

Final Report

Enhancing the Competitiveness of Tourism in the EU

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

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Centre for
**Strategy & Evaluation
Services**

P O Box 159
Sevenoaks
Kent TN14 5WT
United Kingdom
www.cses.co.uk

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Introduction

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This document contains the Final Report by the Centre for Strategy & Evaluation Services (CSES) on the assignment : ‘Evaluation and Exchange of Good Practices in the Tourism Sector to Stimulate Growth and Jobs in the EU’

1.1 The Aims of this Good Practice Exercise

This report has a very practical purpose. It has aimed to provide concrete examples of good practice from across Europe in implementing developments that increase the competitiveness of the European tourism industry along the lines 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 also aims to do this in ways that assist other countries and regions to develop similar approaches.

In a sense, therefore, the report simply presents practical examples of ways that significant parts of the new political framework can be implemented. **Those who are primarily interested in the detail of these practical examples should proceed directly to Chapter 3, where an overview is presented, or to Annex B for a detailed description of each case.** However, those who wish to understand more about the context in which the cases were selected will first find a brief explanation, since, in arriving at the examples and especially so that the learning and transfer process can be supported, a distinctive approach has been adopted, that has been characterised by three important elements:

- 1) Reliance on information, guidance and advice from a Working Group nominated by Member States and other participating countries
- 2) The identification of good practice on the basis of robust evidence and the application of disciplines derived from evaluation practice, especially in the selection and assessment of the cases under consideration
- 3) A particular concern to ease the process of transferring practice from one country or region to another, by assessing the transfer potential of specific examples of good practice and by gathering material that could strengthen the case for their broader adoption.

A further explanation of this approach will be set out in the following sections of the Report and will also be supported by annexed documents, but it should be stressed that rather than seeking to give an account of the processes that have been followed to arrive at the conclusions of the report, **the aim has been to concentrate on presenting the results of the analysis in a way that could be useful to those with an interest in the industry who would want to make use of them.**

Furthermore, it should be recognised that the report does not attempt to provide a complete solution or to identify practices illustrating even most of the major issues identified in key strategy documents. Nor has it sought to identify practices that necessarily apply in every situation. Rather, in a bottom-up approach, a number of cases of apparent good practice identified by Working Group have been examined and a relatively small number illustrating potentially promising developments have been highlighted with a view to focusing attention on practices that can make a real difference. To assist this process, they are presented in a way that facilitates adoption, either by officials responsible for tourism policy or by the private sector or by professionals in the tourism industry that are in a position to promote developments that can improve the industry’s competitiveness.

¹ COM(2010) 352 final of 30.06.2010

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It should also be noted that refining the messages and the detail of the Report has been a continuous process throughout the assignment. Hopefully this will continue after the final version is made available, notably as further evidence on the impacts of the cases cited emerges.

1.2 The Approach Adopted for the Assignment

This assignment has been commissioned by Directorate Sustainable Growth and EU2020 of DG Enterprise and Industry with the active participation of Directorate Service Industries.

The policy framework for the work that has been undertaken will be explained in a little more detail in the next chapter. However, an important factor determining the nature of the processes that have been adopted arises from the new powers for the European Union in the Lisbon Treaty to support, co-ordinate and complement tourism actions by the Member States. Through Article 195 of the Treaty on the Functioning of the European Union (TFEU), the European Union aims to:

- promote the competitiveness of undertakings in this sector and create an environment conducive to their development,
- encourage cooperation between the Member States, particularly through the exchange of good practice.

These themes of competitiveness and encouraging co-operation between the Member States have been central to the work that has been undertaken.

The Working Group

The team developing the report have collaborated with a Working Group, comprised of members nominated by the Tourism Advisory Committee and representatives of the main industry associations. Interaction with the members of the Working Group and their colleagues has been a continuing feature of the work undertaken. This is particularly the case through the two Working Group meetings, in which the organisation of the project has been discussed, valuable information has been provided and issues such as the factors influencing the transferability of projects discussed. However, there have also been on-going contacts with Working Group members, initially seeking nomination of interesting good practice cases and subsequently through interviews and email exchanges obtaining additional information on the details of projects and programmes and then validating the results of the exercise. The Working Group has therefore been a major source of primary information, as well as providing a steer for the process by which the cases presented in Chapter 3 have been developed.

The main elements of this process have been as follows :

- Members of the Tourism Advisory Committee and the Working Group made the initial nomination of cases of good practice illustrating innovative developments that are improving the competitiveness of the industry. These were supplemented by cases identified in independent research on the part of the consultants. Over 70 cases were considered.
- An initial list of cases for further investigation was presented to the first meeting of the Working Group, along with explanations of the methods used in the selection. These cases were organised into four categories that had been indicated as priorities by the Tourism Advisory Committee:
 - Extending the season and diversifying the supply of tourist services

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- Training, skills development and building capacity
- Developing the use of ICT
- Marketing and promotion
- After further refinement of the initial list on the basis of recommendations by the Working Group the project team has been investigating the chosen cases further in interviews and background research with a view to selecting a smaller number that can be presented as the prime examples of good practice in the area. At the same time advice has been sought on which issues in the four areas under consideration should be highlighted in the good practice examples and the accompanying text. This process has led to a draft report.
- A final stage in the assignment sought expert guidance and supplementary material from the Working Group, especially on the final choice of the main cases illustrating the good practice identified and on matters relating to the practical processes of taking-up good practice elsewhere. These issues were the main subject matter of the second Working Group meeting and the discussion and subsequent follow-up has shaped this final version of the Report.

Evidence-based analysis

In order to develop as strong a case as possible for the good practice to be identified, it was proposed to Working Group at its first meeting that an important consideration in characterising the good practice to be presented in the Report should be **the evidence available on the performance of the cases being examined in contributing to improved competitiveness**. Since, to a large extent in the current context, good practice is differentiated from less good practice by its superior economic performance, it was argued that the analysis of individual cases should seek to identify indicators of success ranging from increased visitor numbers and enhanced revenue, through impacts on productivity and employment to the broader knock-on effects, especially on local and regional economies. This, however, is not the whole story in characterising good practice. Good projects have to be inspiring and encourage others to change their own practice and projects that have been launched relatively recently, for instance, would not generally have had time to generate concrete results. Nonetheless it was agreed by the Working Group that a disciplined approach modelled on evaluation practices would be an important contribution to achieving the right balance in assessing particular cases. Indications, for instance, that recent projects had been set up in a way that would eventually allow a proper evaluation to be conducted would provide evidence of good management and should help distinguish the more compelling cases. Furthermore this approach would be in line with the increasing tendency for monitoring and evaluation to be required in publicly-funded projects.

Annex A provides a paper presented to the Working Group describing in more detail the approach adopted to identifying good practice.

Transfer and take-up

The final key characteristic of this particular project has been **the emphasis on preparing the ground for the more widespread adoption of the practice identified**, with the help of the Working Group. The concern has been, first of all, to identify projects that have characteristics that mean that they could easily be adopted elsewhere – for instance, in not requiring substantial amounts of additional expenditure. But in addition, consideration has been given to the processes whereby projects are

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adopted in other areas and in particular how they are financed, and this has influenced both the way that projects have been presented and some of the detail that is provided. The aim has been to present evidence to support, in as practical a way as possible, the case of those arguing for similar practices to be adopted.

The theme of transfer and take-up was central to the discussions at the second meeting of the Working Group and influenced both the final form of the cases presented and the form of the final chapter of the Report, which specifically considers the issue of promoting the take-up of the good practice that has been identified.

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This chapter sets out the policy context for the Report. It provides a background for the presentation of good practice in the following chapter

2.1 The Tourism Sector

International tourism contributes significantly to the economies of EU Member States. The EU tourism industry generates more than 5% of the EU GDP, with about 1.8 million enterprises employing around 5.2% of the total labour force (approximately 9.7 million jobs). When related sectors are taken into account, the estimated contribution of tourism to GDP creation is considerably higher: tourism indirectly generates more than 10% of the European Union's GDP and accounts for 12% of the labour force².

As a Study on the Competitiveness of the EU Tourism Industry³ emphasised, 'the EU consistently appears as the number one tourism destination in the world'.

Despite the global crisis, tourist arrivals to Europe reached 504 million in 2011. That year, the EU received 39.2% of the total number of international arrivals in the world. Europe experienced a 6% growth in international tourist arrivals between 2010 and 2011. Results were boosted by new destinations in Central and Eastern Europe, and Southern and Mediterranean Europe (both +8%). In terms of earnings, Europe holds the largest share of international tourism receipts (45%), reaching €333 billion in 2011, and representing a 5% increase in real terms as compared to 2010. On average, Europe has experienced an increase of 60 million annual arrivals (almost 15%) since 2000 and it is a trend that the UN World Tourism Organisation expected to continue⁴.

Forecasts by the UN World Tourism Organisation⁵ suggest that international arrivals in the European area will increase by up to 717 million over the period 2007 to 2020, meaning that the number of international arrivals in Europe will have almost doubled over the two decades 2000-2020. However, European destinations will not be alone in competing for this expected increase in business. Other regions of the world are developing major competitive challenges to the position of the European industry.

For the moment, many European countries remain in a strong position. The latest Travel & Tourism Competitiveness Report⁶ from the World Economic Forum places European countries in the top 5 positions for competitiveness judged against a range of criteria, including regulatory framework, safety, health, environmental sustainability, different kinds of infrastructure, resources and price. But 3 non-European countries appear in the top 10 positions, with a further 4 in the top 20, and a number of European countries have a lower ranking than the last time the assessment was made in 2011. European countries clearly can't afford to rest on their laurels, but at the same time there are evidently some countries that are managing to maintain their competitiveness and here there are lessons to be learned.

² Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe, COM (2010) 352 final

³ Ibid.

⁴ UNWTO Tourism Highlights 2012 http://mkt.unwto.org/sites/all/files/docpdf/unwtohighlights12enlr_1.pdf

⁵ UNWTO, Tourism 2020 Vision, Tourism Highlights 2008

⁶ J. Blanke and T. Chiesa (editors) - 2013 'Reducing Barriers to Economic Growth and Job Creation' World Economic Forum, Geneva 2013

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Competitiveness in Tourism

It is not possible to have a single definition of competitiveness in the tourism sector. As for the economy in general⁷, competitiveness can be characterised as the ability to sustain and improve value-added or income per head, but also by external comparisons in the sense of maintaining or enhancing trade balances with the rest of the world, in the face of global competition or the ability to attract net foreign direct investment. Alternatively, there can be a more dynamic perspective and the ability to generate and apply new ideas can be seen as a critical characteristic, especially over time. Innovation, however, can take many forms, resulting in improvements in products and services, but also in processes, including business models and marketing and supply processes, within the firm and also in the interactions with other firms, especially along the supply chain. While, as will be seen in the next section, it is possible to point to some significant characteristics of innovation in the tourism sector, the nature of the processes can be so diverse and can take such a time to come to fruition that ultimately an innovation is best recognised by its eventual impact on the performance of firms or the larger economy. **Innovation in this sense is a change that results at some point in improved performance.**

Here there are practical considerations that arise; in selecting the appropriate indicator the ease of measuring impacts is important, and collecting data on impacts on the turnover of businesses is often possible and also on income generated and employment. Increasingly too, data are available on value-added, given that information in this area is needed for taxation purposes. This can allow an assessment of productivity, measured as value-added per person. This is a useful indicator⁸, since as well as reflecting changing levels of efficiency, it highlights effects on profits and/or wages, which when increasing, translate into positive benefits for the sector and the economy more generally.

At the same time, **a broader consideration in characterising competitiveness in the tourism sector is its ability to respond to consumers' requirements**, especially when these are changing significantly. Increasingly, there has been reference **the 'Experience Economy'**, which was first described in an article by Pine and Gilmore⁹ published in 1998. these authors stressed that the emerging modern economy is radically different from earlier industrial and service economies and that although experiences have typically been considered as 'services', they are in fact a distinct economic offering, as different from services as services are from goods.

Although it is possible to argue with elements of this conception, it has been influential in the analysis of developments in a number of sectors, among which tourism has been prominent. In particular, in the tourism sector, the idea is commonly acknowledged that a significant change is taking place in the nature of the tourism market, because of the importance of 'experiences' to consumers.

Pine and Gilmore characterise experiences as occurring when a company intentionally uses services and goods to engage individual customers in a way that creates a memorable event. If tourism is orientating itself to delivering memorable experiences for visitors, there are a number of implications. **In**

⁷ See, for instance, European Commission Staff Working Document 'European Competitiveness Report 2012. Reaping the benefits of globalization' SWD(2012)299 final

⁸ The 'Study on the contribution of culture to local and regional development – Evidence from the Structural Funds' in 2010 cites a tourism/skilled crafts good practice case in Cornwall in the UK, where performance in terms of value-added per head was monitored. It demonstrated very positive impacts on the local economy.

⁹ Pine, J. and Gilmore, J. 'The Experience Economy', Harvard Business School Press, Boston, 1999

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competing, destinations need to differentiate themselves by offering high quality and distinctive experiences. Unique natural and cultural features can be important assets in this respect, but providers also need to respond in other ways to customers, who are increasingly seeking different experiences and are becoming ever more demanding, as the offer is diversified. For a start in meeting this intensified range of demands, providers need to see the customer as a co-creator of value in that the customer increasingly participates in defining and co-creating the experience rather than relying on a static and embedded offer. Given that it takes time to change physical resources, this puts a lot of emphasis on the skills and responsiveness of service providers and their staff. Furthermore, there needs to be a greater co-responsibility for providing the different aspects of the experience. An ideal location can be ruined by poor hotel or restaurant service and vice versa. In a real sense therefore **it is destinations that compete, as well as individual service providers.**

In order to respond to this situation a degree of co-operation needs to develop alongside a continuing competitive stance – the ‘co-opetition’, as it is sometimes called, that characterises successful business clusters. This is one of the reasons that destinations and regional authorities are frequently promoting **the broad participation of a wide range of private sector organisations in the development and implementation of tourism strategies.** However, it is also important, in view of the dynamic quality of the experience economy, that the public-private partnerships that have been formed are also **animated by a spirit of innovation**, continuously generating new responses to developments in customer requirements.

In this the tourism sector has much in common with the service sector in general¹⁰, but also some significant differences, as will be seen in the next section.

Innovation in Tourism

In order to remain competitive and a key player in the global economy, in tourism as in the economy in general, the European Union’s objective is to promote innovation whilst also enhancing environmental sustainability. Furthermore, **as highlighted in the Europe 2020 Flagship Initiative on Innovation Union¹¹, innovation is increasingly driven by non-technological factors such as creativity, design and new organisational processes or business models** and like other service industries, innovatory developments in tourism are largely of a non-technological kind, especially in business processes and in developments in professional know-how, design, branding and marketing. How these specific features of innovation apply to the tourism sector was considered in a study entitled *A Conceptual and Dynamic Approach to Innovation in Tourism*¹². This study underlines the point that tourism products are ‘experience goods’ validated ex-post by consumers who commit their experience to memory and build

¹⁰ See, for instance the conference on "Innovating in Tourism by Knowledge and Creativity", held in Faro, Portugal, on 7 October 2011. This conference was organised as part of the awareness raising campaign on service innovation launched by the Directorate-General for Enterprise and Industry of the European Commission. The theme of tourism as an experience industry was the main focus of the discussion.

¹¹ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions ‘Europe 2020 Flagship Initiative Innovation Union’ COM(2010) 546 final 6.10.2010

¹² Decelle X. (2003): ‘A Conceptual and Dynamic Approach to Innovation in Tourism’, Organisation for Economic Co-Operation and Development (OECD) Conference Paper.

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upon it, but tourism destinations are also both deeply rooted spatially (related to surrounding heritage, attractions and lodging facilities) and involve activities that feature proximity to leisure industries (cultural, sporting and recreational pursuits). For all these reasons, **tourism is principally demand-driven and is characterised by its market responsiveness.**

These characteristics are also highlighted in 'Tourism and Innovation' by Hall and Williams (2008)¹³ who called for a more systematic analysis of the role of innovation in tourism development. They pointed out that while tourism shares many of the features of innovation processes in other service industries, including the intensity of information requirements and the significance of the human factor, there are additional features that while not unknown elsewhere are particularly relevant to tourism. These include the fact that **tourism consists of a complex of related activities, delivered as linked services by hotels restaurants transport companies, retailers, tourist attractions and others.** This means that the tourist's experience depends on the cumulative quality perception of the interacting services. The effects of innovation in these circumstances depend on the responsiveness of the other elements in the complex of services. So, a marketing innovation that brings in more tourists may depend for its ultimate success on restaurants also innovating, if only by extending their opening hours. Equally innovations in one sub-sector may be held back by lack of change in other sub-sectors. A tourist attraction may wish to extend its season, but may be constrained because local hoteliers are unable or unwilling to extend their season. These relationships can easily become cumulative with particular tourism areas generating virtuous circles of innovation while others become locked into a downward spiral of collective failure to innovate.

The need for this interaction poses challenges for the sector in developing innovation strategies, especially since, at the same time, as Hall and Williams warn us, tourism is a diverse sector and there are sharp intra-sectoral differences in the nature and form of the innovation processes applied. There can be 'no magic formula for devising sectoral, local regional or national policies for promoting tourism'.

Other considerations to be taken into account in this varied picture are summarised by a 2009 *Study on the Competitiveness of the Tourism Industry*¹⁴. Globalisation through the democratisation of information and communication technologies constitutes a major challenge, together with the effects of other social and economic changes, such the increased mobility of individuals, greater economic liberalisation, the growing share of retired people with a high purchasing power; the rise of environmental concerns and the emergence of niche groups. These realities translate into higher consumer requirements and expectations in terms of the physical facilities and the skills and capabilities of those who work in the sector. Similarly, **trends towards an increasingly individualised clientele have resulted in altered demands on tourism employees which translate into higher skill requirements.** Competition within the industry has thus become fiercer with customer orientation and professionalism becoming key priorities for staff¹⁵. This impact on the sector is reflected in the development of various niche services and in changing occupational profiles for people working in the sector.

