Attractions, activities and amenities: Rejuvenation and innovation for the product lifecycle

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Introducing the subject

- Any tourist destination could hope to stay for ever in the market if changes are not undertaken (Koetler):
  - Which are the expected changes?
  - The change pattern
  - Factors than determine/influence the change
  - How we can affect the change?
• Tourism is a mature sector that faces 5 challenges:

– The ageing of facilities
– Obsolescent products, traditionally single products destinations
– Congestion: concentration of flows in time and space
– Changing tourists’ expectations
– Increasing competition
• A practical approach:

– The conceptual framework: The Tourism Area Life Cycle and the Decline concepts

– Applying decline models to tourist destinations: The UNWTO operational schemes

– Some Spanish experiences
The Concept framework

- The Life Cycle Concept, adapted to tourism destinations by E.W Gilbert in 1939 (Scottish Geographical Magazine)

- Contributions:
  - Tourism Area Life Cycle (TALC) (Butler, Harvey & Massey & Megan, Haywood & Weaver, in 1980)
  - Sustainability: long term view, environmental & social limits, regulation, responsibility, emphasis on the community

- TALC phases: Exploration, Commitment, Development, Stagnation, Decline, Rejuvenation
• STAGNATION:

– Limited increase arrivals
– Tension in prices and loss of profitability
– Ancillary services more expensive than the basic product
– Lack of renewal of tourism infrastructure
– Destination image problems
– Supply losses control of the destination
• DECLINE:

– Negative level of arrivals
– Decreasing prices
– New processes and technologies in competing destinations management
– Lack of new investments
– Decreasing salary levels and loss of human capital
– Infrastructure obsolescence
– Environment deterioration
APPLYING DECLINE MODELS TO DESTINATIONS

Challenges to regain competitiveness:

- High cost
- Contradictory interests at destinations
- Diversion in public and private investments
- Contradiction between sustainability and short term interests (price reduction and less demanding markets)
- Turning point of negative factors: image, insecurity, etc.
- Passivity & inertia
- Lack of continuity of tourist policy
UNWTO Recommendations:

– Rejuvenating the product:
  • Ensuring the **quality**, improving product & service
  • **Innovation** in products
  • Increasing **productivity** and reducing costs: cooperation

– Recycling resorts:
  • **Carrying capacity** management through land-use policy
  • **Recycling** of the site (Calvia, Costa Brava)
  • **Protecting** the hinterland
UNWTO Recommendations:

– Stimulating clusters:
  • **The State** as co-producer: infrastructure, environmental and promotional policy
  • **Public-private partnerships**
  • A long term growth-oriented policy on supply & demand

– Exploiting de market potential:
  • Branding
  • **Positioning** (“Spain marks”, Dr. Peter Keller)
  • Market diversification
  • Segmentation
WTO/ETC Handbook’s key guidelines for mature destinations dominated by a single product:

- Identify the **key resources**, its nature & culture apart from the primary resource (e.g. sun & beaches).
- Coordinate **development of products** based on these resources and market them both as an add and as short break visits.
- Ensure increased **environmental standards** are met.
- Improve the **environmental quality of the resort**.

Handbook on Tourism Product Development
The Spanish Experience at National and Local Level
The Spanish tourism situation:

- Spain was the first destination to develop mass tourism.
- Some destinations remained unchanged ageing inevitably: insufficient infrastructure & negative image.
- Changing tourist expectations
- Underdevelopment of some tourist products
- EU integration led Spain to converge in costs and prices.
- New competitiveness based not in price but in quality.
- Quality = Rejuvenation and Innovation
• **At the National Level: Continuity**


  – Plan Horizon 2020.
PICTE 2000

• PROGRAM I: QUALITY OF TOURIST DESTINATIONS:

• Generating economic development, whilst at the same time preserving the environment and local culture.

• Definition of integral management models for tourist destinations
  – Tourist Excellence Plans: recovery and regeneration of mature destinations (PEDT)
  – Tourist Development Plans: economic activation and boosting of emerging tourist destinations (PEDT)
  – Green Town Project: implementation of E. U. Environmental Management and Audit System (EMAS) in tourist destinations
THE (Excellence and Dynamization) PEDT PLANS:

– Strengths:
  • Success in improving destination quality as the main objective
  • Public cooperation in financing (33.3% between local, regional and Central Public Adm.) and plan management

– Weaknesses:
  • Lack of systematic follow-up and evaluation indicators
  • Continuity once the plan is finished
  • Limited funding
  • Public/private cooperation
PROGRAM 2: QUALITY IN TOURIST PRODUCTS. DIVERSIFICATION

