

Final Report

Enhancing the Competitiveness of Tourism in the EU

An Evaluation Approach to Establishing 20 Cases of Innovation and Good Practice

Summary of the Report

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The Purpose of the Report

The Report is intended to be a practical document. Concrete examples are provided of good practice from across Europe in implementing **developments that are increasing the competitiveness of the European tourism industry.** In particular, it presents **cases which are intended to illustrate the principles set out in the Commission's 2010 Communication "Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe"**¹. It aims in this way to promote understanding of the policy principles and to show what they mean in practice, and to do this in **ways that assist other countries and regions to develop similar approaches.**

The report is addressed primarily to public authorities, tourism promotion agencies, tourism business associations and others who are contributing to the strategic development of the industry at a national, regional or destination level. Nonetheless, the Report is also accessible to individuals and enterprises operating in the tourism sector and will hopefully assist enterprises interested in how the sector is developing and in knowing how they can contribute to these developments, especially at a local level.

The practical orientation of the Report has influenced the way that it has been structured, as will be explained. It will be seen that in many respects it differs from a typical policy report. Equally, this summary of the main Report has adopted the same practical approach and rather than giving a formal account of what is to be found in the main document is intended to act more as **guidance on how to find the different kinds of material that are presented.**

The main Report has been built around 20 cases of good practice, broadly illustrating one of **4 major themes:**

- Extending the season and diversifying the supply of tourist services
- Training, skills development and building capacity
- Developing the use of ICT
- Marketing and promotion

In fact, **those familiar with the policy framework may wish to go straight to Annex B** which sets out the most detailed description of the good practice cases that are being highlighted. Equally, those who wish to know more about why the cases were selected and why they are regarded as good practice or those who are more interested in an overview of the cases presented, at least initially, should follow the guidance set out in this summary document.

The Structure of the Main Report

The Report presents good practice. However, it first explains what this means in the current context, pointing to a series of considerations that should be taken into account. Various parts of this discussion will already be familiar to some readers and selective reading of the Report might well be called for. The explanation of the structure of the report is therefore intended to guide readers to parts that are of most interest to them:

Chapter 1 - Introduction:

- explains briefly the nature and purpose of the project, how it has been organised and its particular characteristics, notably its reliance on guidance and advice from a Working Group nominated by Member States and other participating countries, its use of robust evidence and the application of

¹ COM(2010) 352 final of 30.06.2010

evaluation disciplines in the identification of good practice and the project's particular concern to ease the process of transferring practice from one country or region to another. In particular, care has been taken to provide evidence to support the case of those arguing for similar practices to be adopted.

Chapter 2 - Developing a Competitive Tourism Industry:

- This chapter has various sections which explain the **background to the selection of the 20 cases**. It starts with a consideration of what is meant by the promotion of competitiveness in the tourism industry. The ability of the tourism sector to respond to changing consumer requirements in the 'Experience Economy' is seen to be central. Tourism consists of a complex of related activities, delivered as linked interdependent services by hotels, restaurants, transport companies, retailers, tourist attractions and others. An important implication is that it is destinations that compete, as well as individual service providers. Consequently multi-level co-operation among regional key players is a critical factor in promoting innovation in tourism and a broad participation of a wide range of private sector organisations is essential in the development and implementation of effective tourism strategies.

Another critical factor is how an individualised clientele has resulted in higher skill requirements on the part of tourism employees.

- This chapter also points to the **growing links between the tourism sector and a range of other industries with considerable growth potential**, including environment-based industries, the cultural and creative sector and, of course, ICT.
- A third element in this background chapter is **reference to tourism policy at an EU level**, of which there is a brief summary. The 2010 Communication, in particular, developed a new action framework for EU policy that aimed to make European tourism competitive, modern, sustainable and responsible. It launched a series of parallel activities in the area of tourism that are currently being undertaken by the Commission and the Member States. These are described in summary form.
- Finally, the **importance of monitoring and evaluation** is underlined, not only because performance assessment helps to increase the effectiveness of policy implementation, but in the current exercise, because it also makes an important contribution to the process of persuading others to adopt similar good practice. In this context the framework provided by the 'Toolkit for Sustainable Destinations' is an important contribution.