¹³ Colin Michael Hall, Alan M. Williams 'Tourism and Innovation' Routledge 2008

¹⁴ Ecorys et al 'Study on the Competitiveness of the EU tourism industry - with specific focus on the accommodation and tour operator & travel agent industries' September 2009

¹⁵ Navickas V., Malakauskaite A. (2009): 'The Possibilities for the Identification and Evaluation of Tourism Sector Competitiveness Factors', Engineering Economics. No 1 (61)

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Cross-industry links are often being developed at a local or regional level among SMEs, where it is easiest to see how they can work practically, but the cumulative effects are also felt at a more aggregate level, so that it can be seen that synergies in tourism development can have dynamic effects over a much wider part of the economy. A research paper entitled '*New Ways of Innovation in Tourism Economy: Implementing Clusters*'¹⁶ explains that clusters could be the answer to evening out the competitiveness of the tourism industry across EU regions. In broad terms, **clusters are concentrations of companies that work in synergy on the basis of their geographical proximity** and their interdependence¹⁷. There is also a competitive element in as much as, while individual enterprises in clusters can co-operate and work together or in parallel to contribute positively to innovative processes, facilitate relations with other institutions and canalise knowledge and information, they can also compete directly with each other. Hence, the study goes on to demonstrate how clusters can stimulate innovation through the exchange of information among the different actors and create strong synergies which facilitate the creation of new enterprises and business models, strengthen entrepreneurship, helping the companies find resources, technologies and knowledge and facilitate ideas to transform into opportunities for businesses. A further study on clusters and the new economics of competition¹⁸ explains the systemic dimension of clusters which is based on complementarity, co-localisation and networking. The cluster's virtuous operation suggests the ability of the stakeholders to work together towards a common goal. The market behaviours of operators illustrate the concept of 'co-opetition' which is defined as a mixture of competition (in the marketing stage) and conduct of a more co-operative sort of business (at the production stage and, earlier, at the innovation stage). In the face of globalisation, this type of research can justify why belonging to an innovative cluster becomes a real advantage for regional businesses in the tourism sector, particularly SMEs.

Multi-level cooperation among regional key players is thus a critical factor to promote innovation in tourism. A better dialogue between regional stakeholders, the creation of strong public - private partnerships, the development of smart specialisation strategies in which tourism features strongly, together with information sharing and dissemination of best practice are some of the actions to improve innovation performance. In this context, clusters are considered as innovation drivers at a regional level.

However, as well as recognising the significance of the diverse elements at play within the different sub-sectors of the tourism industry and a flexible approach to their co-ordination, it is also important in the context of the current analysis, to understand the place of the industry in relation to other sectors.

The key role of tourism for other sectors

The inter-relationship of tourism and the transport sector have long been apparent, but the Study on the Competitiveness of the Tourism Industry also points to **growing links between the tourism sector and a range of other industries with considerable growth potential**, such as environment-based industries and the cultural and creative sector. Culture, for instance, provides an element of distinctiveness for tourism destinations which enhances their competitiveness and attractiveness. Thus,

¹⁶ Mazilu M., Cipriana S. (2011): '*New Ways of Innovation in Tourism Economy: Implementing Clusters*', University of Craiova, Romania

¹⁷ Rosenfeld, S. (1997): '*Bringing Business Clusters into the Mainstream of Economic Development*', *European Planning Studies*, Vol.5, N°1, pp.3-23.

¹⁸ Porter, M. (1998): *Clusters and the new economics of competition*. Harvard Business School Press, Cambridge

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strengthening the relationship between the tourism and culture industries helps destinations to become more attractive and competitive as locations to visit, work and invest in. In Europe, cultural heritage is a key strength and forms an important and growing competitive advantage over other world regions. European policymakers are nowadays more aware that investments in cultural heritage can support the development of the tourism sector and local economies¹⁹, but equally tourism delivers customers for the cultural and creative sector and provides multiple opportunities for this sector and others to showcase their products and services and gain access to extensive markets. **Tourism can thus be a key factor in the marketing and development of other sectors.**

The relationship with the information and communications sector is especially complex and interesting. **The impact of ICT on the tourism industry is there for all to see** in many of its online forms. The democratisation of the internet resulting in the development web-based marketing has truly revolutionised the tourism industry, creating an even more competitive atmosphere on a global scale. Tour operators the world over have had to substantially reorganise their activities and their own structures to adapt to a continuous stream of ICT developments. One consequence is that this revolution in technology has led to the rapid growth of smaller independent tour operators focusing on niche markets such as ecotourism, thus considerably widening consumer choice

A general assumption of much of the analysis is that the tourism sector has mainly reacted to information and communication technologies developed elsewhere and this is indeed an important part of the story. However, **the role of tourism in stimulating ICT developments should not be underestimated.** It has been one of the sectors that has promoted the mass use of the internet and particularly the development of e-commerce and it continues to pose challenges (and provide employment) for web designers and developers. Moreover, as pointed out in a report published in 2011 by the *Expert Panel on Service Innovation in the EU*²⁰, firms in the tourism industry have already moved from reacting to ICT developments to a greater engagement in smart developments that use technological processes and interactive networks to better meet the requirements of customers and also target specific market segments more efficiently.

Increasingly, there are examples of the tourism industry releasing what the Commission's *Smart Guide to Service Innovation*²¹ calls '**the transformative power of service innovation**', where innovations in one part of the complex of related activities referred to above sets off further innovations elsewhere in the value-chain and causes further developments in the human capacities and the assets available to the industry and the region as a whole. Developments, for instance, in the use of mobile devices and the social media are both thought by some to be triggering important changes in business models and the associated processes by which services are delivered in the tourism industry. Perceptions of this kind are illustrations of **a conception of innovation and change that indicate a much more pervasive and significant role for the tourism industry** than concentration on isolated examples might suggest.

¹⁹ See for instance, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions 'Promoting cultural and creative sectors for growth and jobs in the EU' COM(2012) 537 final 26.9.2012

²⁰ 'Meeting the Challenge of Europe 2020: The transformative power of service innovation', Report by the Expert Panel on Service Innovation in the EU, February 2011

²¹ European Commission DG ENTR Guidebook series 'The Smart Guide to Service Innovation' 2012

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Awareness of the nature of these developments and the way that they relate to the strategies for the development of the industry are an important context for the subsequent definition of good practice.

Major developments in the social and economic framework within which the industry operates are referred to as 'megatrends', by the study on the Competitiveness of the EU Tourism Industry in order to emphasise their fundamental character and their significance. They are the basis on which it went on to define a roadmap for the EU tourism industry for the 10 years to come. This roadmap was in turn was a prelude to the 2010 Commission Communication that aimed to make European tourism competitive, modern, sustainable and responsible. In summary, the roadmap of this study centred on **supporting tourism demand, stimulating innovation and entrepreneurship whilst at the same time combining available resources more efficiently, and ensuring that development of tourism is sustainable**. These are also the themes of the current exercise.

2.2 Tourism Policy at an EU level

The Lisbon Treaty states²² that **the European Union has competence to carry out actions to support, coordinate or supplement the actions of the Member States in a number of areas including tourism** and subsequently the specific title²³ devoted to tourism sets out the actions that may be undertaken. However, although this new departure is clearly significant, it is able to build on various activities at a European level that go back quite a long way. These include actions both as an element of Enterprise policy and also as a significant theme in other areas of policy, such as Cohesion policy and policy to promote the take-up of ICT policy. However, starting from the early 2000s, there has been a number of policy initiatives elaborated in successive Commission Communications reflecting policy priorities directly for tourism at the EU level and setting a number of policy objectives. These may be briefly summarised as follows :

- The Commission Communication in 2001 – *'Working together for the future of European tourism'*²⁴ - this acknowledged the major challenges facing the industry, which required training to upgrade skills, the sustainable development of transport and environmental protection, and the adoption of new ICT in order to improve its competitiveness. The Communication aimed to promote and enhanced dialogue between stakeholders, while also calling for the monitoring and assessment of the effects of tourism policies and instruments.
- The Commission Communication in 2003 on a *'Basic orientation for the sustainability of European tourism'*²⁵ advocated the strengthening of sustainable tourism across the EU by giving consideration to social issues (i.e. the possibility for all citizens to participate in tourism, good employment opportunities in the sector and benefits from tourism activities for local communities) but by also emphasising the importance of the preservation of cultural integrity, the protection of heritage

²² TFEU Article 6

²³ Title XXII

²⁴ COM/2001/0665, Working together for the future of European tourism, 2001, http://ec.europa.eu/enterprise/sectors/tourism/documents/communications/commission-communication-2001/index_en.htm

²⁵ COM/2003/0716, Basic orientations for the sustainability of European tourism, 2003, http://ec.europa.eu/enterprise/sectors/tourism/documents/communications/commission-communication-2003/index_en.htm

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resources in tourism measures and general environmental aspects. The Communication argued that the key steps to sustainable tourism are an appropriate seasonal spread, a widening of tourism destinations across the EU on the basis of the promotion of different cultural identities and assets, and sustainable tourism transport.

- The Commission Communication in 2006 on '*A renewed EU tourism policy: Towards a Stronger Partnership for European Tourism*'²⁶. The aim of this Communication was to highlight policies and instruments within the current EU legal framework that can be used to better exploit the growth and job potential of the sector in a sustainable way. Aspects of the European Regional Development Fund (ERDF), the Cohesion Fund, the European Social Fund and European Agricultural Fund for Rural Development were all cited as examples of developments conducive to a more competitive and sustainable tourism sector. The Communication emphasised actions to improve the sustainability and reduce the seasonality of European tourism such as enhancing the visibility of Europe as a 'brand' for tourist destinations and, in so doing, promote alternative forms of tourism (e.g. culture, sports and other types of events) to attract an ever more diversified clientele.
- In 2007, the Commission published a Communication entitled '*Agenda for a Sustainable and Competitive European Tourism*'²⁷, which built on the recommendations of the Tourism Sustainability Group in proposing a medium term strategy for a sustainable and competitive European tourism, linked to the EU's revised Lisbon Strategy for Growth and Jobs. The central idea was that a more sustainable approach to tourism would make Europe more attractive as a tourism destination. The Agenda set as a priority the mainstreaming of concepts of sustainability and competitiveness of the tourism sector into all aspects of EU policy (e.g. rural development, maritime and coastal development, urban regeneration, culture and identity).

The Agenda planned for the European Commission to support the strengthening or the creation of knowledge exchange platforms to enhance collaboration between tourism and other related sectors and promote best practice exchange in the area of sustainable destination management (i.e. addressing the issue of seasonality).

In broad terms, the Agenda reflected the efforts made by the EU to mobilize all parties concerned with the tourism industry to produce and to share knowledge in order to strengthen the understanding of practices that link sustainability and competitiveness in a mutually reinforcing way.²⁸

²⁶ COM(2006) 134 final A renewed EU Tourism Policy: Towards a stronger partnership for European Tourism <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2006:0134:FIN:EN:PDF>

²⁷ COM(2007) 621, Agenda for a sustainable and competitive European tourism, http://ec.europa.eu/enterprise/sectors/tourism/documents/communications/commission-communication-2007/index_en.htm

²⁸ Vice-President of the European Commission responsible for Enterprise and Industry Europe moves forward for competitive and sustainable tourism European Tourism Forum "Sustainable Management of Tourism Destinations" Algarve, 26 October 2007, <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/07/700&format=HTML&aged=0&language=EN&guiLanguage=en>

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This brief summary indicates that there is a very substantial background to the most recent Commission Communication, which provides the basis for the current exercise to promote the exchange of good practice.

In June 2010, the Commission adopted a **new consolidated political framework for tourism**, outlined in its Communication **“Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe”**²⁹ In a number of respects, this represented a continuation of the policy orientations and objectives set in the 2007 Agenda but it also reflected the new reality for the EU tourism policy as a result of the entry into force of the Lisbon Treaty (TFEU), where on the basis of article 195, a small but significant expansion of competence in the area of tourism allows the European Union to carry out actions to support, coordinate or supplement the actions of the Member States to achieve the wider objectives of the Treaty.

The 2010 Communication developed a **new action framework for EU policy that aimed to make European tourism competitive, modern, sustainable and responsible** with important links with the action framework established by the 'Europe 2020'³⁰ economic strategy and EU Flagship Initiatives, notably 'An integrated industrial policy for the globalisation era'³¹.

The four axes were set for the new EU policy action:

1. Stimulate competitiveness in the European tourism sector
2. Promote the development of sustainable, responsible and high quality tourism
3. Consolidate the image and profile of Europe as home to sustainable and high quality destinations
4. Maximise the potential of EU policies and financial instruments

These axes are of major significance for the current assignment and under the first in particular there is a list of further themes that relate directly to areas to be investigated:

- Promoting diversification of the supply of tourist services
- Developing innovation (and ICT) in the tourism industry
- Improving professional skills
- Encouraging an extension of the tourist season
- Consolidating the socioeconomic knowledge base for tourism

The observations in the Communication on these areas are fundamental to the current exercise in that it is precisely the principles set out here that the team has sought to illustrate in the cases of good practice that have been chosen. They will therefore be considered in more detail in the following chapter.

At the same time, it should be recalled that the current exercise is only one of a series of **parallel activities** being undertaken by the Commission and the Member States in the area of tourism. These

²⁹ COM(2010)352 final of 30.06.2010

³⁰ COM(2010) 2020 'A European strategy for smart, sustainable and inclusive growth'

³¹ COM(2010) 614, An Integrated Industrial Policy for the Globalisation Era: Putting Competitiveness and Sustainability at Centre Stage

http://ec.europa.eu/enterprise/policies/industrial-competitiveness/industrial-policy/files/communication_on_industrial_policy_en.pdf

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relate to a series of actions that provide the final points of focus for the Communication, which can be summarised as follows :

- *Diversification of the transnational tourism offer by the creation and promotion of transnational thematic tourism products and cultural itineraries:* actions aiming to capitalise on Europe's common heritage, particularly by creating a European heritage label, alongside actions such as European Heritage Days or the European Union Prize for Cultural Heritage.
- *Promoting innovation through the uptake of information society tools in the tourism sector and integration into the digital supply chain with a special focus on SMEs:* Actions include the promotion of networking to foster synergies between the tourism sector and the ICT sector and to facilitate the uptake of new information technologies by tourism businesses and the revision of the e-commerce Directive³² to better integrate considerations regarding the tourism sector.
- *Improving the professional skills of workers in the tourism sector with a view to facilitating their adaptation to new technologies and market expectations:* Actions include widening the offer of vocational training in the tourism sector through existing EU programmes such as 'Leonardo da Vinci' or 'Erasmus for young entrepreneurs'. Actions also cover the promotion of the mobility of workers in the tourism sector to facilitate the operation of the tourism labour market.
- *Strengthening the socio-economic tourism knowledge base through surveys, studies and the development of a European virtual tourism observatory:* In this context, the Commission will aim to encourage the development of knowledge networks between research institutes, universities, and public and private monitoring units acting for the benefit of, and in close cooperation with, national authorities, national tourism offices and statistical institutes.
- *Extending the tourist high-season through initiatives like the Calypso³³ initiative on low season tourism and the "50,000 tourists" initiative:* Other actions in this area include the development of a voluntary online information exchange mechanism to improve the coordination of school holidays in the Member States, without prejudice to their cultural traditions.
- *Promoting the development of sustainable, responsible and high-quality tourism:* This includes the promotion of tourism destinations through the EDEN awards and the development of a system of indicators for the sustainable management of destinations.
- *Consolidating the image and profile of Europe as a collection of sustainable and high-quality tourist destinations:* This involves promotional activities aiming to create a true 'Europe brand' in

³² Directive 2001/31/EC

³³ CALYPSO is a preparatory action adopted by the European Parliament in 2008 for a three-year period with the objective of promoting partnerships between the public and private sectors and the social economy, it is driven by the European Commission and concentrates on out-of-season exchanges of tourists in four target groups (young and elderly people, people with reduced mobility and low-income families), involving at least two Member States and/or candidate countries.

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cooperation with the Member States to complement marketing efforts at national and regional level.

- *Maximising the potential of EU financial policies and instruments for developing tourism:* This involves better integrating tourism into a range of programmes such as the ERDF, the ESF, the European Agricultural Fund for Rural Development (EAFRD), the European Fisheries Fund (EFF).

A number of these actions are now under way or being developed and where appropriate, there is reference to them in the discussion of the themes considered in the next chapter.

2.3 Facilitating the Transfer of Good Practice

A final element to be considered in the background for the analysis of good practice in the next chapter is the growing emphasis on assessment of the performance of public initiatives that has characterised all areas of policy at a European level for some years now. It has been seen, for instance, that the Commission Communication on *'Working together for the future of European tourism'* in 2001 called for **the monitoring and assessment of the effects of tourism policies and instruments**.

This development is important, not only because monitoring and evaluation help to increase the effectiveness of the policies where they are applied and help those responsible comply with the requirements of accountability. In the context of the current exercise in good practice identification and exchange, it also makes **an important contribution to the process of persuading others to take up the good practice identified**, since it provides clear evidence to support the case for such a transfer.

For this reason, it was agreed at the first meeting of the Working Group that part of the characterisation of good practice in this project would be an assessment of the good practice cases against the standard criteria used in evaluation exercises³⁴. Attention, wherever possible, to the intended and actual outputs and results of the projects under consideration is particularly important for supporting the case for transfer, along with any assessment of the ultimate impacts of the cases considered that proves to be feasible.

The precise performance characterisation of the various projects will vary depending on their different objectives, but there are features highlighted for other reasons that it is of interest to look out for. Some of these arise because of parallel work that is being conducted in other EU projects on tourism.

The European Tourism Indicator System

One of the actions planned under the 'new political framework for tourism' set out in the 2010 Communication was the development of **a system of indicators for the sustainable management of destinations**, with the intention of using this system for a label for promoting tourist destinations.

In February 2013 a **'Toolkit for Sustainable Destinations'** was launched at a conference in Brussels defining a 'European Tourism Indicator System'³⁵ and providing advice on how it can be implemented or

³⁴ The approach is described in Annex A1, but essentially involves an assessment of cases in relation to the relevance of their objectives and their coherence with policy priorities, their effects, their efficiency, sustainability and value-added.

³⁵ DG Enterprise & Industry 'European Tourism Indicator System; Toolkit for Sustainable Destinations' February 2013

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integrated into existing monitoring arrangements. The focus of the application of the system is at the destination level and the approach advocated involves engaging all the relevant stakeholders in a particular destination in a Stakeholder Working Group, in order to initiate, implement, monitor and subsequently develop a robust indicator system. In line with the integrated approach advocated in European policy, different sections of the system define indicators relating to 'economic value', 'social and cultural impact' and 'environmental impact', as well as those relating to overall destination management. The concerns of competitiveness are intimately related to those of social, cultural and environmental sustainability.

