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## RE-EXPERIENCING

# European Good Practice Toolkit in Experiential Tourism





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# TOURISM AND EXPERIENTIAL MARKETING STRATEGIES

The marketing strategies for travel and tourism will help you define your next promotional campaign.

# 01



# Important factors to consider

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Travel is back, and it's coming back big time. Since 2020, digital advertising spending across the globe has steadily increased year on year. In 2023, spending is expected to increase by 12% compared to 2022.

For tourism marketers, this growth indicates that it is time to renew their tourism marketing strategy. This guide aims to provide elements to help you build a programmatic strategy that delivers results, we are analysing the latest industry trends and sharing the most important tourism marketing strategies.

## **TRAVEL AND TOURISM TRENDS**

It is clear that the travel renaissance has begun. There have been positive signs throughout the industry, from increased traffic at European airports to growth in advertising spending. Let us look in detail at some of these trends in travel and tourism marketing.

### **DOMESTIC TOURISM IS BOOMING.**

Although international destinations account for a large share of European consumers' travel spending, it is important not to forget domestic travellers. More than 2.29 billion domestic trips are made each year in Europe and Italy! In fact, one study found that 96% of respondents took (or planned to take) at least one domestic leisure trip in 2022. And 80% of these respondents described their most recent local travel experience as positive or very positive.

### **PERSONALISED EXPERIENCES ARE ALSO FOR TRAVELLERS.**

Consumers increasingly expect personalised marketing experiences at every point in the marketing funnel, from the first exposure to a brand to the post-purchase experience.

This applies to all sectors, including travel and tourism marketing. Personalised marketing in travel is now a must. According to Skift, that personalised touch can increase conversion rates and revenues and improve customer loyalty.

## **CONSUMERS SEEK TO TRAVEL WITH A PURPOSE**

Travellers are increasingly value-driven and this influences their purchasing decisions for travel products and services. 72% of travellers want to make a positive impact and support communities and businesses through tourism.

69% of consumers said they are more careful to choose hotels and airlines that align with their values and support diversity and inclusion within their workforce. Travellers are also becoming more eco-friendly and many seek to support airline brands that are sustainable (68%) and carbon neutral (55%).



# MARKETING STRATEGIES FOR EXPERIENTIAL TOURISM

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## USE GEOTARGETING TO REACH NEARBY CONSUMERS.

Geotargeting is the practice of delivering content to a consumer - via mobile or web - using information about the recipient's geographic location.

**For travel and tourism marketing, it is the perfect strategy to tap into the booming domestic tourism market.**

For example, if a destination marketing organisation (DMO) based in Abruzzo wants to attract travellers from neighbouring regions such as Lazio or Marche, it can leverage geofencing to capture the attention of people there. Geofencing targets users based on information about the recipient's geographic location. This tactic draws a virtual fence around a geographical location so that users entering that 'fenced' area receive your advertisements.

You can target your audience using location data such as country, state, postal or zip code, or even a specific address. If you are trying to attract domestic consumers, geotargeting is a strategy that will help you remind travellers what is in their backyard.



## **USE VIDEOS TO ENTICE CONSUMERS TO BOOK.**

Travel is an emotional experience for consumers. Therefore, exploiting a channel that talks about these emotions is a great way to capture the interest of your target audience. Video is particularly effective for experiences because it is an engaging and immersive medium that uses visual cues to create emotions in viewers.

You can use video advertising to engage viewers with storytelling and showcase the experiences you offer. By engaging the viewer's emotion, the video can entice them to book a weekend at your hotel or to travel to your resort for the beautiful beaches or to the local area to participate in the promoted activities. Visual storytelling allows consumers to feel a stronger personal connection to your brand, making video advertising a great addition to your multichannel advertising strategy. Together with other advertising formats, video ads can increase reach, contribute to product recognition and improve performance metrics of other campaigns.



## **APPEAL TO THE AUDIENCE THROUGH ENGAGING CREATIVE.**

Video is a great channel to emotionally engage consumers, but all advertising creative formats have a similar effect. The message of your campaign, regardless of the medium, plays an important role in capturing the interest of your target audience. Generate creations that resonate with your target audience in order to attract the travellers most likely to participate in your campaign.

**When running a travel campaign, use ads to capture your audience’s interest by showing content relevant to them.**

For example, target users in cold geographic regions with images showing warm, sunny destinations or activities in the cooler weather in cities. Engage your target demographic in the first few seconds by using language that speaks to them, intrigues them or elicits an emotional response.



## **LEVERAGE CONTEXTUAL ADVERTISING TO REACH THE RIGHT AUDIENCE.**

Contextual targeting in experiential product and tourism marketing can enable you to reach audiences ready to travel. This targeting tactic uses algorithms to place ads based on keywords, website content and other metadata. In this way, users are targeted based on the environment in which the ad appears, which focuses on the consumer's current state of mind to show a hyper-pertinent ad.

The key to success is to capture an audience that is currently receptive to travel. For example, by using contextual advertising to target content such as 'the best destinations of 2023', you can reach travellers who are planning to travel soon or are planning to travel in the near future. To reach people who are thinking about travelling, make sure to engage the most interested people first: they will be more likely to book a trip.



## **MEASURE ADVERTISING RESULTS WITH A BRAND LIFT STUDY.**

Brand lift studies go beyond traditional metrics such as impressions to help you measure the impact of a campaign on consumer perception and behaviour. A brand lift study measures the impact of your campaigns across all programme channels, typically providing a picture of consumer sentiment and brand affinity of people who have been exposed to your media.

For travel marketing, it can be used to measure the impact of upper funnel campaigns on consumer brand perception. Or, it can be used to measure consideration or purchase intention in the middle and lower funnel.

Suppose a hotel chain has just launched its first marketing campaign on a new hotel benefit. The chain performs a brand lift study to find out whether its target audience is interested in the new offer. The study can find out the likelihood that travellers will pay more to have access to the hotel perks, as well as a consumer's perception of the chain after seeing an ad about it.



