.

Our paper offers the opportunity to analyze the role that bricolage played in the configuration of Spanish capitalism. This connects with the essence of the first historical works on entrepreneurship—Schumpeter and later the Harvard School—whose main objective was to

\textsuperscript{156} Cirer, \textit{Invenció del turisme}; García and Manera, “Labour Recruitment,” 12; Vila, \textit{Hoteles hoy}.

understand the dynamics of capitalism: “Research on change from an entrepreneurial perspective based in opportunities and actions could provide unique insights into the dynamics of markets, industries, and societies.” In our case studies, entrepreneurial bricolage as a tool for innovation became a response to immediate circumstances and was continually repurposed over time. This helped to reinforce an entrepreneurial culture and a particular form of capitalism. Indeed, as Binda and Colli have observed, Spanish capitalism has been dominated by institutional weakness and a strong state presence, wherein the family business has played a central role, often acting in clusters, repeatedly profiting from business networks and struggling to overcome a small domestic market. Integration into the global market arises from a learning process led by those large family firms and strongly influenced by three factors: the country’s natural and human resources, its institutional framework, and regional patterns of economic development. The outcome crystallized in a concrete business culture that, in the tourism sector, needed bricolage to drive innovation and survive in a time of scarcity and, thereafter, chose bricolage as a routine, even though context improved. Interestingly, in our cases, innovation as the motor of capitalism did not act through creative destruction as proposed by Schumpeter. Rather, innovation boosted the development of Spanish capitalism through a permanent adaptation to the environment. As Rosenberg argues, the interaction between resources, economic agents, and the socioeconomic system along this process was key for technological change and economic growth.

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162. Schumpeter, Capitalism, Socialism and Democracy, 82–83.
163. Rosenberg, Perspectives on Technology.
Acknowledgment

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Iberostar Archive, Majorca, Spain.

Riu Archive, Majorca, Spain.

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### Appendix Bricolage actions of the four entrepreneurs