• Product diversification:
  – Development of Cultural Tourism Products
  – Nautical Resorts´ Program
  – Development of new golf courses.
  – Thermal Tourism: Diagnosis of the Supply and Improvement Plan
  – Re-directing Development of Rural Tourism
DIVERSIFICATION: CULTURAL TOURISM

- Sun & beaches tourism in Spain+ 80%
- Spain market share of European cultural tourism= 8%
- Cultural Tourism Study Cultural Tourism Plan (2003)
- The Plans for Excellence and Dynamization (PEDT) included The Cultural Heritage Cities and other cities and towns with cultural attractions (Avila, Cuenca, Zafra, Segovia, Santiago, Caceres, Malaga, Cuellar, Alcala, Trujillo, Aranjuez, Peñafiel, etc.)
• PROGRAM 3: QUALITY IN TOURIST SERVICES

• The Quality scheme is based on the ISO 9000 standard.
• Design and implementation of quality management systems in the different tourist services
• Is a common norm adapted to each sector: hotels camping, ski resorts, etc.
• Voluntary involvement
• Support for companies to implement the system (2.700).
• Operated by an independent agency "nationally and internationally recognised".
• Spanish Institute for Tourist Quality (ICTE)
At the Local Level
A Case Study: Guggenheim Museum, Bilbao

- Bilbao needed revitalization in the 1990s
- The Museum was part of an overall urban strategy
- Designed by Frank Ghery & built by Ferrovial
- The effect on the city was dramatic: parks, cycle lanes, riversides cafes
- A million visitors a year
- In 2009: expenditure 204 m € and 3659 jobs
- A flagship has led to the regeneration of Bilbao and to the local economic development

WTO Handbook on Tourism Product development
## RETORNO DE LA INVERSIÓN

## IMPACTO ECONÓMICO

### Museo Guggenheim

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The word is out that miracles still occur, and that a major one is happening here. Frank Gehry's new Guggenheim Museum won't open until next month, but people have been flocking to Bilbao, Spain, to watch the building take shape. “Have you been to Bilbao?” In architectural circles, the question has acquired the status of a shibboleth. Have you seen the light? Have you seen the future?

A Case Study: Valencia attractions and activities

**Strategy: 1. To strengthen the primary product:**
- Restore the heritage city centre
- Urban redevelopment and the old Turia riverbed transformed in a park along the city
- Cultural attractions and events: museums (IVAM, Ceramic Museum), concerts, operas (Music Hall)
- Gastronomy

Activities & Events:

- V World Family Meeting
- World Austronautical Congress
- African Development Bank Congress
- Euromediterranean Meeting
- New cars presentations (McLaren, BMW, Mercedes)
- Formula 1 Race
- America’s Cup

Attraction flagship:

- Science and Arts City
Valencia: the European city with bigger growth in night stays 2002-2007
• **Cruises:**
  – 2004: 98 port of call and 102,127 passengers
  – 2008: 164 port of call and 199,335 passengers

• **Meetings:**
  – 1993: 138
  – 2008: 791

• Valencia on the **media** 2004-2007:
  – 3,000 million TV audience
  – 2,500 printed articles
A Case Study: Benidorm

- Benidorm implemented strategy: Improvement of infrastructure related to environment (Desalination plant, benchmark waste disposal, water supply)
  - Urban landscaping
  - A sea front pedestrian promenade
  - Higher quality of accommodation, refurbishing and upgrading hotels built before 1980
  - A state-of-the-art maintenance work of beaches

(Handbook on Tourism Product Development WTO/ETC)
• Recovery of Spanish ambiance in the old town
• A large of entertainment events, including 50 local "fiestas"
• Product diversification (Beach activities & attractions – water-ski school, water sports: sailing, windsurfing, scuba-diving-, two open auditoria in a city central park, Terra Mitica theme park)
• Attention to the rest of the region: cultural and natural visits
• New markets and new segments, catering for different types of tourists (family, third age, young people) on each season
• Attract local interest in addressing the problems
THE LESSONS LEARNED, SO FAR

• All destinations are subject to rejuvenation
• Rejuvenation is a never ending exercise
• Leadership and continuity
• Market: product matching
• Mix of flagships & clusters of activities & attractions
• Clear definition role of public/private sectors
• First acting on the product, then on brand and marketing
• Branding and marketing consistent with real innovation
Thank you!

German Porras
Former General Secretary of Tourism
Spain