## **USE MESSAGING TO HIGHLIGHT THE VALUE OF YOUR OFFER.**

Messaging in tourism marketing campaigns is the best tool to make consumers understand why they should book with you. In travel and tourism marketing, it can be used to build consumer trust and personalisation. It is an opportunity to share what makes your offer stand out.

In terms of personalisation, consider what features of your offer appeal to a specific audience. For example, resorts that are eco-friendly should highlight this in their messaging. Let your audience know what the resort is doing in line with its values. With many consumers looking to travel with a purpose, this could be the deciding factor in the purchase decision.

Travel and tourism marketing is going far, so in conclusion, remember to monitor your tourism marketing campaigns to keep up with current travel trends. Be sure to exploit strategies that reach the right audience, at the right time. This could mean using geotargeting to attract domestic travellers, or creating messages that align your offer with consumer values. The key is to test strategies until you find the perfect mix.

# Best Practices

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## AUSTRIA

**Certainly, one of the most important tourist destinations in Europe, thanks to its natural beauty, rich cultural history, and the hospitality of its people: but what has made Austria so attractive to tourists from all over the world?**



First of all, Austria has made the most of its natural resources, such as the Austrian Alps, the Danube and the numerous lakes and nature parks, offering tourists unforgettable experiences such as skiing, hiking, cycling and rafting.

It also has an invaluable cultural and artistic heritage, with art cities such as Vienna, Salzburg and Graz offering internationally renowned museums, theatres, concerts and festivals.



But Austria has not stopped there: in order to attract more and more tourists and guarantee them an unforgettable holiday, the country has implemented numerous 'Best Practices' such as caring for the environment, promoting local and quality products, using advanced technology to improve the tourist experience, and training staff to offer an increasingly efficient and welcoming service.



It has been able to adapt to the new needs of tourists, offering digital services for booking accommodation and activities, and promoting sustainable and responsible tourism that respects the environment and local culture.



## RE-EXPERIENCING



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# Best Practices

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## TRENTINO

**In Italy, one of the most attractive and successful destinations in terms of experiential tourism is undoubtedly Trentino.**

In recent years, in fact, there has been a constant and strong increase in annual attendance per season (excluding the two anomalous seasons caused by the pandemic).

This substantial growth in tourism in Trentino is undoubtedly the result of the **Vision** and the **Best Practice** applied by the entire tourism organisation sector of the Autonomous Province of Trento.

In fact, Giorgio Cestari, head of the Province's Tourism Service explained that 'tourists no longer choose a holiday destination only for the beauty of the area but also for the opportunity to have experiences, Trentino invests a lot in active and sporting holidays'. **The new Trentino tourist organization, explained the manager, places the tourist at the center of attention** and is structured on four levels, from the APTs, which take care of tourists in the area, organise information, reception and propose tourist products, to the Territorial Area Agencies, which have the task of devising and proposing activities with a wider territorial scope than the individual APTs. Alongside these there is Trentino-Marketing, the Trentino Agency for territorial tourism marketing, which oversees the Trentino brand, plays a system role, organises major events and follows general territorial marketing activities for the whole of Trentino, as well as overseeing markets.

Accanto a queste c'è Trentino-Marketing, l'Agenzia del Trentino per il marketing turistico territoriale, che presidia la marca trentina, svolge un ruolo di sistema, organizza i grandi eventi e segue le attività generali di marketing territoriale per tutto il Trentino, oltre che il presidio dei mercati.



 RE-EXPERIENCING



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**SUSTAINABLE  
EXPERIENTIAL TOURISM**

**02**



# Importanti fattori da considerare

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In recent decades, the tourism sector has experienced unprecedented development, since the 1960s it has become one of the most important industries on a global scale, in 2019 its contribution to global GDP was around 10.4%. Globalisation has led to the rapid growth of fast and affordable transnational means of transport for a large part of the population. Digitalisation and especially the spread of social media have also increased the attractiveness of some tourist destinations, making them discoverable to people from different parts of the world. Gradually, several seaside, mountain and art city destinations have begun to transform their social and economic fabric to adapt to the requirements of the tourism sector, making this activity their main source of income.

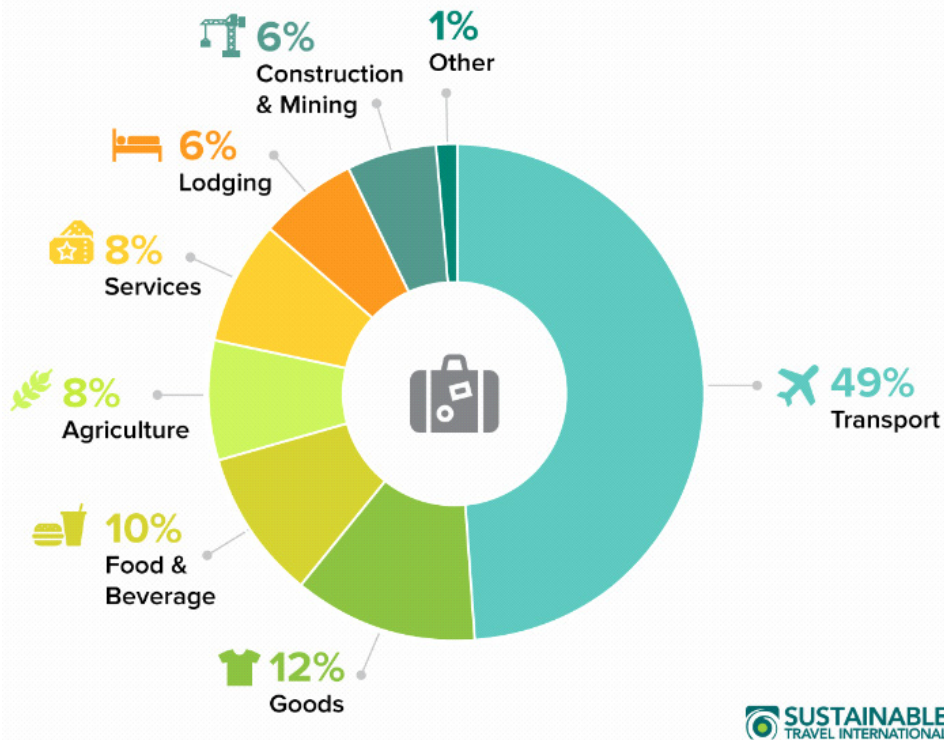
**The continuous increase in the number of international tourists moving around the globe has resulted in a number of positive socio-economic impacts for the communities concerned, especially in relation to employment and economic growth, but some social and environmental issues have begun to emerge.**