Although this European Tourism Indicator System is intended to be applied flexibly in line with local circumstances, it clearly has the character of a reference system and represents a significant step in the direction of a more systematic approach to monitoring the performance of the sector.

Monitoring under Cohesion Policy in the 2014 – 2020 period

The greater use of monitoring and indicator systems is reinforced by the **developments taking place under the Structural Funds in the 2014 – 2020 period**. Although a number of the cases considered in the next chapter are funded only at a national or regional level or rely on private sector investment, others are supported to varying degrees by the EU Structural Funds and the rules that will apply from next year are clearly a consideration in promoting the broader adoption of the good practice identified.

The proposals from the Commission on the Regulations to govern the Funds of the Common Strategic Framework (CSF)³⁶ for the next period have not yet been finally adopted by the Council and the European Parliament and may therefore be modified. However, a 'major hallmark of the proposal' and a significant change proposed by the Commission that is likely to feature in the provisions eventually adopted, is that, in addition to concentrating funding on a smaller number of priorities, there will be a greater focus on results and the monitoring of progress towards agreed objectives.

Under the proposals each Member State will have to establish a committee to monitor implementation of the programmes of the Common Strategic Framework. These Monitoring Committees are required to review implementation of programmes and progress towards their objectives, examining in detail all the issues that affect the performance of a programme. In doing so, a Monitoring Committee must have regard to financial data, but also common and programme-specific indicators, including result indicators and progress towards quantified target values, and the milestones defined in the performance framework. Specific indicators are defined in annexes to the Regulations.

Although tourism is no longer specifically identified as a priority in the CSF for the next period, investment priorities, such as strengthening research, technological development and innovation, enhancing access to, and the use and quality of, ICT, enhancing the competitiveness of SMEs, protecting the environment and promoting resource efficiency (including protecting, promoting and developing cultural heritage) and promoting employment and supporting labour mobility could all be delivered through programmes with a strong tourism element and are highly compatible with the objective of promoting the competitiveness and sustainability of tourism. Furthermore, the new CSF envisages that

³⁶ Legislative proposals relating to EU Cohesion Policy 2014-2020 are to be found at: http://ec.europa.eu/regional_policy/what/future/proposals_2014_2020_en.cfm

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regions develop **smart specialisation strategies**, under the research, technological development and innovation priority or the ICT priority. These strategies are required to analyse regional assets and advantages and build on comparative advantages. In some regions tourism figures prominently in such strategies, particularly because of its ability to induce change and innovation in other sectors. In such cases the development of corresponding monitoring and evaluation systems is essential for a clear assessment of the success or otherwise of the smart specialisation strategy.

Furthermore, it has to be said that in the past the European Court of Auditors³⁷ has pointed to the need for suitable objectives, targets and indicators to be established for tourism projects and questioned the impacts and sustainability of some of those supported by the Regional Fund. This further underlines the importance of both the availability of robust evidence to support new proposals and the implementation of monitoring and evaluation processes, once the projects are underway.

The developments in cohesion policy need to be taken into account both at a practical level in preparing the ground for the broader take-up of the good practice presented in the next chapter, but also as a way of contributing to a more general objective established in the 2010 Communication, where the Commission saw the better integration of tourism into its various policies as a way of releasing the sector's full competitive potential. A consideration in the way that the cases are presented has therefore been that the opportunity should be taken to facilitate this policy integration.

³⁷ European Court of Auditors 'Were ERDF Co-Financed Tourism Projects Effective?' Special Report No 6 /2011

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This chapter presents an overview of the good practice cases set out in full in Annex B. It highlights the common themes and explains how the individual cases should be seen as illustrating various aspects of a consistent overall package of good practice.

3.1 Overall Approach to Presenting Good Practice

As has been seen, central to the 2010 Communication on ‘Europe, the world’s No 1 tourist destination’ was the definition of a new framework for action to increase the competitiveness of the industry and its capacity for sustainable growth.

The main aim of the current assignment has been to identify practical examples of how tourism is evolving to become more innovative and competitive, speeding up growth and making tourism in Europe more attractive. In identifying particular cases of practice that might be adopted more widely, the investigations have especially sought to highlight responses to issues raised in the Communication. However, the process has not been all one way. As well as seeking instances where the approaches advocated in the Communication have been applied in interesting ways, the experience on the ground has also been generating important lessons that are part of the good practice that is to be described. This is especially the case where a common theme has been observed across several projects.

Some 20 cases of good practice have been selected in total. Each of these is described separately in annex A. However, the principal features of these cases will be summarised in the current chapter, where sets of cases will be presented illustrating the four main themes under which the investigations have been carried out. Each theme has its own section, where as well as referring to features of the main cases considered under the theme, the relationship between the different cases will also be explained. Here reference will be made either to the full case studies that are to be found in Annex B or, in some instances, brief summaries will additionally be presented in the main text. The exposition begins though with some general considerations that apply to most or all the cases to be presented. These include reference to one or two of the common elements that have emerged during the examination of particular cases.

3.2 Common Elements

A Clear Framework

Most of the cases to be presented are of an operational nature, referring to developments that have taken place on the ground, often in particular destinations or regions. The exception is the case relating to the Integrated National Tourism Plan (PNIT) developed in Spain, which, as will be seen shortly, provides an explicit strategic framework for the industry in that country, with multiple elements of support and guidance. However, even in the projects that have a very particular focus, it is apparent that the success that they enjoy is due in no small part to a series of elements that give each of them a **strong sense of direction and a momentum that continues to deliver results**. This is largely irrespective of the institutional nature of the organisation in the lead of the particular project. These elements are an important part of the basis on which the cases have been characterised as ‘good practice’. They include:

- *A clear definition of aims* – a common sense requirement for a successful project, but sometimes one that is more difficult to formulate in practice than is generally admitted. Frequently, clarity in

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the direction of the project is achieved by ensuring that the other characteristics of good practice are also observed.

- *Coherence with policy priorities*- in most of the cases considered, the core aims of the programme or project directly address priorities for the industry, as identified in policy statements, such as those in the Communication, or are at least consistent with them
- *An approach that encourages innovation* – the best projects actively encourage fresh thinking and innovation, not only because innovative change delivers competitive advantage, but also because it is a significant motivational factor, sparking the imagination of those involved and encouraging dedication and a belief in the success of the venture.
- *A systematic approach* – successful projects have almost always put in place organisational arrangements that allow a systematic approach to be taken both to the planning and the implementation of the project. Usually care is taken to ensure that the aims and implementation are also consistent with the priorities of the relevant policy framework (European, national, regional or local)
- *Effective leadership* – those in charge of implementing successful projects have to have the political and organisational authority necessary to bring about change. Frequently there are also very dedicated individuals or teams with a strong commitment to the project and its aims, who are capable of inspiring others involved in its implementation to think and act creatively.
- *Active participation of all the relevant stakeholders* – effective implementation of any project is best ensured by gaining the willing commitment of those affected by it. This in turn usually requires that stakeholders should be able to express their own needs and perceptions and be involved in major decisions. With tourism projects, this means that the various private sector interests need to be involved as well as the various authorities. Increasingly these interests are taking a leading role even in strategic developments.
- *Good communication* – effective communication is essential for a successful project – both with customers and among those involved in delivering it. The use of social media and novel communications tools are increasingly used to market a new offer, often very cost-effectively, while for internal communication purposes, common communications platforms are increasingly being used. In either case, the communications systems need to work well.
- *Clear procedures for evaluation and monitoring* – so that all involved understand that the project will be judged on its performance. Preferably monitoring and evaluation processes should commence right from the beginning of a project, so that a baseline can be established and arrangements for data collection made. Progress then needs to be monitored and problems addressed.

In a number of projects these elements are combined in a specific framework. Some³⁸, for instance, make use to varying degrees of the **destination management** approach, similar to that summarised by

³⁸ The destination management approach is evident in the ‘Discover Croatia’ project (Case 7)and ‘Dark Sky Alqueva’ (Case 19) among others . It also features in national tourism strategies such as that of Sweden.

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the World Tourism Organization in its 'Practical Guide to Tourism Destination Management'³⁹. The Guide sets out in considerable detail how a systematic analysis can be developed at a destination level of the challenges to be faced and the actions to be taken, but it also reflected a change in the way that tourism promotion is conceived.

'Many destinations now have Destination Management Organisations or DMOs to lead the way. Traditionally responsible for destination marketing, the role of the DMO (often Tourist Boards) is becoming far broader. DMOs today should not only lead on marketing, but must also be strategic leaders in destination development. This role requires them to drive and coordinate destination management activities within the framework of a coherent strategy.'

One of the significant changes that this approach brought was the realisation that effective promotion of a destination could not stop at simply selling what was already available. More **interaction is necessary between the promotion of a destination and the configuration of the services offered**, in order to ensure that services correspond to the changing needs of customers and marketing efforts have the best chance of success.

A further consequence of this closer relationship between promotion and the 'offer' has been a growing appreciation of the need for destination management organisations to engage effectively with the private sector. The interaction needs to go in both directions. Public bodies responsible for the promotion of destinations, and also for the promotion of tourism at a regional and national level, need to find effective ways of **working with the enterprises that provide tourism services**, but individual businesses also have to be more conscious of the fact that there can be both positive and negative spill-over effects from their own activities and that the success of their business frequently depends on the effectiveness of their interaction with other businesses and with the authorities responsible for the strategic inputs into a destination's success that range from infrastructure and transport to overall positioning and branding. In some instances new public-private relationships are developing, including situations where the private sector is taking the lead in developing strategy and co-ordination. This approach can be particularly relevant where restrictions on public budgets are limiting the scope for initiatives by public authorities.

The destination management approach does not, however, provide the only blueprint for systematic management. In the 'Merrion Square' case from Ireland (Case 18), the initiative was explicitly geared to promoting innovative thinking in the development of a cultural tourism cluster in the heart of Dublin and, for this reason, chose to make use of a **design thinking approach**, which nonetheless included all the elements listed above.

In Spain, a **national framework for tourism development** has been created by the Integrated National Tourism Plan (PNIT).

Integrated National Tourism Plan 2012-2015 (PNIT) – Spain
Introduction
Spain has a leading position in tourism at a global level and tourism is of strategic importance to

³⁹ World Tourism Organization 'A Practical Guide to Tourism Destination Management' 2007

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the economy of Spain. Its 350,000 enterprises generate more than 10% of GDP and provide 11% of employment. It is also a sector that the government regards as important for the economic recovery, expecting it to deliver growth and employment.

However, the Spanish tourism sector faces a series of the challenges - many of which have parallels across Europe - that called for a strategic response. The Integrated National Tourism Plan (PNIT) presents a national framework for this response over the period 2012-2015.

Description

The PNIT was drawn up after extensive consultation with the regions and municipalities of Spain, with private sector providers of tourism services and with related industries and the Plan itself initiated new mechanisms to continue this dialogue during the course of its implementation. The Plan therefore reflects a national consensus on the challenges for the sector and the initiatives taken in response.

The PNIT is set out in a document that begins with a SWOT analysis of the challenges facing the industry. Issues identified include the changing requirements of customers and their increased discrimination based on the availability of extensive information on the Internet, over dependence on customers from certain western European countries, the limited season of sun and beach tourism, a slow rate of innovation and the need for a better integration of services based on cultural and natural assets into the general tourism offer.

The response involved the articulation of a new vision and the definition of a series of specific objectives:

1. Increase tourism activity and productivity
2. Create quality employment
3. Stimulate a single market
4. Improve international positioning
5. Improve the coherence and recognition of the 'Spain' brand
6. Encourage public-private co-responsibility
7. Reduce the seasonality of tourism

Three general instruments are being employed in pursuing these objectives:

- a) Promoting awareness, entrepreneurship and training
- b) Improving the offer
- c) Diversifying the demand.

At a more operational level these objectives are translated into 28 measures that in turn comprise 104 actions in total. The measures are very diverse and include reform of regulations, reorganisation of the network of Tourist Offices, development of the 'Spain' brand, training, support and finance for enterprises, including credit lines for young entrepreneurs, renewal of the infrastructure of mature destinations, encouragement of innovation and the development of new activities, especially relating to nature and culture, co-ordination, including that with policy and developments at a European level, plus actions in many other areas.

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Among the measures to promote innovation is the *Smart Destinations* programme – a series of pilot projects in up to 11 destinations, responsive to local needs and involving the private sector, local universities etc., but with a common approach promoting quality through standards, certification and monitoring and the encouragement of innovative thinking especially in relation to the use of ICT applications.

Supporting the implementation of the PNIT is an elaborate system of monitoring and evaluation. A set of indicators was included in the Plan and has since been refined. Monthly reports on progress at the level of outputs, results and longer term impacts are prepared for the Minister and Secretary of State. It was recognised in the Plan itself that some elements would be a lot more difficult to implement than others and progress is being made in some areas more quickly than in others. However, overall and after 1 year of operation, the PNIT is judged currently to be on schedule.

Further Information

Further detail is provided in Case 1. in Annex B.

The comprehensive nature of the PNIT is very impressive and deserves consideration as a model for adoption elsewhere, both because of the fresh approach to re-examining fundamental issues and because of the enlightening analysis of much of the detail. Note that, although in this case the strategy represented by the PNIT has been developed at a national level, the structure of the Plan and the elements that it contains are largely the same as those that characterise a strategic approach at a regional level or at the level of destinations and the processes involved from initial consensus building to effective monitoring of implementation are also those that represent best practice at any level. Furthermore, the analysis is also deliberately consistent with the priorities expressed at a European level and initiatives undertaken under the Plan have sought to ‘maximise the potential of EU financial policies and instruments for developing tourism’ – a further objective of the 2010 Communication. The development of ‘smart destinations’, for instance, which has been described as involving a process of ‘helping DMOs to be cleverer’, through open innovation processes and the intelligent use of information technology, has learned from earlier experience of the promotion of innovation, often with a European dimension, but is also actively preparing for the next programming period of the Structural Funds (2014 – 2020) by supporting the development of smart specialisation strategies strongly focused on tourism, not only for the Balearic and Canary islands, but also for Galicia, Murcia and Valencia.

The systematic nature of the PNIT’s monitoring process also presents a model case, not least because it is already revealing encouraging progress, which further motivates and reinforces the whole process.

Competitiveness and Innovation

In the following sections of this chapter, different contributions to increasing the competitiveness of the tourism sector will be considered. It will be seen, however, that these contributions can rarely be understood in isolation and, in particular, a constant theme will be the interdependence of developments relating to marketing activity and those relating to improvements in the offer. This **interdependence of the various factors affecting competitiveness** means that a strong element of co-ordination is required, as has already been discussed, and even if the degree of complexity in this co-

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ordination differs between cases relating to national strategy and those concerning a very local development, it still has to be present in all cases and, in addition, needs to be able to adjust to another feature that will frequently characterise the cases under consideration, namely, **a marked commitment to continuous innovation and improvement.**

Again the PNIT illustrates the case. It is not just a good example of a systematic approach to the series of interconnected issues that have to be faced at any level; it is also characterised by a willingness to be open to new ideas and change and to build **a new consensus around a different vision.** In fact the PNIT's explanation of the implementation process starts with a new vision for the brand 'Spain' as its central point of focus. It will be seen subsequently in section 3.6 that the role of a clear core concept in the successful and cost-effective marketing of innovative projects is critical, but in all cases this has to be supported by attention to detail throughout the implementation of the project. The inter-dependence of the different aspects of a destination in the experience economy translates into a requirement for culture of quality.

At the same time, the offer needs to be continuously refreshed, again underlining the need for continuous innovation. It will be seen that an initial premise of the Marrison Square Innovation Network (case 18) was precisely to unleash **a process of creative thinking and the generation of new ideas** and to follow these through in the development of an area of Dublin as a renewed tourist destination. Many of the other projects too have strong innovative processes built into their core processes, mostly involving open mechanisms that engage a wide group of public and private stakeholders.

The PNIT, however, has an additional element that is of interest in this context in its launching of a measure to develop **'smart destinations'**. Taking inspiration from the concept of 'smart cities', the intention is to develop processes that encourage innovation at the level of the destination as well as at the level of individual enterprises or organisations. Experiments are taking place in a series of designated destinations. Creative processes that are open to any stakeholder are a critical part of this measure and this, together with responsiveness to local circumstances, means that different elements are emerging in the different locations. However, a common framework is being applied, involving the definition of objectives, the development of standards and certification and a monitoring of effects and results. A major element in the developments at the destination level involve an enhancement of the knowledge base and frequently this is based on new ICT instruments and particularly the use of hand-held devices to pass information in both directions. Clearly the use of standards is critical in these circumstances to ensure interoperability, but it is also proving to be important in the promotion of a quality culture, as will be seen in the development of the Integral System for Tourism Quality in Destinations (SICTED) which also forms part of the PNIT and will be considered as Case 8.

The Interaction of the Four Themes

As has been explained, it was decided at an early stage that this assignment would concentrate on identifying good practice in four areas where developments could be seen to be contributing to the competitiveness of the tourism industry in a fairly direct way. In this sense, it might be said that developments in these areas account for a major part of the realisation of the national and regional strategies for the tourism industry referred to in the previous section and for this reason, there should be no apology for setting out examples of good practice relating to each of these areas in turn, as is done in the rest of this chapter. However, at the same time, it should be recognised that the good

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practice presented for consideration should not be viewed in isolation. **The most effective strategies have many dimensions and require an interaction between their different elements.** Even at the level of particular projects, the most interesting will often have a series of different facets. Measures to extend the season often need the development of new skills and ICT developments to support them and, of course, the new services need to be marketed. In principle, therefore good projects need to be comprehensive and consistent and integrated with other developments, if they are going to be successful themselves and also have the greatest overall impact. Consequently in the following sections, **to a certain extent, the attribution of examples of good practice to one or other of the four themes of this Report is somewhat arbitrary.** Furthermore, while cases have been chosen because of interesting elements that relate to the theme in question, at the same time, in characterising them as good practice, attention has also been paid to investigating whether the measures are also well structured in other respects. This will all be reflected in the way that they have been written up, especially in the full presentation of the cases in the annex, but, of course, the opportunity has been taken to bring out and emphasise the particular theme under consideration.