<table>
<thead>
<tr>
<th>Entrepreneur</th>
<th>Decade</th>
<th>Resource</th>
<th>Original use of the resource</th>
<th>Reuse of the resource through creative action for a new purpose</th>
<th>Quotations</th>
<th>Source</th>
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</thead>
<tbody>
<tr>
<td>José Meliá Sinisterra</td>
<td>1920</td>
<td>Oranges blossom</td>
<td>Oranges traded after the fruit completed its maturation</td>
<td>Changing the process of buying oranges: buying oranges in blossom to reduce their purchase cost</td>
<td>“When the orange tree was in blossom, when a storm could hit tomorrow and leave you without oranges, he bought the oranges in blossom, so he bought them very cheap… He was 16–17 years old and he changed the whole theory of buying in the market! And of course, you had to do the same as he did and there were those who went bankrupt.”</td>
<td>Interview with José Meliá Goicoechea (September 16, 2015)</td>
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<tr>
<td>José Meliá Sinisterra</td>
<td>1930</td>
<td>Cabins of the ships</td>
<td>Cabins for the ship’s owners when traveling onboard.</td>
<td>Renting the cabins of the ship’s owners for tourism purposes</td>
<td>“One day it occurs to him to ask the Germans to let him sell the owner’s cabins, because they were always going empty (…) So, he gets in touch with Bremen, and they authorize him to sell the owner’s cabin. That was the beginning of my father’s tourism business.”</td>
<td>Interview with José Meliá Goicoechea (September 16, 2015)</td>
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<td>Decade</td>
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<tr>
<td>José Meliá Sinisterra</td>
<td>1940</td>
<td>War trucks and ambulances</td>
<td>Vehicles for military uses</td>
<td>Converting the vehicles into buses to offer excursions for Viajes Meliá clients</td>
<td>“My father had the idea of taking a couple of military vans and transforming them into buses—the chatos—and they used them to make trips to the city, to go to Andalusia … he started to create his own travel structure, a tourist one.”</td>
<td>Interview with José Meliá Goicoechea (September 16, 2015)</td>
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<tr>
<td>José Meliá Sinisterra</td>
<td>1940</td>
<td>Networks: political contacts built during the Civil War</td>
<td>Political networks built for military purposes during the Civil War</td>
<td>Using these contacts for economic purposes to get authorization to import German buses (MAN brand) after the war</td>
<td>“There my father used General Hungary—who adored him—not as a scam, but to talk and tell the ministers that this was good for Spain (…) Then he gets them to authorize them [truck imports] and we can start importing those marvelous buses.”</td>
<td>Interview with José Meliá Goicoechea (September 16, 2015)</td>
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<tr>
<td>José Meliá Sinisterra</td>
<td>1940</td>
<td>Networks: an agent of the Neptune company</td>
<td>Developing the orange shipping business before the Civil War</td>
<td>Reusing the network agent connection to create a new tourism business and expand it to Vienna after the war</td>
<td>“When I arrived, the Russians had left the place in a mess, there were no hotels and the ones there were occupied by the American, French … the Allied military delegations. And the guy who received me, who was a former representative of Neptune, took me to a house, which was a tower, and on the top floor they”</td>
<td>Interview with José Meliá Goicoechea (September 16, 2015)</td>
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<tr>
<td>José Meliá Sinisterra</td>
<td>1950</td>
<td>Networks: friends</td>
<td>Social contacts</td>
<td>Turning these social contacts into stakeholders through a system that exchanged financing means for stake (called “points”) in the hotels</td>
<td>“gave me a room. Well, I set up the infrastructure.” “I’m going to do this business, it’s 10 million, 100 points. How many points do you want to get in? Well, with 5, 3, 4 … I already have the 100, we make the hotel.’ With a letter we set up the hotel. There was no stock exchange, of course, so with our friends we set up the hotels. And that’s how he did everything. And he gave a board position to the one who bought a certain number of points.”</td>
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<tr>
<td>Francisco Meliá Goicoechea</td>
<td>1960</td>
<td>Hotel rooms</td>
<td>Renting rooms for accommodation</td>
<td>Reusing hotel rooms to sell them as real estate property, therefore getting financial means to build the hotels—brought the aparthotel concept to Spain</td>
<td>“One of the important things I did was also the creation of Aparthotel S.A. in 1965. I created it because I was short of money, so I thought of mixing real estate with the hotel business. Then I created Aparthotel, which is a system by which people, through real estate property, become shareholders of the hotel.”</td>
<td>Interview with Francisco Meliá Goicoechea (September 23, 2015; May 28, 2021)</td>
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<tr>
<td>Simón Barceló</td>
<td>1930</td>
<td>Chassis</td>
<td>Supporting the structure of delivery trucks</td>
<td>Reusing the truck chassis for creating a regular bus transport service</td>
<td>&quot;Those were times when people moved mostly in carriages or on the backs of horses and mules, but with this vehicle, the truck, Barceló started a regular public transport service. Transporting passengers, but also mail and goods.&quot;</td>
<td>Barceló Group, Barceló 75 años, p. 64</td>
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<tr>
<td>Simón Barceló</td>
<td>1930</td>
<td>Waiting time of the bus driver</td>
<td>Resting and waiting for the passengers</td>
<td>Reusing that time to offer a package delivery service</td>
<td>&quot;In combination with the railroad service, downtime at destination points was used to pick up and deliver parcels, and to make the mail link with the train.&quot;</td>
<td>Barceló Group, Barceló 75 años, p. 65</td>
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<tr>
<td>Simón Barceló</td>
<td>1940</td>
<td>Bar</td>
<td>Providing catering services</td>
<td>Turning the bar into a complete bus station: offering ticket sales, catering, and waiting area for passengers</td>
<td>&quot;The bar served as a meeting point for the departures and arrivals of the buses, and there Simon’s sons and daughters, and other relatives, helped to serve the Felanitx people, but also the travelers who got out of the truck.&quot;</td>
<td>Barceló Group, Barceló 75 años, p. 73</td>
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<tr>
<td>Simón Barceló</td>
<td>1950</td>
<td>Vehicles</td>
<td>Regular passenger transport</td>
<td>Reusing buses for creating a new service, tourist excursions (Autocares Barceló)</td>
<td>“In 1951/1952 we began our contact with tourism by going on the usual excursions of that time: when cruise ships arrived, we offered the passengers a trip to know the island (...) I was driving vehicles and taking the first tourists on those excursions.”</td>
<td>Interview with Gabriel Barceló (September 6, 2013)</td>
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<tr>
<td>Simón Barceló</td>
<td>1960</td>
<td>Land</td>
<td>Agricultural use</td>
<td>Reusing the land to build in Spain the resorts (called ‘Pueblo’ by Barceló): a pioneer concept of all-inclusive hotels in exclusive natural environments</td>
<td>“Product oriented to family tourism. This complex was built horizontally and a larger square to house a central building of common services. It was launched as a product with multiple services, from the hotel itself to a shopping left.”</td>
<td>Barceló Group, Barceló 75 años, p. 95</td>
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<td>Lorenzo Fluxá</td>
<td>1920</td>
<td>Networks: friends</td>
<td>Social contact</td>
<td>Turning the social contact into a financial provider to face business debts</td>
<td>“In 1928, when he took over the business and saw the heavy debts, Lorenzo had to mortgage the factory and resort to the help of a neighbor and good friend, Miquel Mir, who lent him cash.”</td>
<td>Interview with Miguel Fluxá Rosselló (March 20, 2013)</td>
</tr>
<tr>
<td>Lorenzo Fluxá</td>
<td>1950</td>
<td>Travel agency: Viajes Iberia</td>
<td>Organizing travel</td>
<td>Reusing the business of the travel agency to access foreign currency to import raw material for the shoe-making business</td>
<td>“His desire (…) was to internationalize his shoe company and to gain access to foreign currency that would facilitate the acquisition of raw materials.”</td>
<td>Román, Viajes y estrellas, p. 67</td>
</tr>
<tr>
<td>Lorenzo Fluxá</td>
<td>1960</td>
<td>Networks: Swiss friend</td>
<td>Social contact</td>
<td>Reusing social contacts to obtain foreign currency abroad through a form of barter to pay for Lorenzo Fluxá’s studies abroad</td>
<td>“Lorenzo, the youngest of the brothers, completed his training in Switzerland thanks to the ingenuity of his father, who paid for holidays in Majorca to a Swiss friend so that the latter, in turn, would cover the expenses of his children’s stays in the Alpine country. In this way, Fluxá obtained the necessary foreign currency, which was not very accessible in those years, to meet the costs of training abroad.”</td>
<td>Román, Viajes y estrellas, p. 44; Interview with Lorenzo Fluxá Rosselló (October 2, 2013)</td>
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<td>Lorenzo Fluxá</td>
<td>1960</td>
<td>Land</td>
<td>Poor-quality agricultural land</td>
<td>Reusing the land to build hotels in exclusive places at a competitive price</td>
<td>“Curiously, the Arenal was an area of no interest until Majorca’s tourist boom: Majorcans had always valued the rural land where it was possible to grow crops, but the area near the sea was considered useless because it was impossible to use it for agricultural purposes. This situation changed in the 1960s and the Hotel Flamingo was one of the pioneers in demonstrating this.”</td>
<td>Román, Viajes y estrellas, p. 70</td>
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<tr>
<td>Miguel Fluxá</td>
<td>1970</td>
<td>Networks: Competitors in the Spanish travel agency sector</td>
<td>Disputing market share</td>
<td>Reusing the competitors to jointly create a tour operator: Club de Vacaciones, the first Spanish tour operator</td>
<td>“At the end of the sixties, however, the change in the economic situation allowed some Spanish travel agencies to start negotiating their union to create a Spanish-funded tour operator. This is how the first Spanish tour operator, Club de Vacaciones, came into being in 1969, an initiative of the Viajes Universal agency on which the airline Spantax and a group of travel agencies collaborated, including Viajes Iberia.”</td>
<td>Román, Viajes y estrellas, p. 109</td>
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<td>Juan Riu</td>
<td>1930</td>
<td>Truck</td>
<td>Purchase, transport, and sale of fruit</td>
<td>Reusing the truck to build a package delivery business</td>
<td>“My grandfather was a greengrocer. He was from Olot, a fairly large town in the province of Girona. He had to go to Barcelona every day or every three days to buy fruit to sell in Olot. So he said, ‘Well, since I’m going to Barcelona, I’ll set up a business as an errand boy.’ What he did was that from Olot to Barcelona he would stop in every village, pick up packages, return them from Barcelona, and alongside the fruit business he was an errand boy and he owned a lorry.”</td>
<td>Interview with Carmen Riu (February 26, 2016)</td>
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Juan Riu 1940 Networks: priest Social contact Reusing the social contact as a political contact who brings the import license for buying a truck to restart his transport business after the Civil War