Tourism activities as a whole are responsible for 8% of global carbon emissions. The environmental impact of travel can be of two different types: direct, which occurs because of human activities, such as the construction of accommodation facilities; and indirect, which is the modification of certain ecosystems, such as the production of waste and the pollution of water resources. High levels of consumer goods and their non-disposal often create waste management problems.

The main source of GHG emissions is transport, such as aircraft and cars, between 2005 and 2016, transport-related tourism emissions increased by more than 60 per cent, the problem may continue to worsen as international tourists continue to increase.

## Carbon Footprint of Global Tourism




This graph shows the different activities that contribute to tourism's total carbon footprint

Data Source: [Nature Climate Change \(2018\)](#)

From a social point of view, the biggest problem of traditional tourism activities is the uneven distribution within tourist destinations. This means that the income produced by tourism hardly stays at the local level and impacts the economic situation of the destination communities.

**In order to be able to explain the new phenomena created by tourism, the World Tourism Organisation has coined the definition of “over- tourism” as “the negative impact that tourism, within a destination or part of a destination, has on the perceived quality of life of residents and/or the visitor experience”.**



Over tourism is therefore considered a consequence of an unplanned tourism model that has as its main purpose the intensive exploitation of resources, without medium- to long-term resilience considerations. The increasingly evident problems associated with a classic model of tourism and the difficulties that have emerged in recent years have stimulated the development of new tourism models that experiment with innovative approaches to the management and distribution of services.

One of the most developed lines of research has been that which places particular emphasis on the involvement of the consumer within the tourism experience, i.e. so-called ‘experiential tourism’, the type of tourism that ‘offers experiences in places that are new or unique to the traveller, enhance the natural environment and challenge through cultural experiences, activities that promote health and excitement/entertainment (Source: North American Adventure Travelers).

Selling an 'experience' means actively engaging visitors so that they have the opportunity to experience routes designed for them, engage with the local culture and connect with the place. Different aspects and elements such as nature, activities and culture are combined to create an experience that is transformed into a tourism product. Typical examples of experiential tourism are hiking itineraries and adventure sports, or food and wine itineraries and co-created experiences such as cultural and rural tourism.

## **There are two main characteristics of experiential tourism:**




Holistic approach to experiences: building a product experience means designing 'sensory points' or 'touchpoints', in marketing parlance. These terms are used to refer to the moments of contact created between the consumer/tourist and other stakeholders (this can be a product, a service or a brand, even an event). Sensory tourism activities create routes of various kinds that involve the tourist in the place/community.



Within experiential tourism activities, tourists are active players, i.e. they participate in the creation of the experience. While in more traditional forms of tourism they have a passive role of "visiting" the destination, in experiential tourism tourists actively participate in each stage of the design of the experience.

**The involvement of tourism in the co-creation of the experience makes tourists responsible for the conservation of the natural resources of the place of conservation and the importance of minimising their own impact. Certain strands of experiential tourism have created specific activities to reconnect people with nature and promote environmental sustainability through travel or experience.**



According to the World Tourism Organisation (UN, 2016), sustainable tourism development is defined as “tourism that takes full account of its current and future economic, social and environmental impacts by meeting the needs of visitors, industry, the environment and host communities”. This means that the objectives of sustainable tourism do not end with the optimal utilisation of resources and the conservation of biodiversity, but also include the respect and preservation of all those socio-cultural aspects that characterise the local destination communities.

Consequently, experiential tourism is a particularly suitable model for designing sustainable tourism activities. The holistic approach fits the multi-sectoral dimension of sustainable tourism and makes it its most innovative feature. Indeed, while the flows generated by mass tourism have often neglected their impacts on the environment, experiential tourism, through its planning, makes sustainability one of its strengths.

Since 2006, the European Union has also emphasised the importance of sustainability within the tourism sector, setting itself the goal of “improving the competitiveness of the European tourism industry and creating more and better jobs through the sustainable growth of tourism in Europe and globally” . The Union’s commitment in this respect was also demonstrated by the drafting of the European Agenda 21 for tourism, based on the analyses produced by the Tourism Sustainability Group and published in the document ‘Action for a more sustainable European tourism’.

The balance between economic, socio-cultural and environmental dimensions is considered by the Commission as an element of competitiveness of the European tourism sector. Natural and cultural heritage and local communities determine the particular characteristics of each tourist destination, and new development models must be developed to preserve their authenticity. In this respect, tourism plays a key role, involving several areas, from the conservation and sustainable management of natural and cultural resources to the environmental impact of means of transport, from the reduction of the ‘season’ effect on the destination to non-discriminatory access to tourist activities. Tourism also addresses the issue of employment and digitalisation, contributing to the implementation of the Lisbon strategy and to the construction of a more sustainable development.