Horizontal Issues- Environmental and Social Sustainability

Promoting the sustainability of tourism from both an environmental and a social perspective is clearly a major part of any strategy for tourism development in Europe and beyond and these issues have an important place in the 2010 Communication. However, because of the way that various aspects of sustainability are being addressed elsewhere and since the particular focus of this assignment is on factors promoting competitiveness, these issues were not included among the themes that have guided the selection of the good practice highlighted in this Report. Nonetheless environmental sustainability and social inclusion have been among the defining elements in a number of the programmes and projects that have been considered. In cases such as the Integrated Ecotourism Development of the Dráva Basin in Hungary (Case 5) the Dark Sky Alqueva project in Portugal (Case 19) and the Eden project in the UK (Case 20), environmental sustainability is central, while for the "Tourism for All" programme in Belgium (Case 4) and the Briganti di Cerreto project in Italy (Case 11) social inclusiveness are important factors. Other projects too reflect these issues to a greater or lesser extent.

In practice it would have been difficult to avoid these issues in one form or another in the selection of good practice cases and in a sense this represents encouraging evidence of **the mainstreaming of sustainability within tourism development.** In effect therefore these issues have had a horizontal status in the work that has been undertaken to identify good practice – not the immediate focus of attention, but unavoidable as part of the overall picture.

Similar remarks could also have been made about other themes that have been treated horizontally in this Report, such as the links between development of the tourism sector and that of the cultural and creative industries. The Merrion Square project in Ireland (Case 18) and the Digital Inventory of Cultural Heritage and Cultural Economy (Case 13) both have strong cultural elements.

3.3 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, principally because it can be the beginning of **a virtuous cycle of improvement.** Initially it is an obvious way to increase revenue, but by increasing the utilisation rate of tourism assets, it also has important implications for the return on investment by businesses, possibly encouraging further investment, and

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over the longer term can have a beneficial effect on the quality of services and the productivity of labour in the industry. By offering longer periods of sustained employment, it can help generate a more stable work force, directly promote higher skills levels and also more easily attract employees with better skills and thus provide the basis for general increase in the quality of the service offer and for making it more diversified. At the same time an extended period of activity can have positive spin-off effects for the local economy, especially if average wage levels increase along with the higher productivity and the social charge of seasonal unemployment is reduced. Furthermore by increasing the pace of activity, it can contribute to the general dynamism of the industry and make other changes and development easier to bring about.

Open All Year

This dynamic is evident in the approach of '**Open All Year**' (Case 2), a project that has been part of a regional tourism strategy for South West Wales in the United Kingdom. In this case, the aim was to develop an "all year accessible destination, providing high quality services and supporting profitable tourism businesses as a source of good quality jobs". The theme of being open all year was in fact used as a central point of focus and a motivating factor in a more extensive programme, developed by building a consensus in a public-private partnership that has now taken the lead in developing the particular elements of an agreed programme.

'Open All Year' – Wales, UK
<p>Introduction</p> <p>The 'Open All Year' strategy for South West Wales is an integrated strategic programme of action initiated in 2004 aiming to achieve an effective seasonal spread of tourism in South West Wales in a way that is sustainable, both economically and environmentally. The overarching theme of the strategy is addressing the problem of seasonality.</p> <p>The SW Wales Regional Tourism Partnership – a regional public-private partnership – has been responsible for the overall implementation of the strategy and the coordination of the activities implemented by various local actors.</p>
<p>Description</p> <p>In this case the aim of being 'open all year' has provided a motivating and inspirational theme for a broadly-based public-private partnership in a range of other complementary and innovative developments.</p> <p>Extending the season is an important aim for many destinations, especially since by allowing existing assets to be used more effectively and by providing more stable employment conditions, it can unleash a positive cycle of improvement.</p> <p>The South West Wales region has a combined population of 652,000. The tourism sector represents an important part of the South West Wales' visitor economy sustaining around 20,000 jobs in 6,000 businesses.</p> <p>The area is characterised by an extensive and varied coastline and rural inland areas sustaining</p>

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diverse wildlife. The built environment includes ancient castles and other historic properties and landscapes, picturesque villages, small market towns, coastal resorts and the maritime city of Swansea, but a consultation with public and private actors and an extensive assessment of the SW Wales tourism product and the current market revealed that there were a number of weaknesses, including the small size and fragmented provision of tourism services, limited coordination, highly seasonality and dependency on traditional markets. The strategy developed set an overall vision for an 'all year accessible destination, providing high quality services, supporting profitable tourism businesses as a source of good quality jobs'.

Five specific strategic objectives were established and a number of implementing activities were initiated by the strategic authority but most often were implemented by local consortia. They included :

- Stronger partnerships of tourism stakeholders in SW Wales working effectively together, informed by good quality, up to date information.
- Re-focusing of marketing onto off-peak opportunities
- Improving the quality of the visitor experience throughout the year
- Responsibly developing and sustaining the infrastructure and the unique environmental and cultural resources of SW Wales for the benefit of visitors and residents
- Improving tourism business practices and performance.

Since the initiation of the Open All Year strategy an effective monitoring regime has been established and it has been seen that the various activities have led to significant outputs and results. In particular, the total number of visits to South West Wales increased much faster than in Wales during the period 2006-2011. Even more important and relevant to the Open All Year strategy is the increasing share of the off-season (Oct-March) visits in the total visits to the region. From less than 26% in 2006, off-season visits represented 32.5% of the total in 2011.

Further Information

Further detail is provided in Case 2. in Annex B.

The role of the public authority behind the project (itself known as the South West Wales Tourism Partnership) was to help local public and private actors to take initiatives, while addressing the inherent limitations of individual and fragmented tourism businesses and service providers and providing guidance on the basis of sound Integrated Quality and Destination Management principles. The South West Wales Tourism Partnership has also developed a monitoring framework, including a series of indicators relating to results and impacts. Not all the data being collected on these indicators are available yet, but 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.

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Broader participation - Europe Senior Tourism and Tourism for All

Addressing the seasonality of tourism demand in the strict sense is only part of **the broader attempt by modern tourism to diversify the demand for tourism services**. The **Europe Senior Tourism (Case 3)** project in Spain does encourage visitors during the October to May low season and is having a clear and direct effect on numbers during this period in areas that are heavily dependent on large scale tourism during the summer. However, it is also extending the market, first of all by targeting people over the age of 55, who have the time and means to take off-season holidays, but also by principally targeting this group in countries that have not traditionally been visitors to Spain in large numbers.

The project works by providing a financial incentive, but also through collaboration with providers and the relevant authorities, to assemble a package that represents good value for the visitors. The financial incentive is gradually being withdrawn as the markets in the target countries become better established.

This project has also been able to gather some very clear evidence on its effectiveness. The details are presented in the case document, but in summary there has been a definite direct effect on overnight stays in the winter season, high levels of satisfaction on the part of those participating in the scheme and significant employment creation/retention. The direct economic impact on the tourism sector and the indirect impact on other sectors have been estimated to be around four-five times the government funding and close to €550-600/senior. Employment created in the tourism sector and in other sectors through the various types of spending was in the range of 60-120 jobs created or retained per million of government investment (that is, a cost of €8,000-16,000/job). This compares favourably with other interventions under the Structural Funds. Furthermore, there have been few displacement effects and the government investment has been more than recovered - through tax collection or reduced unemployment benefits - with a ratio of €1.3-1.5 gained in public revenue for every euro spent.

The Europe Senior Tourism project is already well known and has been taken up as a model under the Calypso Programme. Nonetheless, there are still lessons to be learned, not least from its on-going development and from its place in a range of initiatives that aims to diversify the offer and branch out into new markets.

Another area where this diversification is taking place is in the social sphere. **Social Tourism – Tourism for All (Case 4)** illustrates how **social inclusiveness in tourism is changing**, both in terms of how disadvantaged social groups participate and also in terms of the beneficial effects this is having on the broader tourism sector. The case shows how a programme developed in Flanders from earlier provision going back to the 1930s now has arrangements for **four separate target groups**: people living in poverty, people with disabilities, children and young people and families and senior citizens. A specific service within Tourism Flanders, the 'Holiday Participation Centre' (Steunpunt Vakantieparticipatie) negotiates special deals with a host of tourism partners both in the social and private sectors (hotels and other holiday accommodation, holiday parks, attractions and events), coordinates with social services and welfare agents, and carries out targeted promotion. In total the numbers of holidays organised have increased from 752 in 2001 to nearly 105,000 in 2012, though in contrast to the earlier period, 85% of these are day trips. The social objectives of this programme continue, but by helping this number of people to take even a short holiday, the programme not only boosts revenue - often during off-season periods - but is also stimulating the responsiveness of the industry to a widening range of requirements, frequently with wider benefits. The programme's support and advice on facilities for people with

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disabilities, for instance, is helping hotels, restaurants and other providers develop suitable access, which benefits not only those with disabilities, but older people and others who are less agile.

Diversifying the Offer – Ecotourism, Culture & Sport

An important part of attracting new visitors and responding to the changes in customer interests is a process of redefining the nature of the offer, **creating new destinations and developing new facilities and orientations in existing destinations**. Frequently this can involve **ecotourism, culture, sport and other areas such as health tourism**, where as well as responding to new areas of interest, developments have the advantage of promoting the sustainability of the environment and contributing to the preservation and enhancement of cultural heritage and sports activity. In this sub-section, two cases are summarised that show how in one instance a focus on ecotourism has enabled a disadvantaged region to undergo a development process that has made it a revitalised tourism destination as part of a strategy for regional development, while in the other case the theme of cycling has not only promoted a new healthy activity, but has served to link a chain of facilities across three countries to create a new destination and provide the backbone for a series of other developments that are elaborating the offer on a continuous basis.

The **Integrated Ecotourism Development of the Dráva Basin (Case 5)** in Hungary has been a development project in a region along the Dráva river that abounds in small villages, but suffers from an underdeveloped communication infrastructure, high unemployment and an aging, population. The Dráva Basin boasts untouched and special habitats, flora and fauna, as well as many historical sites and cultural and artistic features. The project aimed to exploit these assets with appropriate development of new facilities and refurbishment of run-down tourist attractions, with a view to attracting domestic and international visitors as an important contribution to reversing the area's economic decline. The emphasis on the eco-tourism offer allowed a clear marketing proposition to be created, infrastructure to be developed with common design features and the creation of employment that helped retain young people in the region. It helped Hungary diversify the range of its tourism offer, develop capacity, and encourage more international visitors as well as secure the preservation of the natural assets of a beautiful area.

The project entitled **'Exciting Cycling in the Baltic Country of Lakes' (Case 6)** is one that has involved the creation of a series of cycling routes in the 'Country of Lakes' a Euro-region covering border areas of Latvia, Lithuania and Belarus, which is rich in nature parks, protected nature areas, beautiful landscapes and water resources. The project was based on a clear Destination Management Plan and aimed to promote active tourism and a healthy lifestyle in the participating countries, while also creating an attractive destination for international visitors.

The project involved a certain amount of infrastructure investment, including uniformly designed brand features, road signs and elements of small scale infrastructure, such as fencing, resting facilities and bike stands, but also investment in a GPS system and the development of interactive maps and devices for tourism information centres and the development of corresponding local capacities and skills, including in the sustainable management of natural resources.

The creation of the central system of cycle routes meant that there was a clear theme for marketing purposes, but it also contributed to **the diversification of the supply of tourist services** in a previously under-exploited area. In particular, the cycle route system has provided a platform on which local

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entrepreneurs have been able to build a diversified range of small business activities (additional sport or health activities, businesses based on culinary heritage etc.), further enriching and extending the offer. Finally, the area has been able to broaden the market for its services by staging events, such as a late season international cycling competition.

Systematic Reconfiguration of the Tourism Offer

Combining a number of the features already highlighted and representing a **systematic approach to reconfiguring the tourism offer** is **Discover Croatia (Case 7)**. The purpose of this programme is to reposition the image and reality of Croatian tourism away from the tourism of 'sun and sea' towards 'special interest tourism', mainly in the form of new destinations in currently undeveloped areas, primarily in inland Croatia, and based on a broad range of special interests including cultural tourism, eco-tourism, sports tourism, religious tourism and others forms of alternative tourism. The development requires a comprehensive programme, involving the transformation of at least 50 tourism agencies into competent Destination Management Companies in the undeveloped areas and the creation of around 2000 new special interest (thematic) tourism packages. These new packages are being developed with the active involvement of, mainly local, experts with relevant competences (e.g. archaeologists, botanists, geologists, vintners, traditional craftsmen, photographers, chefs). It is anticipated that they will reduce the negative impact on Croatia of the high degree of seasonality in current tourism and improve the sustainability of the overall offer, by reducing the stress on coastline resources, especially water. It is also intended to improve the productivity of Croatian tourism by increasing average tourist consumption per day, in a situation where more than 60% of expenditure was related to accommodation.

Discover Croatia
<p>Introduction</p> <p>Discover Croatia is a good example of a project that represents a systematic approach to changing the nature and geographical location of the tourism offer, illustrating a number of EU policy objectives. It combines a key objective of season extension with the diversification of tourism services beyond the traditional "sea and sun" product, extension to other parts of the country and promotion of high quality and sustainable tourism services.</p> <p>Description</p> <p>The main aims of the Discover Croatia project are:</p> <ul style="list-style-type: none"> • Reposition the image of Croatian tourism from 'sun and sea' to tourism of special interests; • Develop sustainable tourism in the regions where tourism is not developed • Prolong the tourism season and improve utilisation of the existing catering facilities in the regions with undeveloped tourism during off-season • Strengthen existing tourist agencies in line with the principles of destination management in order to support the development of special forms of tourism engaging local public and private organisations and individual experts with appropriate competences

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- Establishment of a minimum of 50 Destination Management Companies in Croatia to serve the special interests tourism market.

Key in bringing about the intended changes has been a process of transforming local travel agencies into Destination Management Companies, that are not only responsible for promotional activities, but also, in conjunction with local businesses, for the active development of the destination's offer. This process of transformation has been guided by the Association of Croatian Travel Agencies that has taken an important part in animating the whole programme.

The funding for Discover Croatia project was provided by the Ministry of Tourism of Croatia which supported the training of the travel agencies, the initial stage of the development of the tourism packages and their promotion. The total budget allocation (2009-2012) has been just below 2 million euros.

So far, nearly 100 agencies have been supported in their transformation into Destination Management Companies and 1,000 new tourism packages have been developed, with a target of twice that number. In 2011 and 2012, around 110,000 foreign visitors were attracted to new destinations in inland Croatia and/or in the low season period.

Further Information

Further detail is provided in Case 7. in Annex B.

A key element of the project is the priority given to **the formation of local Destination Management Companies from the existing travel agencies**. The Association of Croatian Travel Agencies has had a leading role in this, particularly through training, supporting the adoption of the principles of destination management and sustainability and its responsibility in the initial stages for reaching target groups across Europe through a number of targeted promotion and marketing activities.

3.4 Training, Skills Development and Building Capacity

It has been seen that extending the season and diversifying the markets for tourism services is not just a matter of selling the existing offer more effectively. Even in the case of extending the season of existing destinations, it is necessary to cater for new groups of customers and their differing requirements. More generally, the principles of destination management and the imperatives of the experience economy require that changes on the supply side 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.**

A **culture of continuous improvement in the quality of tourism services** can be a major asset in facilitating the adjustment of the offer in the face of changing demand. Achieving such a culture and maintaining it is not easy, but it is the central aim of all professional quality schemes, in tourism and beyond, and is the animating force that prevents quality and labelling schemes from degenerating into box-ticking exercises or marketing gimmicks. In the tourism sector, especially, with the high contribution of personally delivered services to the overall product, a continuous input into improvement has to come from training in various forms and the development of the skills and competences of the sector's labour force. At the same time, improvement in the professional skills of those employed in the industry has to address changing requirements in terms of adapting to new technologies and the diversifying range of knowledge and technical skills needed. The current section which presents a series of quality,

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training and capacity building cases is therefore highly complementary to the previous section, while at the same time illustrating particular additional contributions that specific projects are making.

The Quality of Destinations

The **Integral System for Tourism Quality in Destinations (SICTED) – (Case 8)** that has been developed in 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 aims to ensure a consistent level in the quality of the services offered to tourists within a specific destination, by applying a comprehensive method, involving an initial appraisal of interested businesses, tailored training and other one-to one support, external assessment and a process of review and renewal. The methodology followed is adapted to the specific characteristics of the sector and the objectives set by local actors within a destination. Those participating and completing the process are assessed and if the required quality levels are achieved are awarded the SICTED emblem signifying Tourist Quality Commitment.

SICTED causes participants to see themselves as part of the quality effort of the whole destination, but, since services are ultimately delivered by individual establishments also encourages participating enterprises and organisations to pursue individual quality certification of the traditional kind, such as Q or ISO, if they have not already done so. It thus encourages an integrated approach to quality that is appropriate to the challenges faced by destinations. Furthermore 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' and means that SICTED is subject to the same disciplines and reporting regime as the other elements in the Plan.

Innovative Training

Training is an important element in the SICTED process, but two further examples in this sub-section of the Report illustrate other approaches to addressing the capacity of destinations to address current challenges for the tourism sector.

The **Developing Leaders for Change and Innovation in Tourism (Case 9)** is a project developed in Malta that has specifically sought to help the local tourism industry to adjust to a significant shift in the type of customer visiting Malta. Research by the Malta Tourism Authority (MTA) identified that there had been a significant shift in the way that tourists visit Malta. Whereas in 2006 some 20% had been independent travellers and 80% had travelled through tour operators and groups, by 2012 this had switched to 53% independent and 47% through package holidays. This was related to the introduction of low-cost flights in Malta. The tourists arriving in this way had different and more diverse expectations from what had been the case in the past, and this meant that new skills were required in areas such as marketing, operations, customer skills, the delivery of certain services and the use of ICT.

The programme was funded principally by the European Social Fund and was relatively large scale. It targeted 1380 participants at supervisory level – people responsible for leading change in an industry that has 9000 direct employees in total. It therefore effectively aimed to re-skill the industry leaders in a

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very short period (over some 2-3 years) so that they could influence operations throughout the whole industry.