Developments taking place under the Structural Funds in the 2014 – 2020 period underline the need for the sort of evidence that is presented in the Report.

The Good Practice Cases

Chapter 3 - Presentation of Good Practice

This chapter forms the heart of the Report, providing an overview of all 20 cases presented. For most readers, this provides the easiest way to assess what they can learn from the good practice identified, before going on to consider, with some support from the following chapter, how these lessons can be applied.

Initially, comment is made on the **common themes across the good practice** that is presented. Most of the cases examined have the following characteristics, giving them a strong sense of direction and a momentum that continues to deliver results:

- A clear definition of aims
- Coherence with policy priorities
- An approach that encourages innovation
- A systematic approach both to the planning and the implementation of the project
- Effective leadership
- Active participation of all the relevant stakeholders
- Good communication
- Clear procedures for evaluation and monitoring

In a number of projects the coherence of the approach is assured by a conscious application of **destination management** principles.

The good practice cases are presented under each of the four major themes of the project. To a certain extent, the attribution of examples of good practice to one or other of the themes is somewhat arbitrary, since good projects will usually address all four aspects. The emphasis on one or other of the themes is therefore mainly a matter of putting a particular emphasis on the relevant aspect.

Other **horizontal themes**, such as sustainability within tourism development and social inclusion, are evident in a number of projects.

The first case - **Spain's Integrated National Tourism Plan 2012-2015 (PNIT)** – is an exception, since it relates to a comprehensive national strategy, illustrating many of **the core principles of modern tourism development**. This case is very impressive, both in the fresh approach to re-examining fundamental issues and because of the enlightening analysis of much of the detail. There is also a **marked commitment to continuous innovation and improvement**.

Extending the season and diversifying the supply of tourist services

Extending the season has become the focus of a lot of attention and effort in the tourism industry, not least because it can be the beginning of a **virtuous cycle of improvement**, raising returns on investment and improving productivity, creating more stable employment and leading to a beneficial effect on the quality of services, which all encourage further investment.

'**Open All Year**' (**Case 2**), a project that has been part of a regional tourism strategy for South West Wales in the United Kingdom, is a classic example of a successful strategy to increase the number of 'off-season' visitors, based on an active engagement of local stakeholders in a regional public-private partnership. Developments are monitored closely. Off-season visits to South West Wales increased from 495,000 in 2006 to 728,000 in 2011 and moved from 25% of the annual total to 33%, while off-season visits elsewhere in Wales remained at about the same level.

Other cases illustrate moves to **diversify the demand for tourism services**, addressing older and retired visitors in the case of **Europe Senior Tourism (Case 3)** from Spain, where government investment has been more than recovered - through increased tax collection or reduced unemployment benefits, and new ways to promote social inclusiveness in tourism in **Tourism for All (Case 4)** from Flanders.

Creating new destinations and new activities in existing destinations, through **ecotourism, culture, sport and health tourism**, is illustrated by the **Integrated Ecotourism Development of the Dráva Basin (Case 5)** from Hungary, which has helped to diversify the country's tourism offer, develop capacity, and encourage more international visitors as well as secure the preservation of the natural assets of a beautiful area. Similarly, '**Exciting Cycling in the Baltic Country of Lakes**' (**Case 6**) has created a series of cycling routes in a Euro-region covering border areas of Latvia, Lithuania and Belarus, promoting active

tourism and a healthy lifestyle in the participating countries, while also developing an attractive destination for international visitors and extending the season.

The final case under the 'extending and diversifying the offer' theme is **Discover Croatia (Case 7)**, which represents **a systematic approach to reconfiguring the tourism offer**, by repositioning the image and reality of Croatian tourism away from 'sun and sea' towards 'special interest tourism', in currently undeveloped destinations, primarily in inland Croatia. The development has involved the transformation of at least 50 tourism agencies into competent Destination Management Companies and the creation of around 2000 new special interest (thematic) tourism packages. In 2011 and 2012, around 110,000 foreign visitors were attracted to new destinations in inland Croatia and/or in the low season period.