**The Commission has defined a number of key principles of sustainable tourism aimed at raising stakeholders' awareness of the need to adopt more holistic and integrated strategies that are geared to the long term and favour longer stays.**

Other points emphasised to the Commission are:



Minimising and managing risks (precautionary principle)



Reflect cost impacts (user and polluter pay)



Set and respect limits where appropriate



Carry out continuous monitoring

## **The European Union has implemented several instruments to promote and guarantee sustainable tourism**

The 'European Tourism Indicator System' (ETIS) i.e. a set of specific indicators to measure the sustainability of tourism activities. ETIS is a system of indicators suitable for all tourism destinations, which encourages them to adopt a smarter approach to tourism planning and serves as a monitoring system to collect and store data and information.



### **MAIN INDICATORS:**

A.1.1 Percentage of destination with a sustainable tourism strategy/action plan with an agreed monitoring, development control and evaluation mechanism.

A.2.1 Percentage of tourism enterprises/structures in the destination that use a voluntary verified certification/label for environmental/quality/sustainability and/or corporate social responsibility (CSR) measures

A.3.1 Percentage of visitors satisfied with the overall experience at the destination

A.4.1 Percentage of visitors who say they are informed about the destination's sustainability initiatives

B.1.1 Number of tourist overnight stays per month

B.2.1 Average length of stay of tourists (nights)

B.3.1 Direct employment in tourism as a percentage of total employment

C.1.1 Number of tourists/visitors per 100 residents

C.3.1 Percentage of commercial accommodation establishments that have rooms accessible to people with disabilities and/or participate in recognised accessibility programmes

C.4.1 Percentage of destination adopting a cultural heritage policy or plan

D.1.1 Percentage of tourists and walkers using various means of transport to reach the destination (public/private and type)

D.3.1 Volume of waste generated by destination (tonnes per resident per year or month)

D.5.1 Freshwater consumption per tourist overnight stay compared to that of the general population per person per night

D.7.1 Percentage of destination (area in km<sup>2</sup>) under protection

D.9.1 Contamination level per 100 ml (faecal coliforms, campylobacter)

ECOLABEL Certification, established in 1992 by the European Union, is the voluntary certification for the environment and sustainability. ECOLABEL certifies products and services with a low environmental impact, through independent verification and guarantee sources. The certification sets high environmental standards for the entire life cycle of products/services. For the tourism sector in particular, ECOLABEL establishes 22 different criteria that accommodation facilities must meet in order to obtain a licence. These environmentally aware tour operators commit to reducing water consumption, plastic waste and greenhouse gas emissions during travel. Moreover, those who choose an EU Ecolabel-certified accommodation facility are guaranteed the highest environmental integrity. ECOLABEL is an action promoted by the EU to transform the tourism industry and make holidays sustainable for all. ECOLABEL addresses several critical points of environmental sustainability.

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Difficulty for companies to monitor and measure their environmental performance and progress. The EU Ecolabel helps them measure the impact of their tourism actions by requiring an environmental management system with a clear environmental policy, action programme and internal evaluation process. For example, staff training and the provision of information to raise awareness of environmental practices is required. Data on energy, water, food and product consumption per guest/night, as well as the number of cleaning products used, must also be monitored.



Excessive unnecessary carbon emissions and inefficiency in energy use. To reduce excessive energy use due to inefficient installations, the EU Ecolabel ensures that preventive maintenance is carried out on installations. Water heating, air conditioning and air-source heat pumps must comply with at least energy class A. In addition, the temperature in common areas and rooms must be regulated with automatic switch-off, and hotels and campsites may not use heating or air conditioning in outdoor areas



Excessive amounts of water are often wasted in tourism due to inefficient systems and equipment. The EU Ecolabel provides solutions to minimise the amount of water in accommodation through requirements on the average flow rate of taps (which should not exceed 8.5 litres/minute) and toilet flushes (which should be equal to or less than 8.5 litres/minute). In addition, hotels and campsites may not change sheets and towels every day, unless explicitly requested by guests.



Accommodation facilities can have a negative impact on the environment through the use of environment through the use of pesticides and chemicals. The EU Ecolabel limits the polluting effects of cleaning services by giving certified accommodations the option of outsourcing laundry services or purchasing EU Ecolabeled detergents and rinse-off cosmetics.



Tourist accommodations create large amounts of solid waste that may end up in landfills instead of being properly recycled or recovered. The EU Ecolabel aims to reduce the amount of waste generated in accommodation facilities and optimize its management. For example, hotels and campgrounds may not use single-serving packages for non-perishable food products, and disposable toiletries are prohibited.



The tourism industry often induces a large amount of carbon emissions from transporting guests. EU Ecolabeled accommodations limit these emissions through environmentally preferable means of transportation, special agreements with transportation agencies, and potentially offering eco-friendly transportation such as electric vehicles and bicycles.



With kitchens open 24/7 for room service and generous hotel buffets, the tourism industry is a major player in food waste. The EU Ecolabel limits food waste by requiring accommodations to follow a documented “food waste reduction plan,” including food waste monitoring linked to an action program focused on optimizing food and packaging waste.



Another major action taken by the Union in supporting sustainable tourism is in the area of the circular economy, which saw the adoption in 2020 of the new Circular Economy Action Plan (CEAP) as a key part of the European Green Deal. This plan promotes a new way of designing products and services, supporting sustainable consumption and waste reduction, creating opportunities to actively seek cost reduction and promote product and service innovation. The value chain created by the tourism sector encompasses many sectors; tourism activities take into consideration travel methodologies, land use, construction of new buildings, and the provision of consumer goods to the beneficiaries of different services. Stakeholders within the tourism sector therefore play a key role in facilitating a sustainable and circular transition.

# Best Practices

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## INNOVATIVE MODELS - ALBERGO DIFFUSO

**In Italia si è sviluppato un modello innovativo di ricezione turistica che prende il nome di “Albergo Diffuso”.**

An innovative model of tourist reception has developed in Italy, which goes by the name of “Albergo Diffuso.”