The programme, leading to a professionally recognised certificate, was designed for those managing and/or owning firms in the industry and/or in supervisory positions that would be responsible for leading product and service development and delivery in their companies. It was delivered through a Continuous Professional Development process, including 12 hours of one-on-one interaction with a qualified mentor and supported by learning platforms at 2 levels – for owners, heads and senior management and for middle management. Both learning platforms provided a range of practical and result-focused modules that were designed to minimise participants' time off work.

The programme ran from Q2 of 2008 until Q2 of 2013, so while it is already clear that the intended outputs have largely been achieved and it is possible to cite specific success stories, the ultimate results and longer-term impacts are still being assessed. Nonetheless, it is clear that **a major impulse has been delivered to the tourism industry in Malta, encouraging and equipping it to address the new challenges that it faces.**

The **Kurbits programme (Case 10)** in Sweden is a **business development programme for small businesses** in the tourism and hospitality industry and is an alternative approach to generating change within businesses through a tailored training process. Particularly interesting features of Kurbits are that it sets out to stimulate fresh thinking from a variety of perspectives on the issues facing the industry and that it 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. More formal whole day sessions are supported by one-to-one mentoring and the encouragement of networking among the participants.

Kurbits - Sweden
<p>Introduction</p> <p>Developed initially in 2008 for the Swedish region of 'Dalarna', the Kurbits project went on to receive support under the Structural Funds from 2009-2011, after which in January 2012 it was turned into an official national programme under the Swedish tourism strategy. A growing number of Swedish regions are now participating.</p> <p>Central to the Kurbits approach is the business development programme for small businesses in the tourism and hospitality industry</p>
<p>Description</p> <p>The overarching aim of Kurbits is to increase the effectiveness, efficiency and competitiveness of SMEs within the tourist and hospitality industry, both nationally and internationally, in the context determined by the experience economy.</p> <p>The model employed is based on the belief that collaboration between companies, universities and the public sector across regional borders is necessary in order to face new challenges and create growth and therefore builds on the principle of collaboration between stakeholders within different fields (research, education, business and culture) with a view to creating new ways of</p>

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thinking and enhancing the capacity and growth of individual businesses.

The businesses that are the main targets of the programme discuss issues with other businesses from different market segments in a structured programme, guided by experienced business development experts, but also gain from the insights of people from public authorities, academic experts and others with a different perspective. The implications of significant challenges for target groups & markets, sales strategy, pricing, marketing, distribution, communication and financial management are all considered with a view to increasing the business' profitability. This is done in a series of six one-day sessions.

The process is supported by provision of personal coaching and its culmination is a study trip to 3-5 firms within the hospitality sector that might inspire them to look at their own business differently.

An important characteristic of the whole programme is that it aims to take business managers out of the normal run of their day-to-day activities and make them take a fresh look at their businesses, in the light of the challenges of the experience economy.

It is anticipated that by June 2013, 400 businesses will have participated. Evaluation is conducted at various levels, including a detailed appraisal by the participants and an ex-post evaluation currently being conducted by an external consultancy specialised in measuring business impact.

Early indications include some significant improvements in visitors, turnover and profitability, plus the fact that 27% of those participating have employed new people, meaning that 70 people in total have so far been employed as a result of Kurbits.

Further Information

Further detail is provided in Case 10. in Annex B.

The concrete business results already appear promising and the networking aspect of the programme also prepares the ground for more active 'destination management' in several regions, an approach that is promoted at the national level.

Capacity Building

Innovative training projects for business management and especially for smaller firms are a critical part of developing the supply side so that it corresponds more directly to changing customer demand and requirements. However, there are **more broadly-based adjustments** that are also required, **involving the development of the skills of non-managerial staff and the development of facilities**. The new orientations of the industry arising from the individualisation of customer demands, the ageing of the population, increased awareness of the importance of a healthy life style and environmental concerns etc. all require adaptation of the skills and competences of those who directly provide services, but also new facilities and infrastructure.

The appropriate measures for building capacity in this broader sense are something that can take place at a national, regional and destination level as well as within individual businesses, and will vary according to the circumstances that are relevant at each level and location. The range of possibilities can

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be illustrated, however, on the one hand, by a further reference to the PNIT in Spain (Case 1) and on the other, by reference to tourism development in a small community in Italy.

It has been seen that the PNIT has adopted a systematic approach to addressing a series of inter-related issues that have been identified as important for the realisation of the new vision for Spanish tourism. A large part of the Plan can therefore be seen as a systematic approach to developing Spain's capacities in the relevant areas. In particular, the Plan highlights a series of measures to reconfigure the offer and re-orientate destinations. These include actions to help in the transformation of mature destinations, particularly on the coast and including the removal of some of the unsightly buildings that are a legacy of the years of rapid development and their replacement by open parks and gardens. There are also actions to promote sustainable development of the environment and to exploit cultural and natural heritage and traditions associated with food and wine. The actions to develop quality systems are referred to above and there have been other measures developed at the destination level, notably the 'smart destinations' initiative, which is a particular focus of efforts to promote innovatory approaches, especially in the use of ICT, but also a series of actions designed to help the private sector move away from reliance on the traditional packages offered for holidays in Spain to a more entrepreneurial approach centred on a mediating role in developing new and flexible packages that combine a variety of rich experiences, especially in areas away from the coast. The aim is to create a network of **experience destination management agencies** and support this innovation, both with access to finance, but also inputs from academic experts and business schools.

The Plan also has a series of **measures aiming to promote talent and entrepreneurship**. This includes arrangements for facilitating access to finance, especially for young entrepreneurs, but also actions to promote innovative thinking and a review of training provision in order to align it better with the requirements of firms in the industry.

The large scale and comprehensive approach at a national level, illustrated by the PNIT in Spain can also have its counterparts even in small communities, in the sense that **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.

I Briganti di Cerreto - Italy
<p>Introduction</p> <p>The initiative 'I Briganti di Cerreto' was launched in 2003 to re-invigorate the village of Cerreto Alpi, a very small village of about 80 inhabitants in the mountains of Emilia Romagna, which because of the scarcity of employment opportunities and no economic prospects was faced with the effects of depopulation with many of its young people being forced to leave.</p> <p>Established by a group of young residents who did not want to leave the area where they had grown up, the project has created a variety of tourism and forestry activities based on the natural features of the area and its heritage. There is a strong will in the community to maintain the authenticity and atmosphere of their village and the development of the tourism activities are therefore deliberately kept in control.</p>

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The project is run by a Community Cooperative representing the whole village. This was one of the very first Community Cooperatives in Italy, a concept which has since extended all over the country together with the notion of 'Community Tourism'.

Description

The idea for this project originally arose at a time when the village of Cerreto Alpi was in a very bad condition as a result of depopulation, with few economic prospects, no future for its young people and when the last café had just closed. In order to do something to keep the community alive, a small group of young residents decided to set up a Cooperative consisting of 16 founding members representing each of the families in the village.

Using their different professional backgrounds, members of the Cooperative started to manage the forests surrounding the village and after a couple of years the Cooperative was able to break even. They gradually extended their activities into the production of traditional food, nature conservation, and environmentally friendly tourist activities.

Since the Cooperative was started, it has been directly responsible for creating the following new businesses:

- a café and restaurant capable of catering for 30 guests
- a rental business hiring out equipment for winter activities
- a guided tour and instructors' business
- a business organising the rental of rooms and apartments

Other businesses that are directly or indirectly connected to the Cooperative have been set up in the village itself and within the villages that form part of the territorial network:

- a bar, a grocery store managed by a recreational association and a restaurant-pizzeria
- a trout breeding farm which also organises a tourist tour, a swimming pool and a cafeteria.

In spite of its size, the village receives up to 5-6,000 visitors each year, although many come for day-trips only. The Cooperative has also taken the initiative to create a broader, territorial network of Cooperatives in neighbouring villages with the aim of developing the communities in the whole territory.

In terms of the employment effect, the Cooperative has 5 people permanently working for it and 4 to 5 people with fixed term contracts.

The developments have led to a new concept: 'Community Tourism' which combines socially responsible economic development with the principles of sustainable tourism.

Further Information

Further detail is provided in Case 11. in Annex B.

Although carried out on a small scale, this project is extremely interesting in terms of being able to contribute to improved competitiveness in the tourism industry. The fact that **this small community has been able to reinvent itself with relatively limited resources** and set up an integrated approach to

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economic regeneration and sustainable tourism, by pooling the creativity and resources of the whole community, is a promising development. The community found within itself and its environment the resources to develop the appropriate skills and create the capacity to provide and market an effective service. The community is now self-sustaining, but it is also contributing in a small but significant way to the diversification of the tourism industry. If enough smaller communities around Europe were able to do something similar, the combined effect on the tourism industry more globally could be very significant.

3.5 Developing the Use of ICT

The change in the relationship between the tourism industry and its customer base resulting from the development of information and communication technologies (ICT) and their active use by consumers is there for all to see. 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. In this respect, this section on the use of ICT offers a particular perspective on issues that have been raised in the previous sections. ICT provides a series of instruments that are of great importance in the way that the industry can address its key challenges.

At the same time this area also illustrates **the significance of tourism for the wider economy**. Tourism has been an important stimulus to the development of various aspects of ICT from web site design and e-commerce systems through to the use of hand-held devices. This role continues, especially through the increasing profile of tourism in the experience economy, which is stimulating new ways of presenting and mediating experiences, especially through mobile telephones and other hand-held devices and some argue this is leading to the development of significant new business models.

It is clear that developments in ICT have had a substantial impact on the performance of businesses in the industry, playing a major part in improving their productivity and hence their longer-term competitiveness. But just as in the economy as a whole, where shortfalls in the competitiveness of Europe owe a lot to the failure to take up information and communication technologies as rapidly as North American and Far Eastern economies⁴⁰, there remain many tourist businesses and especially SMEs that could increase their productivity and business performance by better use of the potential offered by ICT in various forms.

This section starts therefore with a case, where a systematic effort is being made to enhance ICT skills and the use of ICT among tourism SMEs. It is then followed by cases referring to ICT developments that have aimed to make (parts of) the industry's response to its competitive challenges more effective. Finally there is a case where a national initiative has made use of web-based instruments, both to market the country as a destination more effectively and to improve the skills of the industry in responding to market developments.

⁴⁰ See, for instance, discussion of the significance of, and reasons for, Europe's shortfall in R&D expenditure on IT: Mary O'Sullivan (Rapporteur) 'The EU'S R&D Deficit & Innovation Policy' Expert Group on 'Knowledge for Growth' 2007

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Improving the use of ICT in Tourism SMEs

The **Digital Tourism Business Framework programme (Case 12)** in Wales aims to contribute directly to improving competitiveness in tourism businesses by a mixture of direct improvement in internal business processes and of follow-on measures to reinforce changes and promote further innovative approaches through the development of an ICT-based community. In this way it is helping to accelerate and maintain the integration of information society tools and services into ground level tourism activities carried out by SMEs.

To a large extent, the initiative was a response to a review of the use of ICT by key sectors in Wales⁴¹ in 2006-2007. This review included hotels and restaurants among its target industries and showed that, at 41%, tourism businesses reported the lowest level of internet connectivity of all sectors. Only 5% used customer relationship management systems and while 75% of tourism businesses had a website, only 32% sold on line and only 10% received payments on line.

The Welsh tourism industry consists mainly of small businesses and it was decided that an appropriate response would be a programme with a number of interrelated support actions including workshops, training and seminars, but also tailored ICT diagnostic exercises and assessments of individual businesses. However, as well as actions intended to help enterprises change their business processes in relation to ICT, there were measures to help maintain and reinforce these changes through the development of digital communities and information and knowledge sharing platforms, giving access to developing tools and applications, and support for innovative pilot projects. The intention was to better equip the tourism industry in Wales to generate, share and distribute tourism content and to use ICT tools to provide quality services.

The Digital Tourism Business Framework - Wales, UK
<p>Introduction</p> <p>The 5 year Strategic Plan of Visit Wales highlighted the need for the tourism industry there to adapt quickly and fundamentally in order to regain competitiveness and the Tourism Strategy for Wales for 2006 – 2013 identified the need to invest in new skills, approaches and technologies as one of the Strategic Priorities.</p> <p>The available data at that time indicated a low level of penetration of ICT in a tourism industry that mainly consisted of small businesses and was fragmented in its online visibility. Wales needed to extend its visibility and the tourism industry had to be encouraged to accept and use modern technological means as essential marketing tools.</p> <p>The vision of the programme was that by end of 2014 Wales' tourism industry will have moved from relative e-business immaturity firmly into the digital age.</p> <p>Description</p> <p>The programme is structured around four interrelated areas of intervention:</p>

⁴¹ State of the Nation report published by the eCommerce Innovation Centre (eCIC) at Cardiff University

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- Provision of direct support by a specialised consultant to tourism SMEs including 750 ICT health checks and diagnostic exercises, guidance on business and technology operation to encourage a more pro-active participation in digitally networked environments, training and seminars to improve ICT skills, presentation of case studies and online discussion forums. By April 2013, 569 tourism businesses had already had an ICT diagnostic performed and this will be followed up by reviews to assess the progress made.
- Financial and logistical support from the Visit Wales team for the formation of collaborative digital communities in various areas of Wales, to assist in the collection, up-dating, exchange and distribution of digital travel related information and to develop ideas for projects.
- Funding of up to 20 projects, competitively selected, and piloting innovative technology products and services, including digital technology solutions to improve visitor experience in key tourism attractions⁴². Project funding ranges between £20k and £200k (€25k – €250k). Many of the projects are a result of the ideas developed by the digital communities and are also expected to reflect ideas developed in the technology horizon scanning, that has reviewed the current state of the technology
- Activities by the Visit Wales team promoting user-generated content sharing processes, using cloud based systems, the development of a pan-Wales tourism sector knowledge base (digital ecosystem) and an open interoperable platform, plus demand creation using the content.

The programme therefore addresses both the demand side - improving information provision and strengthening the on-line presence of firms in order to attract tourists - and the supply side by focusing on improving the services provided by firms and support organisations, while also encouraging the effective networking of the players in the digital community and the exploitation of innovative content, services, distribution and applications.

The funding for the programme came from the European Regional Development Fund, the Welsh government and the private sector in the form of contributions to specific projects.

Monitoring and evaluation are an integral part of the programme and three “stage gate” reviews have been established to assess progress and make any necessary adjustments. The relevant baselines have also been established and specific targets were set at the outset of the programme for the main indicators. The programme is yet to be completed, but a mid-term review reported that over half of the enterprises involved had achieved a step change in their e-commerce skills, and also indicated that 30% of the businesses that had received the ICT diagnostic assessment were showing an increase in visitor numbers.

Further Information

Further detail is provided in Case 12. in Annex B.

⁴²http://www.dmwales.com/sites/default/files/fckupload/file/1_Digital_communities_pilots_overview_v1%207.pdf

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The close engagement with the tourism sector and the adoption of a tailored approach to the provision of ICT support that fits to the specific needs of the firms is an important feature of this programme in contrast to the more generic and horizontal provision of ICT training that is a common approach. The formation of digital communities, bringing together different actors is also a significant feature. It is intended to operate as a mechanism for knowledge sharing and the creation new ideas and should have a long lasting effect, particularly by reinforcing the engagement of small businesses in ICT developments.

Improving the Way that Technology is Used

As well as encouraging tourism businesses to use technology that at least initially is already available, it is also important for the industry to contribute actively to improving the technology itself. In this subsection three contributions in this are considered.

The first of these cases concerns the exploitation of **the remarkable treasury of digital assests accumulated in the last ten years by heritage and cultural organisations**. ‘Postcards from the Baltics – Exploiting Digital Assets’ (Case 13) is an example from from Latvia of a series of ‘hackathon’ events organised by the Europiana project in which computer programmers are challenged to develop applications that make creative use of the digital material available through Europiana. In this case there is a smart phone application for tourism purposes that allows material to be furtrher highlighted through the use of social media.

High quality digital content is a major asset for the cultural economy and for related tourism activities. Easy access to reliable information and striking images for illustrative purposes is a basic resource, especially for those wishing to promote and support culture and heritage-based tourism, but also for any business wishing to highlight the attractive and interesting features of a destination. Such a resource is also important for related activities, including publishing and the media in all forms, education and even broader areas, such as fashion and advertising.

Encouraging

The **Code of Conduct for Customer-Friendly Online-Marketing & Common Data Standard - DRV-VIR (Case 14)** is a case where the industry in Germany has identified a need and has organised an appropriate response.

The increase in independent travel, resulting from the direct contact over the Internet between the customer and providers of tourism services, such as accommodation or transport, has challenged intermediaries that have traditionally organised and provided access to holiday packages. However, in view of the vast amount of information available and the time and effort required for searching and finding the right deal, there has been scope for the development of **new mediating services**, for instance in the form of comparison sites, and also for a competitive response from the more traditional forms of travel business. Essentially this response has been in **providing a better service of higher quality**.

The German Travel Association (DRV) promotes ICT developments that can strengthen the market position of its members and improve their efficiency. Two instances are considered in the case presented. The first is **addressing the problem of unfair online competition** through a Code of Conduct that bans the use of trademarks, corporate logos or company names of a third-party company or

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protectable components with the intention to deceive and/or the use of the identity of another company in a deceptive form, for instance, as keywords. These unfair practices undermine confidence in online marketing and ultimately have a negative impact on the overall level of business. The Code of Conduct is open, on a voluntary basis, to DRV and VIR members, but also to firms in related areas and it has been widely taken up in Germany.

The second development seeks to **improve the accuracy and detail of the information that can be sought by tourist consumers online** or through high street intermediaries and provide the means to match provision with ever more precise requirements, such as the nature of a holiday, the attractions, the nature of the accommodation available and the other elements of a tourist package.

The **greater precision is being achieved by the development of a data standard** that allows greater detail in data input and searching and can also support the development of new, innovative front-ends that take advantage of the additional capability offered. The data standard has been developed in a way that allows its adoption (subject to licence) by a wide range of enterprises and software providers in the industry, both in Germany and over a wider area.

This ability to match the customers' precise requirements is a competitive factor that has become more and more important for DRV members, who in spite of pressure from customers seeking a wider range of tourist experiences and from those offering services directly to clients, continue to account for over 45% of the German travel market.

There is interest in the adoption of the data standard in other countries and also the possibility that the TourismLink system being developed at a European level to promote greater interoperability and provide a platform for the exchange of information between SME providers at different points in the digital value chain.