“...And he made him the following proposal: ‘You must have a "plug" with the Franco regime (...) (There was only one lorry factory in Spain. He had tried to get a truck and they made him wait three years.) You could certainly get a lorry quicker. If you get me a lorry within three months, during the day I will use it for my work and at night I promise that for one year I will transport food and fruit for your school.’”

Interview with Carmen Riu (February 26, 2016)

Juan Riu 1950 Networks: fellow countryman Social contact Reusing the social contact to access the management of a hotel in Venezuela

“But they found a Catalan who had a rented hotel in a city called Barquisimeto. The Catalan said to them: ‘I’ll leave it to you if you want to take it.’ And then my grandfather left his job at Chrysler and went to Barquisimeto to run the...

Interview with Carmen Riu (February 26, 2016)
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<td>Juan Riu</td>
<td>1950</td>
<td>Honeymoon trip</td>
<td>Personal journey</td>
<td>Reusing the journey to search for a foreign partner in order to expand the business network</td>
<td>“In 1954, my father’s wedding trip was to tour Europe. They took two suitcases: one with clothes and the other with hotel brochures. And he had previously contacted a number of travel agencies. (...) They went to this agency, among others, and in the travel agency he signed a contract for the whole hotel.”</td>
<td>Interview with Carmen Riu (February 26, 2016)</td>
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