The idea of “albergo diffuso” originally arose from the idea of using empty houses renovated with funds from the post-earthquake in Friuli (1976) for tourism purposes. The main idea is to dislocate the tourist experience in different properties located in the same urban core, hence the adjective “diffuso” denoting a horizontal structure involving the whole community and not vertical like traditional hotel models.

The “Albergo diffuse” is characterized as a proposal for a sustainable and environmentally friendly tourism model, as it is placed within the peculiar characteristics of each community by promoting the Idea of “hotel village” especially in places not traditionally considered as tourist destinations, such as small historic centers and ancient villages and nuclei or rural or mountain settlements.



The diffuse hotel is to counter the idea of predatory tourism, instead of building huge hotels close to the beach or in pristine areas in places taken over by mass tourism, the diffuse hotel model imposes local customs on tourists, raising awareness of the need to preserve the local environment and culture. In addition, the rehabilitation of old abandoned buildings promotes the redevelopment of the local environment, avoiding the construction of large new buildings for reception.

Some Albergo Diffusi hotels, such as the one established in the historic center of Tresnuraghes, Sardinia, have received ECOLABEL certification from the European Union for having restored the village's houses respecting traditional forms, materials and colors and for promoting environmentally friendly activities and creating " a garrison to safeguard the cultural identity of a place, its inhabitants and their lifestyles, which are rooted in centuries <https://www.asfodelihotel.com/perche-siamo-un-albero-diffuso/>

# Best Practices

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## TRIAL MODEL

**RUTA VICENTINA:** The Rota Vicentina organization takes its name from the path of the same name that runs south of Portugal for more than 740 km of trails. Along the Rota Vicentina are diverse landscapes and environments, including traditional villages, local businesses, and different types of agriculture. In addition, much of the trail is found passing through the natural park of the southwestern Alentejo and Costa Vicentina. Rota Vicentina, with co-funding from the European Union and regional and national tourist boards, has created a platform where you can plan your own trip and discover the different trekking routes along the trail that pass through historic villages or how to visit the trails on Portugal's famous coasts in a sustainable way. One of the most famous coastal trails is the Fishermen's Trail a hiking route marked by the paths used by fishermen to access the coast.

The strength of the Fishermen's Trail is the experience of the authentic local culture of fishermen



meeting the locals,



staying in guesthouses and small hotels in the villages



eating in local seafood restaurants

The Rota Vicentina association promotes standards of quality and sustainability and in their activities through a certification issued to accommodations and restaurants that the various catering, reception and transportation services are partners in the project, who invest in, know and preserve the Rota Vicentina project.

If there is one factor that distinguishes Rota Vicentina from many itineraries in the world, it is the fact that it is a private association based on a network of dozens-actually two hundred! - local businesses. These companies believe in the principles of sustainability that the project has maintained vis-à-vis the area, and their investment is divided between their own business and the common work that Rota Vicentina represents.

There are nearly a hundred different accommodation options, including country houses, rural tourism, local lodging, hostels, campgrounds and hotels, some with exclusive offers for hikers or mountain bikers. Through the Rota Vicentina website you can also choose from a selection of events and activities to discover the local culture.

<https://rotavicentina.com/en/>

# Best Practices

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## SUSTAINABLE TRANSPORT

Data from the European Environment Agency's latest Transport and environment 2020 report show that in 2018, transport in the European Union was responsible for 25 percent of greenhouse gas emissions, with road transport accounting for 72 percent. Maritime and air traffic also weigh on our emissions, 14 percent and 13 percent respectively.

The most sustainable means of transportation is definitely the bicycle, which is why in recent years the European Union has promoted and incentivized the construction of new bicycle paths. There has also been widespread construction of routes designed for bicycles, aimed at tourists who want to enjoy alternative and sustainable experiences. From 2009 to 2011, the European Commission awarded a number of grants to selected projects that support the development and promotion of bicycle routes throughout Europe.

In 2009, the Commission organized outreach activities on the "Iron Curtain Trail," a 6,800-kilometer bicycle path that follows the old "Iron Curtain" border from the Barents Sea to the Black Sea. In 2010, six more projects were subsidized to improve the sustainability and competitiveness of European bicycle tourism. In 2011, the Commission supported the development of EuroVelo, which is a network of 14 long-distance routes managed by the European Cyclists' Federation. With more than 5.3 million visitors and an average increase of 20 percent each year, EuroVelo is one of the leading cycling tourism web platforms for planning cycling vacations in Europe.

Eurovelo 8 is a cycling adventure of more than 3,300 km through no less than 9 countries : Spain, France, Italy, Slovenia, Croatia, Bosnia-Herzegovina, Montenegro, Albania and Greece.

The MEDCYCLETOUR project was based on the EuroVelo8 - Mediterranean route and aimed to develop cycling tourism in the Mediterranean region by providing transnational tools to attract visitors. Funded by the Interreg Mediterranean Program, the project had a budget of more than 2.5 million euros.

MEDCYCLETOUR was a three-year project that started in February 2017 and ended in August 2020. It ran along the EuroVelo 8 long-distance cycling route, which connects many destinations that are popular tourist attractions in their own right: Cadiz, Barcelona, Monaco, Venice, the Croatian coast, Cyprus-the list goes on.

Benefits of bicycle tourism in the Mediterranean region:



Zero-impact means of transportation



Contributes to the sustainable economy of the place of destination



Local communities can also benefit from bike paths (social sustainability)

<https://medcycletour.interreg-med.eu/>

**PUBLIC-PRIVATE PARTNERSHIP  
IN EXPERIENTIAL  
TOURISM**

**03**



# Important factors to consider

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Networks are considered an important way of creating opportunities and transferring knowledge, as the construction of extended networks of relationships directly or indirectly allows for a greater perception of the environment (FRANCO,2006). In this sense, inter-firm cooperation is presented as an appropriate response, enabling companies in different fields to strengthen and/or complement their limited resources without jeopardizing their individuality (FRANCO,1995).