Together the set of good practice cases under the 'extending and diversifying the offer' theme present a comprehensive picture of different aspects of this important element in the common European strategy, with some good evidence of the effectiveness of the approaches adopted that should continue to build over time.

Training, skills development and building capacity

Diversifying the markets for tourism services involves a lot more than selling the existing offer more effectively. It is necessary to cater for new groups of customers and their differing requirements. Changes on the supply side have to accompany a shift in the targeting of markets. **The offer has to be different and better in order to diversify the demand successfully and sustainably.**

The first case under this theme concerns a significant contribution to developing a **culture of continuous improvement in the quality of tourism services**. The **Integral System for Tourism Quality in Destinations (SICTED) – (Case 8)**, again from Spain, complements quality schemes implemented by individual enterprises or organisations by operating a programme at the level of a destination. It thus directly addresses the key issue of the inter-relatedness of services in a tourist's experience of a destination and **seeks to help destinations avoid the situation where particular service providers let down the destination as a whole**. SICTED has now been incorporated into the national Plan in Spain (PNIT), which helps co-ordination with other initiatives – such as the promotion of 'smart destinations'.

Developing Leaders for Change and Innovation in Tourism (Case 9) from Malta has specifically sought to help the local tourism industry to adjust to a significant shift in the type of customer visiting Malta and the need for new skills across the workforce. The programme targeted staff at a supervisory level and aimed to re-skill the industry leaders in a very short period (over some 2-3 years) so that they could influence operations throughout the whole industry.

The **Kurbits programme (Case 10)** in Sweden is **a business development programme for small businesses** in the tourism and hospitality sector and is an alternative approach to generating change within businesses through a tailored training process. Kurbits focuses on the implications of challenges arising in the experience economy for each of a series of management processes within the participating businesses, helping them to develop innovative responses. Initial assessments have provided some evidence of dramatic effects on these businesses. **Kurbits is a programme that can be easily adapted for application in other countries.**

Beyond training for business management, there are **more broadly-based adjustments** involving the **development of capacities** at national regional and destination level. A large scale and comprehensive approach at a national level is illustrated by the PNIT in Spain, but **it is possible even for the smallest communities to take a fresh look at what they can offer** and set about presenting this to best advantage. The **Briganti di Cerreto project (Case 11)** was developed in Cerreto Alpi, a very small village of about 80 inhabitants in the mountains of Emilia Romagna, in Italy.

Although on a small scale, **this community has been able to reinvent itself with relatively limited resources** and set up an integrated approach to economic regeneration and sustainable tourism, by pooling the creativity and resources of the whole community. With **an innovative model of 'Community Tourism'** it has reversed a previous history of decline and depopulation and contributed in a small but significant way to the diversification of the tourism industry.

Although restricted in number, therefore, the cases presented under the training, skills and capacities theme, provide valuable insight into processes that could have important impacts of the quality of European tourism's offer.

Developing the use of ICT

It is clear that **ICT has been and continues to be a major factor in the changing configuration of modern tourism**, affecting both the nature of consumer demand and the means by which services can be delivered.

Developments in ICT have substantially affected the performance of businesses in the industry, improving their productivity and hence their longer-term competitiveness, but there remain many tourist businesses that have yet to take full advantage of the potential offered by ICT.

The **Digital Tourism Business Framework programme (Case 12)** in Wales aims to contribute directly to improving competitiveness in tourism businesses by elements concentrating on a direct improvement in internal business processes, accompanied by follow-on measures to ensure changes are reinforced and embedded and the stimulation of further innovation through interaction within an ICT-based community. A mid-term review of the programme reported that over half of the enterprises involved had achieved a step change in their e-commerce skills and that 30% of them were showing an increase in visitor numbers.