TourismLink is an important example of the development of a common platform that will build on earlier experience and bring together work that has been undertaken in separate projects previously. An advantage of TourismLink in the current context is that it is part of a series of actions promised by the Commission's 2010 Communication and will aim to establish a platform that can operate across Europe, bringing together small scale providers in destination countries with intermediaries in other countries. This development highlights an issue that has been addressed by a series of projects, including **TOUREG (Case 15)**, namely, **how can the many different ICT developments that relate to the tourism industry be co-ordinated** and made compatible and how can the knowledge and experience gained be shared and used as the basis for further developments.

With support from the EU's 7th Framework Programme for Research and Technological Development, TOUREG brought together public and private research organisations, innovation support agencies, enterprises and public authorities from six regions in Spain, Portugal, Greece, Sweden Bulgaria and Romania, with the aim of establishing a multinational research-driven cluster by bringing together firms in the tourism sector and public and private providers of appropriate technologies. Along with parallel background research, the project created a web-based platform to facilitate technology transfer and partnerships among firms. This platform acted as a knowledge resource with information on available technologies and their markets. It also highlighted the benefits of adopting new technologies and new business models and offered a virtual market place linking demand for ICT, energy and green technologies with providers of such technologies in the participating regions.

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The project contributed to raising awareness of technical solutions among tourist businesses in the participating regions and promoted technology take-up and transfer, but its legacy appears to have been greatest, where the instruments and knowledge developed could be integrated into broader regional strategies that could give direction and context to the technologies promoted. *The Smart Use of ICT*

The smart use of ICT can involve the intelligent use of the latest technology to develop innovative applications, such as the use of mobile device apps in the 'Smart Destinations' measure under the Spanish PNIT, that was referred to in Case 1. However, it can also take the form of a **smart use of reasonably established technologies**, to develop a new approach or to transform the current situation by new applications in a consistent way and on a sufficient scale. A significant example of a **smart ICT application using both established elements in a more consistent fashion and new elements as well** is provided by the last case in this section – '**Let's Promote Poland Together**' (Case 16).

Let's Promote Poland Together' - Poland
<p>Introduction</p> <p><i>Let's Promote Poland Together'' (Polish: Promujmy Polskę Razem).</i></p>
<p>Introduction</p> <p>Let's Promote Poland Together' was a project that aimed to create a new presence for Poland on the Internet, promoting the country as an attractive destination for both Polish and international tourists. As suggested in its title, a key aspect of the project has been the development of closer working relationships between the Polish Tourist Organisation and other stakeholders in the regions and in promotion offices abroad.</p> <p>Two major aspects of the project relate to the transfer of knowledge through an e-learning platform and the development of IT products targeting visitors to Poland (web portals, mobile phone applications with information on nearby tourist attractions, event promotion).</p> <p>A complex tourist information system using the latest technologies was developed targeting both tour operators and individual tourists. Tourism stakeholders in Poland were trained to make use of and exploit the opportunities offered by modern information technology for marketing their products (e-marketing, smartphone application development etc.). The idea was to change the image of Poland abroad, showcasing it as a modern and dynamic country open to the world.</p>
<p>Description</p> <p>The activities under this project aimed to provide direction to dispersed marketing actions undertaken by the Polish tourism industry following current tendencies in the global tourism industry.</p> <p>The project's focus on the use of ICT allowed private stakeholders in the tourism industry to learn new marketing techniques to promote their diversified services and enabled public authorities to advertise Poland as an alternative destination for visitors from abroad, with a modern, dynamic and technologically advanced society with a rich cultural heritage. The project's success lay in</p>

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bringing Poland's tourism stakeholders up to speed on today's tourism market realities: i.e. the increased use of the Internet for booking holidays and of interactive social media for reviewing and sharing experiences on holiday destinations and tourism services.

The e-learning platform had a major influence in terms of improving the professional skills of the people employed in the tourism industry. It improved their understanding of how to use modern communication technologies to promote their services (e-marketing, smartphone application development etc.), which resulted overall in a more competitive market. To change and to modernize the image of Poland abroad, the project invested in e-learning to encourage the uptake of ICT among tourism stakeholders to enable them to better compete with other markets in Western Europe and attract tourists from France, Germany and the UK.

A lasting accomplishment of the project is the tourist information system it created. This features sophisticated Internet portals and websites taking advantage of state-of-the-art information technologies. The system enables tourists on the move looking for information about events or services to find it using standard mobile phone functions and smartphone applications. Similarly, tourists can also share their experiences and impressions of various places or events and tourism services on the social media platforms developed as part of this system. The national tourist information system works in synergy with the regional tourist information systems developed thanks to EU funds from regional Operational Programmes. The system is now intended to function as the principal tool for promoting Poland as a tourist destination, as well as a communication tool for promoting the advantages of the country in the field of tourism. The system's components include the national tourist portal www.polska.travel.pl, but also mobile phone applications, and a network of certified points and centres of tourist information, functioning on-site in Poland.

Project coordinators have recorded a 13-fold increase in the number of visitors to the National Tourism Portal and the project has contributed to an increase in visitor numbers of an estimated 23% since the start of the project and an increase in foreign tourist spending estimated to be in the order of 28%.

The key features of this project can serve as examples to follow for any country wishing to develop as a tourist destination, modernise its tourism industry and to change its image.

Further Information

Further detail is provided in Case 16. in Annex B.

'Let's Promote Poland Together' shows how at an appropriate scale and with effective co-ordination, **ICT can be deployed to shift the market positioning of a national destination**. In doing so, the development in the use of ICT across Poland not only contributed to an enhanced use of ICT by Polish businesses (supported by training provision) and hence to their competitiveness as enterprises, but also to the competitiveness of Poland as a destination. In this way it also contributed to a diversification of Europe's tourism offer.

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3.5 Marketing and Promotion

Central to the discussion in the previous sections has been the idea that the effective promotion of European tourism requires an interaction between the development of new market opportunities, on the one side, and on the other, of the reinvigoration of the offer, especially through an orientation towards delivering high quality experiences. This idea is carried through into this section that focuses on marketing and promotion.

Clearly, marketing and promotion is a large subject and interesting practice can be observed in many of its various facets. Rather, however, than attempting to highlight good practice across the various functional aspects of professional development in this area, the aim has been to carry through the previous discussion and highlight **two key areas of innovation**, relating to **the basic market proposition** and the development of competitive advantage and position through **the exploitation of new marketing tools**. The first concerns the original definition of the core concept for a new (or renewed) destination and the second relates to the use of modern means for projecting a destination, which frequently involves key instruments in the experience economy. It will be seen too that **in many instances the initial conception and the promotional means are intimately related**.

It is helpful to begin the presentation of the examples in this section by reference to a comment in the 2010 Communication that 'the image of Europe and its perception as a collection of sustainable and high-quality tourist destinations must be improved'. Progressing towards this objective is clearly assisted by the multiplication of destinations with interesting and highly characteristic appeal, especially when these are based on previously under-appreciated characteristics and assets. In promoting such destinations, however, and particularly in gaining attention or overcoming earlier neglect, **it is critically important to have a clear, and preferably original, core concept**. This serves as the foundation for an effective proposition to the market and can also act as an organising principle for the development of major components of the destination's offer.

A clear and eye-catching concept is particularly important for the effective use of new marketing tools. Advertising and marketing more generally has 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. However, these messages can easily be drowned out by all the other traffic and it is therefore essential to have an eye-catching appeal for the intended audience and to back this up with a truly extraordinary experience. When the use of these channels succeeds, however, it can be remarkably effective, often for little initial outlay.

Developing the Message from Peripheral Regions

The first case in this section relates to **developments in the peripheral Atlantic regions of Europe**, which face challenges of a similar kind in attracting visitors and also have common features that derive from a shared inheritance in Celtic culture and common material conditions in their landscape features, their traditional economic activities, relatively low population density etc. As relatively underdeveloped regions over a wide area, their development as tourist destinations helps to relieve pressure on traditional destinations and contributes to resolving sustainability issues, but also draws the attention of potentially very large numbers of citizens in Europe to alternative destinations and stimulates an interest by Europeans in travelling within their own continent.

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The project is called '**Celtic Authentic Niche Tourism Advancing the Atlantic Area**' (CANTATA2) – **Case 17** - and it aimed to help move visitors from the 'hot spots' to more peripheral and under-developed areas in Wales, Ireland, France, Spain and Portugal, by delivering authentic and genuine visitor experiences, developed by promoting and strengthening the local distinctiveness of Atlantic regions that share a Celtic inheritance.

The success enjoyed by CANTATA2 in enticing visitors to lesser-known locations and connecting them with authentic local culture lay in its broadly-based approach, working in an organic manner with local community stakeholders, continuously developing its actions to meet the needs of the tourism trade, but also strengthening links between the public bodies responsible for tourism development and the private sector, which is mainly composed of small businesses with strong local roots.

Central to the project's endeavour was the development of a **brand image, promoting a distinct identity based on the common cultural heritage, but also allowing the specific characteristics of all the localities to be brought out**. The 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. Furthermore, over the longer term, the process of jointly developing the offer and learning from each other is leading to a functioning business community with transnational dimensions.

A particular focus for joint activity and mutual learning was the development of tools around the common brand, using ICT and social media as marketing tools enabled these business communities to promote their region or joint events to the tourists.

CANTATA2 also enabled the businesses in the localities concerned to develop a common long-term vision as to which tourism products to develop, which image to portray and promote, which tourist markets to go for.

The Power of Innovation Processes

The second case – **the Merrion Square Innovation Network (Case 18)** - concerns the development of a new, or rather a revitalised, destination in the city of Dublin. Again, **the central conception was key both for defining the marketing message and for driving the necessary developments**. The Merrion Square Innovation Network is a group of over 40 stakeholders from the cultural and hospitality sector who were brought together by Failte Ireland (the state tourism authority) and Temple Bar Cultural Trust (experts in cultural development) 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's development, the marketing strategy is particularly interesting in the current context, not least because of what was achieved with a restricted budget.

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Merrion Square Innovation Network - Ireland

Introduction

Merrion Square is the finest Georgian Square in Dublin and its surrounding area has many interesting features, including the National Gallery, the Natural History Museum, Merrion Square park, Government buildings and numerous cultural and creative organisations. Despite this it had not previously figured prominently in Dublin's tourism offer.

The process of realising the potential of the area and making effective use of its considerable and distinctive assets was conceived and developed by *Fáilte Ireland* and *Temple Bar Cultural Trust* (TBCT) working in partnership with a range of organisations located in or near the square, effectively developing a vibrant cultural tourism cluster.

The imaginative process has itself re-ignited interest in the area and generated a momentum that is seeing Merrion Square become a major location for staging cultural and commercial events. The process has been supported by the creative use of social media in a highly cost-effective marketing campaign.

Description

The challenge for this project was to develop a model for clustering cultural organisations in Merrion Square to build and strengthen the sense of place, identity and community, to capture what is unique and distinctive about this part of the city and to release the potential of the Network's constituent organisations.

The project was initiated through direct one-to-one contact with organisations located in or near Merrion Square to explain the aims and methods to be adopted and to invite each organisation to contribute ideas and proposals and debate them with their colleagues in the network. The whole process was conducted according to design thinking principles, through an open process of discovery, supported by a five-day training programme, joint meetings and open coffee mornings, a strong communications framework and an increasing degree of organisation, with working groups examining particular aspects of the overall project. The aim from the beginning was consciously to promote innovation in the thinking and methods adopted. At the same time, the current economic circumstances meant that it was particularly important to be successful in a business sense, by contributing to the commercial viability of the Innovation Network's organisations and making more productive use of existing assets. Previously, each of the institutions located in the square had pursued any promotion activity largely in isolation and there had been very little joined-up activity or co-operation between the cultural and creative stakeholders around the Square.

The open innovation strategy that was adopted generated a plethora of ideas and proposals for new developments based around the cluster of cultural heritage organisations and a learning process was unleashed that strengthened the capacities of all the participants. Eventually, some 80 proposals for developments were defined and elaborated and then submitted for the consideration of the Innovation Network. However, an important discipline was imposed on the whole process by the methodology that included a marketing test at an early stage. This test

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involved an analysis of the potential of each idea in relation to specific consumer growth segments and strategies to position the brand locally, nationally and internationally.

Ideas for events were organised in a jointly marketed programme that has included special exhibitions, activity trails, a skyline tour, and discount shopping days in the various institutions. The initial programme was launched in the summer of 2012 to mark the 250th anniversary of the Square, with a busy rolling programme of talks, tours, concerts and family activity following on all the year round.

There was a very restricted advertising budget for promotion of the activities generated by the initiative, but creative use was made of the opportunities presented by the development of the cluster. Individual institutions in the Square could take advantage of the joint promotion engendered by the Innovation Network and collectively the initiative generated a lot of interest and coverage in the press and television.

Secondly, a self-promotion campaign has been developed by the Merrion Square Innovation Network with a highly cost-effective use of social media. Because of the broad membership base from the various institutions located in Merrion Square and the level of engagement of the staff of these institutions, it was possible to exploit this extensive potential network, both domestically and internationally, in the private contacts of people involved in the project. This generated a buzz in the social media, especially for special events, that was further enhanced by visitors to the destination.

This has all now made Merrion Square a prime venue for events, which is attracting sponsorship and generating spill-over effects for the broader economy.

Initial results from Fáilte Ireland's annual Visitor Attitudes study indicate that 24% of holidaymakers to Dublin last year visited Merrion Square.

Further Information

Further detail is provided in Case 18. in Annex B.

In effect, **the innovation process adopted generated its own publicity**. The offer was developed along with the message and this process even became part of conveying the message. Initially, it was a matter of interest in the local and national media, but as the activities took off and social media amplified awareness, Merrion Square developed a momentum, so that now it has become an obvious location for a range of cultural and related events, leading to sponsorship and further dissemination of the message. In other words, **some of the classic features of a culture-based promotional strategy have become apparent**, in which the cultural developments raise profile, then build their own momentum until commercial organisations want to be associated with the cultural events or make use of the platform that the events provide, so that a further dynamic comes into play as the initial developments have increasing spill-over effects on the local economy.

In the case of Merrion Square, therefore, a lot has been achieved with a small budget, in a way that both illustrates the power of the original concept and **the capacity of the social media to magnify the**

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message. Both of these elements have been amplified by the initial concentration on an open innovation process and the broadly-based involvement of stakeholders that is intrinsic to it.

A Concept based on Darkness

Merrion Square was able to rely on a considerable architectural heritage, significant associations with major figures in Irish political and cultural history and the co-location of a number of prestigious institutions. The next case, however, shows that, although obviously Merrion Square's assets have been a considerable advantage in the re-definition of the destination's offer, it is not necessarily the case that a location has to have a substantial endowment of a conventional kind to become a destination offering unique experiences. In fact, **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.

Dark Sky Alqueva - Portugal
<p>Introduction</p> <p>The region of the Great Lake Alqueva in Alentejo was suffering from the effects of depopulation and falling levels of economic activity, but this imaginative concept has been able to transform these weaknesses into strengths. With a very low rate of light pollution in the local municipalities, the low level of latitude (38degN) and impressively clear skies, the region is a great place to see the stars, constellations and distant galaxies. The unique characteristics of the night sky in this region consequently presented the ideal conditions for high quality observation of the dark sky. Such skies are disappearing across Europe, where most of the population no longer has the privilege of observing an unpolluted sky, but Alqueva has good atmospheric conditions for stargazing most of the year and is able to offer a unique tourism proposition to both professional and amateur experts in astronomy from around the world and to a wider public wishing to experience the wonders of a clear night sky.</p> <p>Description</p> <p>The original idea for the project was generated in 2005 when the project manager was a Government representative and expert participating in the Tourism Sustainability Group, convened by DG Enterprise and Industry. At the time, there was a lot of interest in nautical tourism but this often required a high level of investment. Instead, the aim was to conceive of a sustainable project which was based on existing structures and good quality services rather than expensive new infrastructure and of a development that could make best use of existing assets.</p> <p>At the centre of the Programme, however, was a highly original concept that made the best use of the region's characteristics. This concept transformed the weaknesses of depopulation and low levels of activity into real advantages, but also allowed a highly effective promotional campaign to be mounted with only limited resources.</p> <p>In addition to its good atmospheric conditions for stargazing, Alqueva is a distinctive region with picturesque villages and a very rich cultural and natural heritage. Megalithic remains suggest that</p>

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there has been a longstanding interest in the features of the landscape and the relationship of human society to the movement of celestial bodies. These additional features presented the opportunity to develop various night-time tourist activities that could add to the advantage of the unique sky conditions.

A systematic destination management approach to the development of the Programme was adopted, including structures and processes for the involvement of a broadly based group of stakeholders. The marketing and promotion actions that formed part of this strategy owed a lot to the ability of the original concept to sell itself.

With its unique nature, the Dark Sky® Alqueva Programme has been able to establish the necessary profile, without a substantial outlay for promotion and marketing. When the Programme was launched, the unusual theme straight away captured the interest of journalists. Receiving the UNESCO/ UNWTO certification as a Starlight Tourism Destination was then a further occasion that triggered attention from the media, particularly at an international level. The publicity subsequently attracted tour operators from all over the world, which further increased promotional coverage. Later, for example when the destination managed to create a significant increase in the local occupancy rate, the media interest again covered the developments.

The results of the Programme have been impressive:

- Direct involvement through the organised seminars and stargazing actions involved 2,500 people
- There was an initial increase of 22% in the occupancy rate, plus an additional 18% increase due to astro-tourism when it became a Starlight Tourism Destination
- There has been a 15% increase in the number of foreign tourists
- Recognition and the credibility of the destination at an international level have promoted interest in potential investment and the development of scientific research
- There have been positive impacts on other sectors such as handicrafts and gastronomy (regional products like wine, cheese, etc.)

Further Information

Further detail is provided in Case 19. in the Annex B.

Once the idea of the Dark Sky destination had been conceived, it largely sold itself, first to local stakeholders and then increasingly to the national and international media and specialist press, especially after international recognition came through UNESCO/UNWTO certification as a Starlight Tourism Destination, and finally to the general public, as tour operators started to promote it as a specialist holiday. The whole process had to be managed, of course, and the project also represents a good application of destination management principles, but the driving force of the central idea was evident, both in marketing terms and also as it unleashed 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

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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 final project to be considered in this section is **The Eden Project, UK (Case 20)**. This project is on a larger scale than the previous project and it is 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. In a sense it takes the lack of endowment a stage further than the earlier case. It demonstrates how in a peripheral region and on a site with no particular natural, historical or institutional features, it is still possible to generate a highly successful destination that acts as a beacon for other parts of the region's tourist offer, on the basis of a powerful concept.