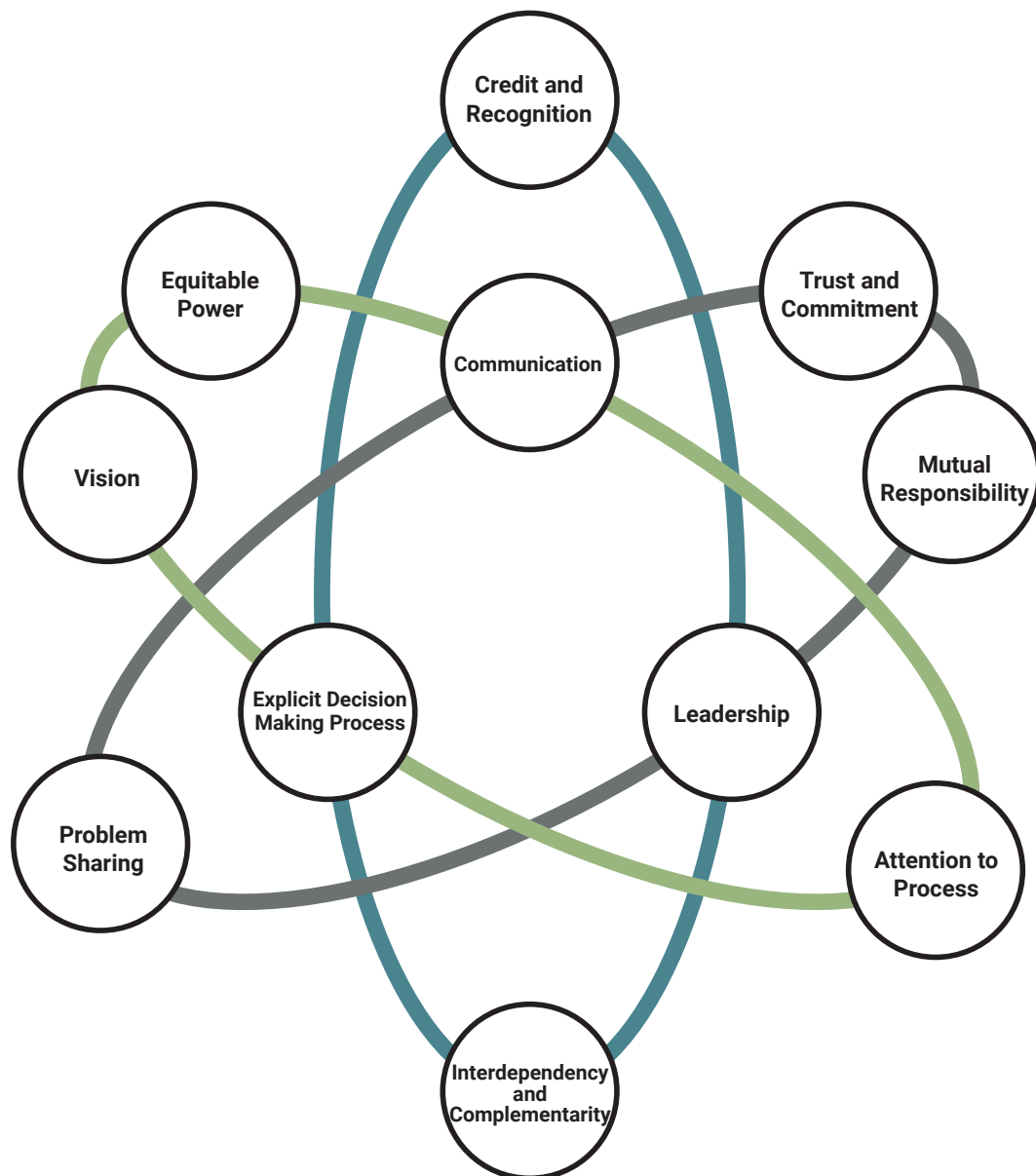
The importance of strategic alliances for organizations has increased significantly, registering a tendency to continue to evolve, due to factors such as increasing international competitiveness, rapid technological progress, and the constant sophistication of the market, customers, and suppliers. Strategic partnerships, in the form of strategic alliances, are a method of cooperation that can be established between public sector entities or between private sector companies, or even between public and private entities. The purpose of this section is to clarify several concepts and elements related to partnerships and PPPs.

A public-private partnership (PPP) in tourism is a collaboration between the public and private sectors to develop and manage tourism infrastructure, products, and services. The public sector may include government entities, non-profit organizations or other public agencies, while the private sector may include businesses, investors and other commercial entities.

PPPs in tourism can offer several benefits, including improving infrastructure, increasing tourism revenues, creating jobs, and enhancing visitor experiences. However, they can also be complex to negotiate and manage and require careful consideration of various factors, such as financing arrangements, risk allocation, and performance metrics.

In a PPP, the public sector provides various forms of support, such as land use rights, tax incentives, regulatory oversight, and financing, while the private sector provides funding, expertise, and other resources to develop and operate tourism facilities and services.

PPPs in tourism can take various forms, including developing new attractions, renovating existing facilities, providing tourism-related services, and promoting tourist destinations. Some examples of PPPs in tourism include the development of theme parks, hotels, cruise ship terminals, museums, and other cultural attractions.



According to Spink and Merrill-Sands (1999), a number of factors explain the success of a partnership, including the following elements: i) strong vision of the goals to be achieved, ii) strong and shared leadership, iii) shared definition and approach to the problem, iv) equitable power, v) interdependence and complementarity, vi) shared responsibility, vii) focus on process, viii) communication links, ix) explicit decision-making, x) trust and commitment, and xi) credit and recognition. These elements are interdependent, as shown in the figure below, such that their successful implementation enables the creation and development of an open and trusting environment.