As well as encouraging tourism businesses to use technology that is already available, **it is also important for the industry to contribute actively to improving the technology itself**. The following three cases are examples of quite different processes that aim to achieve innovations of this kind. **'Postcards from the Baltics – Exploiting Digital Assets' (Case 13)** illustrates an innovative approach to exploiting the major resource for the industry to be found in the digitised cultural objects to which the Europeana portal provides access. The **Code of Conduct for Customer-Friendly Online-Marketing & Common Data Standard - DRV-VIR (Case 14)** refers to a case in Germany where intermediaries in the industry have responded to the challenge of independent travel by developing standards that are delivering **a service of higher quality** both for online customers and those who use travel agencies. **TOUREG (Case 15)** is an example of the development of an online platform that has addressed the **compatibility and co-ordination** of the many different ICT developments that relate to tourism and has pooled the knowledge and experience gained in this area.

A final case under the ICT theme, **Let's Promote Poland Together' (Case 16)**, shows **an intelligent use of information technology in a wider programme** to improve Poland's position as a tourist destination. Tourism stakeholders were trained to exploit the opportunities offered by modern information technology for marketing their products (e-marketing, smartphone application development etc.) and showcasing Poland as a modern and dynamic country open to the world. A complex tourist information system using the latest technologies was developed targeting both tour operators and individual tourists. A 13-fold increase in the number of visitors to the National Tourism Portal has been recorded and the project has contributed to an estimated 23% increase in visitor numbers since the start of the project, and an increase in foreign tourist spending in the order of 28%.

Marketing and promotion

Marketing and promotion is a large subject and interesting practice can be observed in many of its various facets. The aim has therefore been to highlight **two key areas of innovation**, relating to **the basic market proposition** and **the exploitation of new marketing tools**.

CANTATA2 (Celtic Authentic Niche Tourism Advancing the Atlantic Area) - (Case 17) aimed to help move visitors from tourism 'hot spots' to more peripheral and under-developed areas that share a Celtic inheritance in Wales, Ireland, France, Spain and Portugal. The development of a common approach and brand not only provided the basis for the marketing campaign and the development of linking tourist trails, but was also a major factor in motivating local businesses in the participating communities so that they could join forces to develop a critical mass and deliver coherent tourism services. **The Merrion Square Innovation Network (Case 18)** is a group of over 40 stakeholders from the cultural and hospitality sector who were brought together to develop the Merrion Square area in Dublin as a new cultural tourism destination. **The approach of the project right from the start was to stimulate innovation in the nature of the offer and its presentation**, by working with a broadly-based set of stakeholders in a structured programme designed to generate and test new ideas. Of the many interesting aspects of this project, the marketing strategy is particularly striking, not least because of what was achieved with a restricted budget. It included generating extensive media coverage and a self-promotion campaign making highly cost-effective use of social media. In effect, **the innovation process adopted generated its own publicity**.

Advertising and marketing more generally have always been about **getting the right message to the right person** and the social media, with their heavy emphasis on immediate reactions to experiences and their potential to go viral among target audiences have massively multiplied the potential to deliver specific messages to relatively narrowly defined groups.

Dark Sky Alqueva (Case 19) is **remarkable for the highly innovative approach to turning weaknesses – depopulation and low levels of economic activity – into strengths**, and identifying in the lack of activity, the opportunity to develop a new destination based on an exceptionally clear view of the heavens at night. The project also illustrates the application of destination management principles in a process of continuous innovation, with **considerable benefits for the region**. This started with savings on lighting costs for the local municipalities and fed through to increased occupancy rates and visits and developments of a longer term nature, as the scientific community has seen the potential of the area for its work. Most of this has been achieved, since the launch of the Programme in 2009 on a budget of €39,000.

The last case is **the Eden Project, UK (Case 20)**. This project is already relatively well-known, but there are always new lessons to be learnt from it. Again, **the power of a clear and remarkable concept** is evident, especially since the Eden Project began with little more than a hole in the ground and an inspired idea.