The central proposition of the Eden Project is that people want to know about their natural environment and are interested in stimulating presentations of the way that humans interact with plants and the natural world. There are several extraordinary features of the Eden Project, including its evident ability to make an economic success of promoting environmental awareness and sustainability, its inspired leadership and continuous search for further innovation, its social responsibility and its detailed processes for monitoring performance in a range of areas. However, for present purposes, of particular interest are the ways that the Eden Project has promoted itself.

Here it should be recalled that although the Eden Project is a modern tourist destination, based on a distinctive experience, it is a lot more than that. **It has succeeded in integrating itself into the social and economic life of the region and well beyond.** Because of its objectives as an educational charity, **it is deeply integrated into educational processes** through visit programmes for over 40,000 children arranged with over 700 schools, through its outreach work, such as the 'Gardens for Life' network of schools that explores the world through gardening and growing food and through various arrangements for other groups including young people, ex-offenders and homeless people. 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. It has **a variety of links with the local business community** and especially those that provide complementary tourist services. Through its efforts to extend the season and arrange a series of activities for the winter period, it has important beneficial effects on other providers, allowing them to extend their own season too, but more generally by **acting as a beacon for the region** and a showcase, it also has a tremendous impact on the regional economy, including encouraging local developments in the technology needed to operate various parts of the Project.

The promotion of the Eden Project can thus be described as an organic process intimately related to its essential functions, but no less effective for that. It shows again that successful marketing can be achieved with the right product, based primarily on the features that make it special, but on this occasion its organic links with its main targets, especially through the educational links, together with its continuous search for innovative developments, keeps it in touch with a constantly renewed pool of potential visitors.

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

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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.

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4.1 The General Features of Transferability

The intention of this Good Practice project has been to identify projects that could inspire change elsewhere, both by highlighting elements that can be copied directly or applied in other locations and also by serving as examples that can stimulate new and original thinking and motivate creative developments that take the key ideas seen in the identified good practice in new directions. The transferability of the projects that have been presented, especially in this second sense, has therefore been a major consideration in their selection and in the way that they have been described. However, it was also intended right from the beginning of the project that the Working Group would be asked to **reflect on the transfer process** at the second meeting of the Working Group. This chapter therefore benefits from points made by Working Group members in the period leading up to the second meeting, at the meeting itself and subsequently. It is clear that a measure that works extremely well in particular circumstances, but which cannot be adopted elsewhere, could not be considered as a good practice in the context of the current project, precisely because a central aim of the project has been to assist others to improve their own practice. **Transferability is a key characteristic of good practice.**

In selecting, investigating and writing up the details of a series of projects, therefore, consideration has been given to characteristics that can assist transferability. At the first meeting of the Working Group reference was already made to features that should be sought in the cases under consideration. These were listed as follows:

- *Common objectives:* generally they should have objectives that relate to core themes of the common strategy rather than addressing issues that are particular to a specific country or region.
- *Intuitive appeal:* usually, the features of the measure should immediately make sense to the average practitioner, even if they are relatively innovative or imply significant changes in current practice. Processes and procedures that are obscure or difficult to understand should be avoided.
- *Financial requirements:* the level of financial inputs required should not be such as to put the measure beyond the reach of most Member States.
- *Other capacity requirements:* the measure should not require other inputs that are beyond the capacity of most other Member States.
- *Legal and institutional requirements:* measures should not have elements that would cause legal or institutional difficulties in other Member States.
- *Motivational characteristics:* beyond intuitive appeal, measures highlighted should have characteristics that inspire others to adopt them, either because of their evident success, their appealing novelty or creative approach to tackling well recognised common problems.

Broadly the cases presented comply with these criteria. Other aspects have also been taken into account. It has been pointed out, for instance, that **there are major differences across the tourism industry in Europe** in the nature of existing provision, in fundamental aspects, such as climatic conditions and the diversity of the available natural and financial resources and in the types of problem from the legacy of earlier developments that different countries have inherited. This has been taken into account in that, while the intention was not to cite a series of cases that could all be adopted in

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almost any circumstances and inevitably the relevance of good practice identified will vary across and within the countries participating in the project, most of the cases cited do have at least elements that have wide application.

It is important in this context to appreciate **the nature of best practice in the methodology of good practice transfer**. The intention is not primarily to cite models that can be mechanically copied in other situations, though occasionally certain ideas and processes do transfer in this way and there may even be scope for 'replicating certain successful models. However, in general, a major part of the good practice identified arises from the identification and exploitation of specific assets that may even be unique, but which are certainly particular to the destination that has made use of them. This process of identifying competitive advantage in this way is critical for the economic sustainability of the approach adopted and of its nature requires playing to strengths that are not apparent elsewhere. By definition almost, other locations should not be able to replicate exactly the detailed features of the identified good practice. This is essentially the insight of the **smart specialisation** approach that has become a major feature of regional development policy, but it is particularly important for the tourism industry that increasingly relies on the development of distinctive experiences to sustain its competitiveness.

Good practice methodology, therefore, cannot rely on a prescriptive approach, where the examples highlighted are simply copied in a different location with different circumstances. Rather it has to be a matter of identifying **key success factors** that can be replicated elsewhere, using the good practice cases as illustrative examples that can stimulate creative thinking about the application of the success factors in different contexts. It is therefore the approach that is important rather than the precise detail. This is why the previous chapter began with a list of features that characterise the good practice presented. It is worth repeating this list in the current context. It presents the key success factors that need to be reproduced in the environment drawing inspiration from the good practice:

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

These are the elements around which **the spirit of good practice** (and some of the detail) identified in one place can be transferred elsewhere. They need to be evident in any exercise that plans to make use of good practice in other locations. However, they represent only **the analytical part of the exercise** and they must be **complemented with an organisational framework** to oversee the development and implementation of the good practice. This is increasingly being referred to as the 'governance structure'.

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They also need to be given a certain amount of **profile**, so that their advantages can be brought to the attention of those in a position to follow them up in the regions and destinations that can benefit from their adoption.

4.2 Opportunities for Raising the Profile of Good Practice

Attracting the attention of those in a position to lead, or assist with, the transfer of good practice is **an important first step in encouraging the general take-up of the good practice identified**.

First it is necessary to be clear about **the targets of any potential transfer action**. The ultimate targets are **the enterprises that make up the tourism industry**, and there are cases presented, such as I Briganti di Cerreto, where enterprises or even enterprising individuals have taken the lead in developing an initiative. However, because of the interdependence of services in a destination's offer that the Report has emphasised as an issue that needs addressing, it is usually the case that a catalysing agent is necessary to bring enterprises and other organisations together to launch and follow through an initiative. **An important target is therefore the catalysing agents**, which can be:

- National or regional tourism authorities,
- Destination Management Organisations
- Regional and local development authorities,
- Industry associations or local business organisations
- Ad hoc groups of enterprises
- Others with an interest in the tourism sector, such as those involved in tourism training and skills development

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. Some of the business organisations involved have already committed themselves to doing so.

This process should be made easier by the symbiotic relationship of the good practice cases with the key elements of the common strategy (as formulated in the 2010 Communication). As has been repeatedly stated, the cases have been deliberately chosen to illustrate the main principles of the common strategy, with the intention of providing strong and concrete detail on the nature of the developments that have been advocated in the key policy statements. In short, **the good practice cases should make it easier to explain the strategy** and there will be opportunities in speeches, articles and policy statements to draw attention to the illustrative examples of the policy issues being discussed. In many instances, **the intuitive appeal of the cases** will be a positive addition, helping to reinforce the message and making the communication more effective. Similarly, as will be considered further below, the evidence that has been presented on the improved competitiveness brought about by the good practice identified and the further evidence that should be gathered as more results become apparent, all speaks loudly in increasing the power of the messages to be communicated. **There is good evidence that the good practice works.**

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This whole process of raising the profile of the good practice cases could be made much more effective if the Commission develops a **communication strategy** in conjunction with the Member State authorities through the Tourism Advisory Committee. This strategy would set out a plan for the timing of a series of actions around the theme of improving the competitiveness of the tourism industry, in which events to highlight and promote the good practice cases would figure prominently. It would need to confirm the list of target groups, with detail of specific organisations at a national level, agree a launch date and subsequent timetable, specify the nature of the events to be organised and the media to be used and set in place arrangements for monitoring progress.

It is necessary to bear in mind that the current Report has been directed primarily to ‘tourism professionals’ - public officials responsible for strategy, people working in destination management organisations or organisations responsible for economic development involving tourism, tourism business associations, those involved in tourism training etc. It will be important to engage these people and make use of their contacts with tourism enterprises. Most of the good practice cases involve a number of stakeholders and require a fair degree of co-ordination. In this sense, **the Report has not been addressed to individual tourism enterprises**. Indeed an important message has been the necessity in the experience economy of taking account of the interdependence of all those operating in the industry and the consequent need for a co-ordinated effort, which requires a strategic perspective. However, the other side of this perception is that **successful developments require the mobilisation of a wide group of stakeholders and the active participation of individual enterprises** and organisations that are directly delivering tourism services. Some of the cases – including I Briganti di Cerreto (Case 11), the DRV-VIR case (Case 14) and the Merrion Square Innovation Network (Case 18) – have been built on a bottom-up approach to developing a strategy and will speak more directly to enterprises. Others, such as the cases considered under the training theme, concern initiatives that target individual enterprises. The table provided in the summary document indicates which cases could be of most interest to enterprises in this way. More generally, though, an important consideration in the way that information on the good practice identified is communicated to all concerned is ensuring the engagement of enterprises and individual organisations delivering tourism services. In many instances this will require working through destination management organisations and business associations, but this process will be made easier by highlighting the potential effects of much of the good practice identified on visitor numbers and on the business performance of individual enterprises.

There is also a communication job to be done in relation to other policy fields. Improving the competitiveness of the tourism industry has positive implications for broader areas of policy from enterprise policy and regional development to environmental and social policy, efforts to promote research and innovation and developments in information and communications technology. From the perspective of some of these areas, however, previous developments involving tourism have not always had a positive outcome and a few cases of poor practice have tarnished the reputation of the sector. Projecting a more positive message could help to promote a more balanced perception of the potential contribution of tourism to achieving key objectives in a number of these parallel policy areas and this could be particularly important for those in the industry who are looking for sources of funding in the associated support programmes. This issue will be considered further below.

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Communication of this kind is also important with those working in **closely related sectors**, such as the cultural and creative industries and areas associated with tourism in the ICT sector. Some of the policy issues faced by the cultural and creative industries and the responses required are very similar in nature to those of the tourism sector and, of course, there is often direct interaction between the two industries in some of the cases highlighted. Joint consideration of the good practice and its transfer processes may well suggest common solutions and ways that the two sectors can find common advantage. Similarly, concrete examples of developments in the tourism sector could well suggest further potential interactions with ICT developers.

Finally, it should be mentioned that the current Report has been drafted in a way that hopefully assists the communication process. The write-up of the cases themselves highlights aspects that need to be emphasised and these points are further emphasised in the main Report. Moreover, the summary document has been written in a way that is intended to direct attention to aspects that can be of interest to different types of reader and a summary table has been provided indicating which issues are dealt with or illustrated in which parts of the main Report and annex.

4.3 The Governance of Good Practice Transfer

In order to follow up on interest generated by communication efforts and 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, involving the real decision makers and other stakeholders, mechanisms for elaborating the necessary analysis and planning the detail and arrangements for progress-chasing and the monitoring of implementation.

These processes need **appropriate structures** to ensure that the development has the support of the relevant authorities and other stakeholders, principally those that will be responsible for delivering the proposed changes, but also those that will be affected in other ways. However, it is also necessary to have an intelligent view of the policy and political landscape and to develop a project in a way that gives it the greatest chance of success given the current and likely configurations of that landscape. This section of the report addresses the first element. The next section considers some elements of the second.

The appropriate structures exist, or need to be created, at different levels - at a European, national and regional or destination levels. These are considered in two parts.

European Structures

Beginning at the European level, it is clear that the European Commission and the Member States, notably through the Tourism Advisory Committee (TAC), can help create **an environment that encourages the take-up of the good practice identified**. The examples have been deliberately chosen to illustrate the developments advocated in the 2010 Communication. Consequently they are very much in line with the latest major policy statement on tourism at a European level and help to reinforce its message on a number of significant points, precisely by providing illustrations of how the policy developments promoted can be implemented. The Commission and the TAC thus have an advocacy role, which is completely in line with other actions to implement common policy.

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This function could be supported by other operational measures:

- The TAC could establish a **sub-group to follow up and help co-ordinate actions** at a national or sub-national level, described below. As well as initiating actions, in the way described below, this sub-group should also be responsible for following-up the dissemination of the good practice by the targets described above and the actions undertaken at an implementation level. The Commission could **reinforce the cases that have been identified**, first of all by giving them profile, for example in speeches and policy statements, but also by adding to the case documentation, especially as further evidence emerges on the performance of the good practice cited
- The Commission should agree with the TAC an appropriate **communication strategy** along the lines set out in the previous section in order to raise awareness of the good practice identified. This strategy will need the active involvement of the tourism business associations
- Members of the TAC could be asked to report on follow-up activities at national and sub-national levels, involving the adoption and development of projects making use of similar approaches to those highlighted in the good practice cases
- The Commission, in conjunction with the TAC or its sub-group, could help **support learning processes** associated with the implementation of the good practice identified by:
 - Periodic **reflections on the experience** of those implementing the good practice identified, so as to highlight synergies obtained and to develop the evidence base on the effectiveness of the various measures in promoting competitiveness.
 - Developing **benchmarking** exercises on the basis of some at least of the cases in order to define performance measures more precisely and help to shape expectations about what can be achieved
 - Supporting **peer review** exercises, designed to provide mutual support and exchange of experience and to explore the issues and solutions arising in parallel implementation processes in different regions or destinations
 - Establishing **lists of experts**, largely consisting of people with experience of implementing the good practice cited or similar developments, that would be available to assist other regions or destinations as they develop their own strategies and implementation actions
 - Co-operating closely with **European tourism business associations** in their own work to identify and promote good practice
- More generally, the **European tourism business associations** have an important mediating role, given their close work with national associations and direct contact with major interests in the industry and individual enterprises too. The Commission should encourage them to stage their own 'competitiveness' events and cover the issues and good practice examples in their media work and own communications instruments (web sites, newsletters etc).
- The Commission could support those organisations, involved in the good practice cases cited, that wish to extend their actions or '**replicate successful models** in other parts of Europe. This support

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could be in various forms, but, at a minimum, should include linking the franchise possibility to any promotion of the good practice cases.

- The TAC or its sub-group should consider developing similar initiatives to those to be found in related areas, such as the cultural and creative industries, where Member State officials have co-operated to assemble material to help raise the profile of the industry, including within their own administrations⁴³.

Essentially, however, the governance structures at a European level will consist of arrangements that can prompt and support action at the level where the real implementation occurs.

Structures at the Level of Implementation

Implementation of the developments advocated in the 2010 Communication and illustrated by the good practice cited can be at a national or regional level or at the level of a destination, depending on the particular action to be taken. However, the **governance structures at each level are broadly similar** since they are shaped by the need to ensure effective implementation. For the same reason, they are also similar to the structures used for elaborating regional development strategies, for example those described in the Guide to RIS3, referred to earlier. They are characterised by the following elements:

- **Initiation by authorities with responsibility for tourism developments** and with the political weight to carry through an agreed strategy
- Involvement of **individuals⁴⁴, with knowledge of the industry and good communication skills, who are able to articulate the vision** of the programme or project and to communicate this vision both to those involved in the action and to a wider community beyond it
- **A committee or gathering with broad participation**, either initiated by the authorities or created by the actions of destination management organisations or groups of tourism enterprises, but which are responsible for the overall co-ordination and development of the initiative. Preferably these would not only include the 'usual suspects' but have others who can contribute creatively to the development of the concept and bring in new ideas about implementation
- **Support staff** who, while answerable to the committee, are able to work on detail, develop supporting documentation and ensure that the whole process progresses in an orderly fashion
- **External advisers**, who can look critically at developing ideas, preferably on the basis of similar experience elsewhere
- **Technical experts**, to advise on relevant issues, and not least on the **funding and financial control** of the action.

⁴³ See for instance the Policy Handbook developed by the Working Group of EU Member States Experts on Cultural and Creative Industries on 'How to strategically use the EU support programmes, including Structural Funds, to foster the potential of culture for local, regional and national development and the spill-over effects on the wider economy

⁴⁴ It should be recalled that most of the good practice cases have been initiated and led by inspiring individuals or small teams that have the knowledge, insight and enthusiasm to carry them through to a successful conclusion

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Ultimately, this structure needs to produce **a plan that has the support of the appropriate authorities and the stakeholders** and subsequently to monitor its implementation and react to any problems that arise along the way. Usually the action will not be a one-off event, but rather a process that needs to produce a continuous stream of new developments, building on the original action or occasionally taking a completely new direction. **This structure needs to be able to account for its actions**, both to the stakeholders as a whole and to the wider community. In particular, **it needs to conduct its business in an open and transparent manner**. The cases provide a number of examples of how these implementation level structures can work.

It can be seen that although operating at different levels and responding to different communities, those responsible for most of the good practice cases cited, have made use of governance structures with similar characteristics. The **PNIT (Case 1)** operating at a national level in Spain is remarkable, not only for the mechanisms that produced a national consensus on the way forward, but also for the regular monitoring and reporting up to ministerial level. But equally, a broadly based governance structure has been central to development of the **Merrion Square project (Case 18)**, while **the Open all Year programme (Case 2)** makes use of a public-private partnership – the South West Wales Tourism Partnership – that facilitates formal and informal co-operation among local and regional actors and a small scale governance structure has been developed for **'I Briganti di Cerreto'(Case 11)** in the form of a community co-operative. Other cases have been developed using Structural Fund procedures and consequently have had governance structures determined by the requirements of that framework, but this is a developing area and the expectation is that in the next programming period, the new Monitoring Committees and especially the innovation-based operational programmes will have structures similar to those described above. Other initiatives, such as **'Discover Croatia' (Case 7)**, which was developed by the Association of Croatian Travel Agencies and **the Code of Conduct for Customer-Friendly Online-Marketing & Common Data Standard (Case 14)** developed by the German Travel Association (DRV) responded directly to an agenda established by the industry, but even in these cases the structures and procedures of the relevant business associations have many elements that are similar to those described above.