# Public-private partnerships (PPPs)

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PPPs can be seen as a cooperative alliance between the public and private sectors in various areas of intervention traditionally inherent to the public sector, but without embracing a process of complete privatization (LINDER, 1999).

The underlying premise of PPPs is to bring benefits to all parties involved through the alignment of their resources and goals. PPPs are becoming increasingly popular as governments realize that these arrangements can have many tangible and immediate benefits, and the private sector is granted access to new markets and opportunities (PART).

PPPs are essentially partnerships between public sector organizations and private and corporate investors for the purpose of designing, planning, financing, building, and delivering infrastructure or services. ECLAC (2007) adds that PPPs are characterized by the sharing of risks, investments, resources, responsibilities and rewards. According to Kim, Kim and Lee (2005), PPPs are not the solution for the complete transfer of all services, as partnerships of this type have benefits and process risks.

**Secondo questi autori, i benefici sono i seguenti:**



### **COST REDUCTION**

With PPPs, governments and administrations are able to realize cost savings, not only in the construction of capital projects, but especially in the operation the maintenance of services;



### **IMPROVING SERVICE LEVELS OR MAINTAINING CURRENT SERVICE LEVELS**

PPPs can introduce innovations in the way services are organized and executed.



### **IMRPOVING PROFITS**

PPPs can establish user fees that reflect the real costs of a specific service. Public-private partnerships Public-private partnerships also provide opportunities to introduce innovative sources of revenue that would otherwise not be available through conventional methods of service delivery.



## **RISK SHARING**

With PPPs, the government can share risks with a private partner. Risks may include excess costs, failure to meet service delivery schedules, difficulties in complying with environmental and other regulations, or the risk that earnings will not be sufficient to pay operating and capital costs.



## **INNOVATION**

Private sector partners in a PPP can bring new and innovative ideas that can help create more unique and attractive tourism products. This can help increase tourism revenues and provide a competitive advantage in the global tourism market.



## **INCREASED EFFICIENCY**

PPPs can help improve the efficiency of tourism facilities by enabling private sector partners to introduce new technologies, processes and management techniques. This can help reduce costs, improve service quality, and increase overall customer satisfaction.



## **MORE EFFICIENT IMPLEMENTATION**

Efficiency can be achieved through a combination of different activities, such as creation and construction, more flexible acquisitions and hiring, and faster approvals for more efficient capital financing and decision making.



## **MORE ECONOMIC BENEFITS**

More government involvement in PPPs can help and stimulate the private sector and help increase employment and economic growth.



## **ACCESS TO PRIVATE SECTOR EXPERTISE**

Private sector partners in a PPP bring valuable skills and knowledge in areas such as design, construction, and management of tourism facilities. This expertise can help ensure that projects are developed efficiently and effectively, leading to better outcomes and higher quality facilities for tourists.

**Regarding risks, Kim and Lee (2005) state the following:**



### **LOSS OF CONTROL BY THE GOVERNMENT**

PPPs, by their nature, involve the sharing of risks and decision-making among the partners. PPPs that involve significant investment and risk on the part of the private partner often involve greater involvement in decisions about how services are delivered and pricing;



### **INCREASED SPENDING**

In setting pricing and tariff policies for service users, not all governments consider the “true” costs of services. The service provided through PPPs requires pricing and fee policies that reflect the full cost;



### **POLITICAL RISKS**

Many governments lack experience with PPPs, and this lack of familiarity with PPPs on the part of governments and stakeholders can lead to greater political risks. Collective bargaining agreements and labor laws applied to PPPs can cause a negative reaction from unions or public employees;



### **ACCOUNTABILITY ISSUES**

With PPPs, accountability for service delivery is less clear to the public than with the traditional method.



## **TRADITIONAL METHOD**

This can lead to public criticism of the partnership and the partner involved, or to calls for greater government involvement to ensure to ensure compliance and responsiveness to public demands;



## **INSECURE SERVICES**

Private partners may have labor disputes, financial problems, or other circumstances that prevent them from honoring their commitments.



## **LACK OF COMPETITION**

Competition leads to innovation, efficiency and cost reduction. Governments may not be benefiting from PPPs if there is a limited number of potential private partners with the know-how or capacity to respond to a given proposal.



According to ECLAC (2007), PPPs can take many forms to promote tourism as part of the competitiveness of this sector, updating strategies in different areas and using different tools. In this context, the following section discusses PPPs in the tourism sector.