Among the extraordinary features of the Eden Project, the ways that it has promoted itself are of particular interest for the marketing theme. Its central proposition is that **people want to know about their natural environment**. From this basis the project has established itself as an educational charity and become **deeply integrated into educational processes** through visit programmes for over 40,000 children arranged with over 700 schools and through its outreach work. It is also engaged in multiple ways with the local community, not least by encouraging its own employees to 'live the vision' and act as multipliers of the message. The promotion of the Eden Project can thus be described as an organic process intimately related to its essential functions.

All the good practice cases in this section are **making distinctive contributions to consolidating the image and profile of Europe as a collection of sustainable, responsible and high-quality tourist destinations**. As with most of the other cases referred to in this chapter, their success owes much to hard work and often to the inspired leadership of certain individuals or groups. However, they are also characterised by original ideas, delivering clever interpretations of the objective of developing sustainable and high-quality destinations, making the best use of their natural and cultural environment, by a systematic management approach and by a continuing commitment to innovation and the process of building on their achievements, often through an imaginative use of new media. In other words, they all have the elements of good practice highlighted at the beginning of this chapter.

The Transfer and Take-up of Good Practice

Chapter 4: The Transfer and Take-up of Good Practice

The fourth chapter of the Report considers how the take-up of the good practice identified could be facilitated and benefits from points made at the second meeting of the Working Group.

Some of the good practice can be copied directly but most of it acts as an inspiration for similar approaches.

- It is recalled that transferability has been a consideration right from the beginning of the project and examples have been chosen with this in mind. Readers are also reminded of the **key success factors** (set out at the beginning of chapter 3) that are evident in most of the cases chosen.
- As well as compelling cases in which the key success factors are evident, successful transfer needs **an effective communication process** and **appropriate governance structures**.
- There is **a clear responsibility** on the part of the Commission and the national authorities, in particular, but also on the part of the tourism business associations to use the opportunities they have to make the relevant target groups aware of the good practice that has been identified.
- Communication is facilitated by **the intuitive appeal of the cases** and in that the good practice was intended to illustrate the principles of the agreed common strategy and should be used for this purpose. Furthermore, **there is good evidence that the good practice works**.
- There will need to be a clear approach to **the targeting of the communication efforts** and there is also a communication job to be done in relation to the other policy fields with which tourism interacts, including enterprise policy, regional development and environmental and social policy.
- To ensure that the transfer of good practice takes place on a systematic basis, it is necessary to have **the right organisational framework**, which will usually include an appropriate co-ordination process, mechanisms for planning the detail and arrangements for progress-chasing and the monitoring of implementation.
- At the European level, the European Commission and the Member States, notably through **the Tourism Advisory Committee (TAC)** or a TAC sub-group, can help create an environment that encourages the take-up of the good practice identified.
- **Actions that could assist** include benchmarking and peer review exercises, establishing lists of experts prepared to assist with implementation and co-operating closely with European tourism business associations in their own work to identify and promote good practice. The Commission could also support those organisations that wish to extend or 'franchise' their good practice in other parts of Europe.

- **Implementation at the operational level** also requires structures that have an appropriate political weight and features such as: individuals who are able to articulate the vision, a committee or gathering with broad participation and support staff.
- In order to present as strong a case as possible for transfer, the project has assembled **evidence on the effectiveness and efficiency of the good practice identified**. For this reason, **it is important to continue to accumulate evidence** on the cases cited.
- Finally, this chapter provides some initial indications on possible **support for transfer from EU Programmes**.

Recommendations

The report concludes with a series of recommendations.

The main recommendation is that tourism authorities, destination management organisations and tourism industry associations give serious consideration to how they can promote the implementation of the good practice identified.