For an effective process of spreading good practice and making use of the ideas and approaches set out in the cases considered, as the cases themselves also show, well-designed structures and procedures for those who need to be involved are also necessary as well as the inspiration provided by stimulating examples.

4.4 Making the Case for Take-up

Effective transfer needs to take account of **real world considerations** in the places, where taking up practice established elsewhere is being planned. For this reason, the project has considered the institutional circumstances that will face those who could be advocating developments inspired by the cases presented. In other words, the presentation of the cases has tried to take into account the consideration that, especially in a difficult financial environment, anyone wanting to advocate new developments needs fairly **solid evidence on the likely performance of the proposed initiative** in order to make an effective case.

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This consideration applies when new projects or programmes are proposed within national or regional public administrations or within businesses and business associations, but it also applies within a European context, in that in some circumstances the proposed developments will seek **support from the Structural Funds** or under the new Common Strategic Framework in the next programming period. Given **the growing orientation towards results** that characterises developments under the Structural Funds, and indeed the proposed Horizon 2020 Programme, a framework for developing an evidence base on the effects of programmes and projects is of increasing importance. This issue is considered further in a section below.

A distinguishing feature of the approach adopted in this Good Practice assignment is that it has sought to make use of the disciplines of evaluation practice in selecting and describing the cases presented. It can be seen therefore that there is reference to performance in most of the cases or at least, when projects have not yet been able to establish the effects they are generating, reference to the monitoring framework that has been put in place so that the results achieved can eventually be established. The evidence of this kind that is currently available is set out in each of the cases in Annex B in the section headed 'Features contributing to Improved Competitiveness', although references to results have also been made in the main text of the Report and these are also highlighted in a short summary text box in each case. As cases mature, further evidence of this kind will emerge and it is hoped that the evidence on the cases presented will be up-dated subsequently.

With this orientation towards evidence-based policy making, and particularly in providing 'ammunition' in fighting for their case, it is believed that a valuable contribution is being made to assisting those who wish to actively take up the practice that has been highlighted.

Replicating Successful Models

This may be particularly the case where there is the possibility of 'franchising' existing programmes, with an established track record. The term 'franchising' is not exactly the right one to use, since it has commercial overtones that are not intended, so we refer to Replicating Successful Models, but hopefully the idea is clear. There is definitely at least one programme among the good practice identified, where it would be possible to capitalise on the investment that has already been made and replicate a system that has already been developed. This is the situation with Kurbits (Case 10) – the tailor-made programme for small-scale businesses in the tourism and hospitality sector developed in Sweden.

The organisers of Kurbits are already in discussion with organisations in a number of other countries about arranging local applications and are very happy to assist with this process. It is conceivable that a similar approach could be adopted in relation to some of the other cases.

One of the advantages of this 'Replicating Successful Models' approach is that, as well as reducing the initial costs of developing a similar application, it makes the case for its adoption easier to make.

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4.5 The Dynamic Elements of Good Practice

Attention should be drawn, however, to the fact that any description of a particular case of good practice is inevitably stating the position at a particular time or over a relatively short period, but cases do develop and account needs to be taken of these developments in various ways.

First of all, following on from the previous section, it is important to **continue to accumulate evidence on the effectiveness and efficiency of the cases cited**. As has been stated, because of the relatively recent implementation of many of the cases, the effects are still working their way through or the evidence is still being gathered. A further up-dating of the summary statements to incorporate the latest evidence would be an important contribution to strengthening their status as good practice and promoting their transferability.

Secondly the characterisation of good practice is inevitably selective and there are various aspects of the practice described that have not been included in the summary statements, but could be of interest to particular organisations thinking of doing something similar. If possible therefore, with good practice analysis, **it is useful to encourage an interaction** between the project highlighted and those thinking of learning from, and possibly adopting, the approach outlined. In this sense, the description of good practice undertaken in exercises such as the current one is only the first step. The process of following up the interest hopefully generated by the initial statement, for example in exchanges of experiences in arrangements such as **peer review exercises**, is necessary to fill out the understanding of the nature of the good practice, to allow perspectives to be developed that are particularly relevant to those considering doing something similar and to receive advice on avoiding pitfalls and practical difficulties along the way.

4.6 Support for Transfer from EU Programmes

A number of the cases considered, though by no means all, involved at least partial funding from EU programmes and it has been seen that 'maximising the potential of EU financial policies and instruments for developing tourism' was action number 4 proposed in the 2010 Communication from the Commission. The possibility of using support from other EU programme therefore naturally arises when considering the practicalities of promoting the more extensive take-up of the good practice that has been identified.

Whatever support is used clearly has to be for purposes that are in line with the objectives of the relevant programme and this issue is complicated by the fact that a number of them, including support for research and innovation as well as the Structural Funds, are moving to a new programming period, with re-defined objectives, procedures and rules on eligibility.

It is not within the scope of the current project to embark on an analysis of the various opportunities presented by these funding sources or the conditions under which they might support the development of good practice cases. In general, funding programmes will not finance the adoption or transfer of a good practice, as such, but they can assist with the development of other good practice or activities (e.g. training activities) to encourage the take-up of a good practice. Some brief observations on some of the opportunities may, therefore, be useful for those contemplating this route and could provide the basis

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for a more systematic analysis as part of the follow-up to this and other projects. These comments are made in relation to the main possible sources of funding, as from next year:

- **European Regional Development Fund (ERDF)** will focus on Europe 2020 priorities: there will be 11 thematic objectives and a concentration on major European priorities (research, innovation, SME competitiveness, energy challenges and ICT). Tourism is not directly mentioned among the investment priorities, but there are possibilities with projects aiming to fulfil the priority objectives.

This defines the framework within which national and regional authorities determine their own priorities in Operational Programmes. The maximum EU co-financing rate varies from 80-85 % in less developed and outermost regions to 50 % in more developed regions.

Some ‘Smart Specialisation’ strategies, required for programmes addressing the research and innovation priority, are focusing on tourism.

- **ERDF European territorial cooperation** supports transfer & take-up of good practice in regional development across countries and territories and could assist especially with “Replicating Successful Models”. Tourism is also an important issue in some macro-regional strategies (e.g. Baltic Sea, Danube, Adriatic-Ionian)
- **European Social Fund** aims to improve opportunities for employment, education and training, and combating social exclusion and poverty. Funding will be channelled through national or regional bodies entrusted with the implementing the ESF. Possibilities for training and skills development.
- **European Agricultural Fund for Rural Development (EAFRD)** funds economic development in rural areas. The European Network for Rural Development and especially Local Action Groups may be helpful in facilitating good practice transfer in rural areas
- **European Maritime and Fisheries Fund (EMFF)** has possibilities for coastal regions
- **Horizon 2020** – the framework programme for research and all forms of innovation will see a substantial increase in funds available for ICT research and innovation, in areas that are critical for improving tourism competitiveness, but there will be other opportunities too, not least in the funds dedicated to addressing societal challenges in areas such as resource efficiency, smart, green and integrated transport and cultural heritage. Funds for innovation procurement to address certain societal challenges or technology needs could also be of relevance for tourism.
- **The Lifelong Learning Programme** can provide support for training, especially through the sub-programmes Leonardo da Vinci (vocational education and training) and Grundtvig (adult education)

Other funding that may be relevant exists in other areas, such as the programmes that support cultural and media activity.

Of course, any projects proposed for funding must address the specific objectives of the relevant programme and there can be a number of drawbacks with funding from these sources. Proposals take some time and effort to mount and may not eventually be successful. There is also the possibility that a funding dependency is developed, meaning that a development may not be sustainable when funding

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is withdrawn. However, given that all these programmes are oriented towards achieving the Europe 2020 objectives and share with the cases highlighted the common aim of improving competitiveness and promoting innovation, there is clearly scope for finding a good fit between the objectives central to implementing the good practice identified and those of the various programmes.

Recommendations

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5.1 Recommendations

Together, the 20 good practice cases that have been identified with the help of the Working Group, provide a practical insight into tackling some of the major challenges that are currently facing the Tourism industry in Europe. The CSES team believe that there is something to be learned from them by even the most experienced of tourism professionals and that in many situations, the implementation of developments that build on their strong points could contribute to a significant improvement in competitiveness. **Our main recommendation therefore 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.** :

- The cases presented have all benefitted from a clear vision on the part of those developing them and a systematic approach to elaborating and implementing their various features. Behind this the CSES team has observed a remarkable consensus on the issues facing the industry, but we have been reminded, by some of the national representatives and those from the industry associations that **a consistent and co-ordinated approach focused on the need to improve competitiveness** cannot always be taken for granted. A continuous effort is therefore needed to promote such an approach, 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**, highlighting the potential contribution of good practice to the competitiveness of the industry and ensuring that the main stakeholders in the industry across Europe are aware of the results of this initiative and its potential. 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** that have been set out in this Report 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, both require the involvement of a wide body of stakeholders and active co-operation between public authorities and private enterprises providing tourism services. While elements of this **productive engagement of different stakeholders** have been described in various projects, it is an aspect that could well be studied further in order to specifically highlight good practice in relation to this particular issue.

Recommendations

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- 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 selection of cases has been influenced not only by the arresting conceptual design of most of them, but also by the promise, at least, of impressive performance and impact. Almost all of them have arrangements for monitoring and/or evaluation. The cases should therefore 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. This would not only help in monitoring progress, but would also encourage reflection on the ordering and prioritisation of actions and possibly lead to a situation where addressing the most urgent issues (such as seasonality) can lead to a virtuous cycle of further improvements.
- As indicated in the 2010 Communication, a particular need is to facilitate **the use of other EU policy instruments** to support the wider adoption and development of the identified practice, notably in the case of the Structural Funds. In particular, **support for developing the role of tourism within smart specialisation strategies**, would not only underline tourism's place in the economy of many regions, but also encourage further innovation within the sector.

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.

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Good Practice Identification

This document was presented at the first Working Group meeting to explain the approach that was being taken in the detailed investigation to the identification and characterisation of 'good practice'.

Introduction

The general aim of the Tourism Good Practice Project is to assist the Member States to develop their tourism policies, in line with a common strategy, by identifying concrete examples of measures that are contributing to an improvement in the competitiveness of the tourism industry and that can relatively easily be adopted elsewhere.

The overriding characteristics required of the good practice to be identified, therefore, are that they:

- Contribute to improving competitiveness
- Illustrate significant aspects of current strategy
- are easily transferable

The main reference point for the common strategy currently is the 2010 Commission Communication 'Europe, the world's No 1 tourist destination – a new political framework for tourism in Europe'. The themes of this strategy and the priorities within it for the current exercise indicated by the TAC are the subject of parallel paper prepared for the consideration of the Working Group. In this context, therefore, it will only be noted that illustrating significant aspects of the current strategy are indeed one of the main criteria for the selection of the good practice cases. The emphasis in the current paper, rather, will be on the other two overriding criteria for the selection of good practice – the contribution to competitiveness and the transferability of the practices identified.

The Nature of 'Good Practice'

Before looking specifically at these issues, however, it will be useful to say something in general terms about the methodology of best practice exchange and what is meant by 'good practice'.

Over the last decade and especially since with the Lisbon agenda, when best practice exchange became a key instrument in the 'open method of co-ordination', considerable effort has been expended at a European level in identifying and promoting the exchange of 'best practice'. It is not surprising therefore that some variation has emerged in the way that best practice has been analysed and characterised. The recent Final Evaluation of the Competitiveness and Innovation Programme commented on this variation and recommended that the methodology of best practice analysis should be reviewed and systematised.

Part of the difficulty is a lack of clarity in the terminology. We ought to distinguish between 'good practice', which is a process or procedure that appears after proper consideration to lead to improved performance and 'best practice' which justifies its implicit claim by further objective proof that the practice in question outperforms other practices. There is also a distinction between 'best practice' which involves an explanation of how a particular process and procedure leads to improved

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performance (and this might or might not be accompanied by reference to particular applications) and 'best practices' which tend to refer to particular examples of practice that illustrate useful characteristics, but which often only refer to elements of 'good practice' as just defined.

Furthermore, in the current context, it is particularly important to stress that the practice under consideration should contribute to achieving the goals of the agreed strategy for the tourism sector. It cannot be defined without reference to the policy objectives it is intended to attain.

In addition, the practice to be highlighted should lead to an improvement in performance. Here the links with evaluation processes are most clear and it is a particular feature of the current project that evaluation methods are to be deployed in the selection of the cases to be highlighted. This will mean that these cases will be assessed against the standard criteria used in evaluations.

Finally, the practice must be such that it can assist others to improve their own practice. It must provoke interest and provide motivation, possibly encouraging a change in perspective or attitudes. Above all, it should be transferable, in the sense considered below.

In summary, by talking of 'good practice' in this project, we are referring to:

- practice that contributes to the meeting the objectives of the agreed tourism strategy
- practice that can lead to improved performance, without necessarily being established as objectively outperforming all comparable practice
- practice that inspires change and is readily transferable

Analysis of 'performance'

As indicated, in analysing performance, the methods used in evaluation will be deployed. In particular, cases under examination will be considered against the usual evaluation criteria:

- *Relevance and coherence*: how far the measure has clear objectives, is addressing the issues identified in recent work on the challenges facing the sector and particularly the priorities of the common strategy, how well the measure complements other actions being taken.
- *Effectiveness*: the extent to which the measure is structured so as to deliver improvements in performance and evidence on its anticipated and actual effects.
- *Efficiency*: how the measure is managed, its intended and actual outputs and whether these are likely to lead to clear results and longer-term impacts; the cost-effectiveness of the measure.
- *Sustainability*: whether the action can be sustained and its effects are likely to continue, the extent to which the measure can be taken up by others.
- *Utility & European value added*: any evidence of transformative or spill-over effects, including the extent to which additional value is or could be created by its adoption more widely across Europe.

Note that in considering evidence on effectiveness, the actual performance of a measure is not the only consideration. Apart from the fact that there are other criteria, even under effectiveness, potential contributions to performance are to be taken into account. This is partially because most of any recent

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initiatives will not have had time to establish themselves and to generate the longer-term results and impacts anticipated and the project should not restrict itself to longstanding measures, but also because new, innovative and creative measures should be highlighted even if their eventual results may turn out to be disappointing. There should be room for experimental approaches (with a potential for markedly improving performance) that others can learn from and perhaps adopt and adapt in more fruitful ways.

Having said that, in as far as is possible, the project will attempt to assemble direct evidence on performance, as part of the analysis of the main cases to be considered. It should be remembered that it will not be possible for the CSES team to conduct independent research on the performance of particular measures, but evidence from internal monitoring processes and, where possible from external evaluations or associated research will be sought. A lot will depend on how the project has been set up and how it has been managed, but in principle the following table lists the type of information that the project team will attempt to establish:

Table 1 Criteria for Assessing the Effectiveness and Efficiency of Tourism Projects

<i>Criteria</i>	<i>Rationale</i>
Range of outputs	The range and variety of immediate outputs from the project should be taken into account
Number of visitors	The most direct effect in the tourism sector
Revenue/turnover effects	Some effects may be observable in cash terms
Effects on value-added	Any measured effects of value-added generated
Employment effects , jobs created or saved	The direct and indirect effects on employment are a classic indication of the effect of a support intervention
Other labour market effects, including skills acquisition	Some effects in the labour market will not be so immediately apparent, but will add to human and social capital
New businesses created	A prima facie indicator of the intervention effect

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Investment induced, including IT	Direct investment, especially with private sector involvement, and subsequent investment generated
Other forms of (largely unquantified) value-added, including other contributions to competitiveness, improving the image of an area, increases in capital values, planning gains, creation of intangible assets etc	Other effects may be less immediately tangible, but may be measured indirectly, e.g. through changes in property values
Costs	The direct and indirect cost of the measure
Indicators of efficiency (cost benefit analysis etc)	Outputs and results should be compared with the costs of achieving them, formal cost benefit analyses are particularly valuable in this context
Evidence on management processes	Summary, mainly qualitative, evidence on the efficiency of management processes
Indications of contributions to achieving the medium/long term objectives of competitiveness and economic development	Medium and longer-term outcomes need also to be taken into account, where possible
Degree of transferability,	Any evidence that an activity has been taken up elsewhere is already an endorsement, though the issue of transferability requires potential to be taken into account
Integration with other development aims and actions	Evidence of the creation of synergies with other objectives is an important additional advantage
Transformative & spill-over effects	Estimations of multipliers, but also evidence of interventions having enabling effects for other economic activities and generating other forms of externality

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This list may be elaborated further in the light of experience with the project.

Transferability

It is clear that a measure that works extremely well in particular circumstances, but which cannot be adopted elsewhere, would not be considered as a good practice in the context of the current project, precisely because a central aim of the project is to assist others to improve their own practice.

In the later stages of the project, attention will be paid to detailed mechanisms whereby cases highlighted can be adopted elsewhere. However, even at the early stages, it is important that measures with characteristics that would make them difficult to transfer, should be removed from consideration, especially as part of the core set of measures that will receive the most attention. It is as well therefore to list the considerations to be taken into account in judging on transferability.

Projects that can be considered 'transferable' will generally have the following characteristics:

- *Common objectives:* generally they should have objectives that relate to core themes of the common strategy rather than addressing issues that are particular to a specific country or region.
- *Intuitive appeal:* usually, the features of the measure should immediately make sense to the average practitioner, even if they are relatively innovative or imply significant changes in current practice. Processes and procedures that are obscure or difficult to understand should be avoided.
- *Financial requirements:* the level of financial inputs required should not be such as to put the measure beyond the reach of most Member States.
- *Other capacity requirements:* the measure should not require other inputs that are beyond the capacity of most other Member States.
- *Legal and institutional requirements:* measures should not have elements that would cause Legal or institutional difficulties in other Member States.
- *Motivational characteristics:* beyond intuitive appeal, measures highlighted should have characteristics that inspire others to adopt them, either because of their evident success, their appealing novelty or creative approach to tackling well recognised common problems.

The project team will welcome comment from the Working Group on the approach set out in this paper.