# The stakeholder theory of tourism

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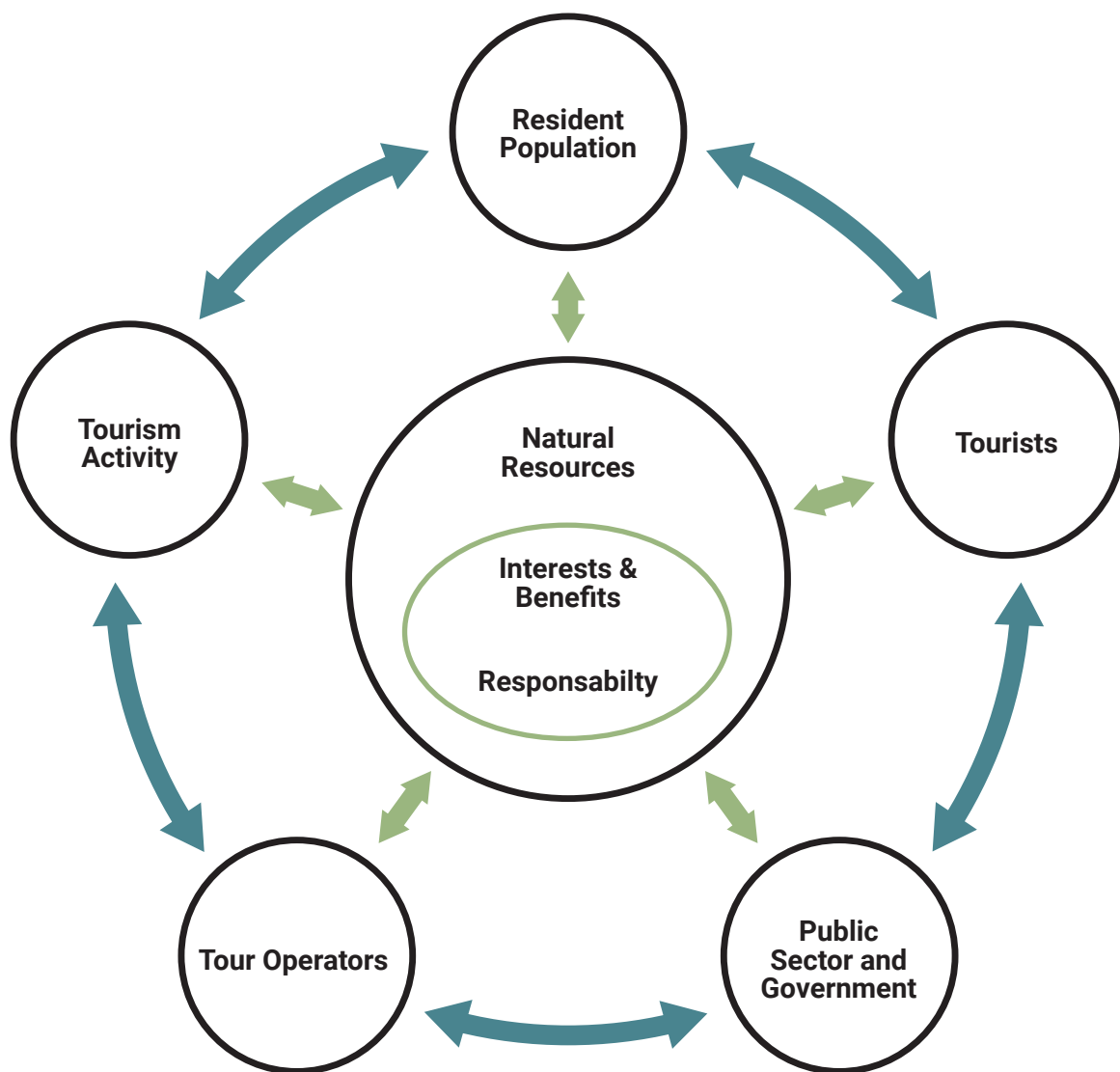
A tourism destination is the set of products, services, and experiences offered in a certain well-defined geographic area that allows the impacts of tourism to be perceived and the supply and demand to be managed in a way that maximizes the benefits of all stakeholders (BUHALIS, 2000).

The application of stakeholder theory to any industry presupposes that moral issues become a concern to be disclosed in the management of the business (ROBSON; 2000). Marketing strategies adopted by any destination should consider the desires and expectations of all such as the resident population, entrepreneurs and investors, tourists, tour operators, intermediaries and other interest groups.

One of the biggest challenges is to ensure the use of public goods such as natural resources for the benefit of all stakeholders and at the same time preserve these resources for future generations.

Conflicts often arise, especially if stakeholders intend to benefit from existing resources from a short-term perspective (BUHALIS, 2000). Tourism stakeholder relations, from the perspective of Buhalis (2000).

**Public-private partnerships (PPPs) are a common practice in the tourism industry in Europe.**



## Examples of successful PPPs in European tourism:



**Ski resorts in the Alps:** Many ski resorts in the Alps are operated through PPPs, in which public authorities provide infrastructure such as roads, water, and electricity, while private companies build and operate the ski lifts, hotels, and other services. The partnership ensures sustainable development of ski resorts while creating jobs and stimulating the local economy.



**Cultural Attractions in Spain:** In Spain, PPPs are used to preserve cultural heritage sites, such as castles and historical monuments. Private companies provide funding for restoration and maintenance, while the government provides access to the sites and promotes them as tourist destinations.



**Promotion of tourism in Portugal:** a PPP has been created in Portugal to promote tourism in the country. Private companies provide funding and expertise to develop marketing campaigns and attract visitors to Portugal, while the government provides support and resources to facilitate tourism growth.



**Cruise Ship Terminals in Italy:** In Italy, PPPs are used to build and operate cruise ship terminals. Private companies invest in terminal construction, while the government provides access to port facilities and promotes the country as a cruise destination.

**Examples and suggestions of successful PPPs in the tourism sector in Europe. Each partnership is unique and tailored to the specific needs and goals of the parties involved.**



## **CLEARLY DEFINED OBJECTIVES**

Both public and private partners must have a clear understanding of the goals and objectives of the project, including desired outcomes and benefits.



## **A SOUND LEGAL AND REGULATORY FRAMEWORK**

A well-defined legal and regulatory framework is essential for successful PPP projects in the tourism sector. This includes clear rules and procedures for procurement, project management, and dispute resolution.



## **SOLID FINANCIAL STRUCTURE**

PPP projects require a sound financial structure that guarantees both parties a fair and sustainable share of the risks and rewards. This may involve innovative financing arrangements, such as revenue sharing mechanisms and performance-based



## **EFFECTIVE RISK MANAGEMENT**

PPP projects in the tourism sector involve risks, such as fluctuations in tourism demand, environmental concerns, and geopolitical instability. Effective risk management is critical to ensure the long-term sustainability and viability of the project.



## **STAKEHOLDER ENGAGEMENT AND COMMUNICATION**

Effective engagement and communication with stakeholders is essential to build support and trust among partners and the community at large. This involves regular consultations with stakeholders, including local communities, businesses, and tourists. A good partnership must be based on a shared vision



## **PERFORMANCE MONITORING AND EVALUATION**

To ensure that the project achieves its objectives, it is important to have a robust performance monitoring and evaluation system in place. This involves regular reporting and analysis of key performance indicators, such as visitor numbers, revenue, and economic impact.