In addition the following summarises the main points of the other recommendations:

- A continuous effort is needed to promote **a consistent and co-ordinated approach** to the implementation of the common strategy, not least by highlighting the cases that illustrate it most clearly.
- As the body for interaction between Member State authorities and those of other participating countries, the Commission and industry representatives, **the Tourism Advisory Committee has a particular responsibility** in this regard. It should determine how best to encourage a consistent approach to encouraging the take-up of good practice identified and establish arrangements for monitoring progress.
- In particular, the Commission and the Tourism Advisory Committee should establish **a sub-group to follow up and help co-ordinate actions** at a national or sub-national level. As well as initiating actions, this sub-group should subsequently be responsible for following-up the dissemination of the good practice identified by the principal catalysts of change at national and regional level, reviewing the effectiveness of the various implementation structures established and promoting further learning from the actions undertaken.
- An important first step in encouraging the transfer and take-up of the good practice identified in this Report is the development of **an effective communication strategy**. This should be the responsibility of the Commission working with the Tourism Advisory Committee.
- The Tourism Advisory Committee could also usefully debate the suggestions on **governance structures** and make recommendations on which structures can best encourage the wider implementation of the good practice identified.
- The open innovation process that characterises many of the cases presented in this Report, together with the principles of Destination Management could be studied further in order to specifically highlight good practice in relation to this particular issue.
- Special attention should be paid to **engaging the interest of tourism enterprises and other organisations that deliver tourism services**. The importance of their active participation in strategic developments has been stressed repeatedly in the Report. The Tourism Advisory Committee could usefully review the various approaches to be found in the cases to bringing about

this engagement and make its own recommendations on those that it finds could be more widely adopted.

- The cases should be used to help promote further **a culture in which policy measures are based on sound evidence**.
- **It is particularly important, if the cases are to serve, as forcefully as possible, as examples to inspire further change that as further details on their performance are revealed, the case descriptions are up-dated.**
- Further consideration should be given to supporting the adoption of identified good practice, by assisting **the learning process of organisations responsible for tourism development**, principally through exchanges between practitioners in relation to the identified practice, in exercises similar to peer reviews.
- Those considering the adoption of the good practice that has been identified should be encouraged to specify **an appropriate timetable** for implementing the chosen measures.
- Further consideration should be given by the Commission and the Tourism Advisory Committee to how the use of **other EU policy instruments** in the transfer of good practice can be facilitated. The experience of similar committees in parallel policy areas (such as for the cultural and creative industries) could be reviewed in order to determine which approaches are likely to be most productive.
- Further analysis is required of **the spill-over effects of tourism development** and the sector's role in acting as a shop-window and marketing platform for a variety of other industries. The inter-relationship of the sector with the cultural and creative industries is of particular interest.

Finally, the following table provides a summary of the main elements to be found throughout the Report and indicates which features characterise the individual cases of good practice.

Main issues in competitiveness

	Policy Themes					Horizontal Issues			Application Themes				Good Practice characteristics*					Funding		Level of Application			
	Coherent strategy	Competiveness	Innovation	Mobilising stakeholders	Dynamic impacts	Environment & sustainability	Social inclusiveness	Cultural & creative sector	Extending the season	Training, skills & capacity	The use of ICT	Marketing & promotion	Systematic approach	Destination management	Effective leadership	Good communication	Evaluation & monitoring	National/private funds only	EU programme	National	Regional	Destinations	Enterprises
Chapter																							
1.Introduction				●												●							
2.Developing a Competitive Tourism Industry	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●					
3. Presentation of Good Practice	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●					
4.The Transfer & Take-up of Good Practice	●	●		●				●				●	●	●	●	●		●					
5.Recommendations	●	●	●	●	●			●				●	●	●	●	●		●					
Cases																							
1. PNIT Tourism Plan (ES)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●		●	●	●		
2. Open All Year (Wales-UK)	●	●	●	●		●	●	●	●	●		●	●	●	●	●	●	1		●	●	●	
3. Europe Senior Tourism (ES)	●	●	●	●			●		●			●	●	●	●	●		5	●	●	●	●	
4. Tourism for All (Flanders-BE)	●	●	●	●			●		●			●	●	●	●	●	●			●	●	●	
5. Ecotourism Dráva Basin (HU)	●	●	●	●	●	●	●	●	●	●		●	●	●	●	●		1		●	●	●	

