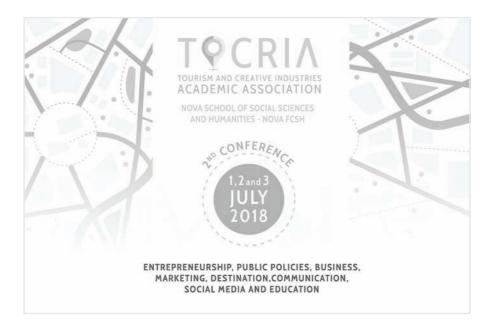# TOCRIA Experts Discuss the Changes in the Tourism Industry

by Diogo Resende and João Neves

Introduction

The second conference of TOCRIA (Tourism and Creative Industries Academic Association) took place at the Nova School of Social Sciences and Humanities in Lisbon between July 1-3, 2018. The event was supported by the ongoing ITRACOTUR project (Initiative for the Transfer of the Knowledge on Tourism), in partnership with CEPESE, Media XXI, Portuguese Press Association, among other partners. This report is a summary of the key presentations of this event.

JOÃO PALMEIRO – President of Google Fund
and Portuguese Press Association **(2nd July)**

The Role of Media and Brand Content in the Promotion of National Tourism

João Palmeiro began his presentation by posing an important question: "why do people travel?" In his words, there are several key reasons for travelling, whether abroad or within one's own country. These are leisure, getting to know other cultures and exchange experiences, as well as business reasons. Palmeiro also mentioned that the cultural industries can be the most useful for tourism when it comes to storytelling, based on an exchange of knowledge and experiences, along with exploring the local culture. Anthony Bourdain's show is a good example of storytelling.

For Palmeiro, the future of the tourism industry should consider different ways of visiting a city and tailoring tourist offers. Palmeiro is positive about the impact of digital technologies and AI in the tourism industry: "AI is there for us, not for itself." Moving on with his presentation, Palmeiro claimed that the modern way of thinking was a result of the endeavours envisaged by Henry, the Navigator, a key figure in the expansion of the Portuguese empire throughout the world. Applying this idea to tourism makes sense because, as Palmeiro believes, tourism is about pluralism and diversity above everything else. During the Portuguese expansion, Portugal was more open to pluralism and diversity than any other country in the world. When it comes to the way the media talk about tourism, it is usually focused on recommendations, having more and more stories about 'where to go on my next trip.'

For Palmeiro, more than an industry, tourism should instead be a way of being, a pathway for Portugal's development.

SÉRGIO GUERREIRO - Director of Knowledge Management, Turismo de Portugal
Chairman, OECD Tourism Committee & ETC Market Intelligence Group **(2nd July)**

Strategic Communication and Decision-Making Processes

Sérgio Guerreiro began his presentation by contextualizing Portugal's economic and social situation during the *Troika* financial intervention (2011-2014) and how it relates to the ongoing tourism boom. In that period, the tourism sector faced the need to become innovative because of the difficulties brought by an economic downturn. A severe rise in unemployment also led to the necessity of increasing the competitiveness and adding value to the tourism experience. In 2014 (the peak of the crisis), it was an "innovate or die" situation. According to Guerreiro, Portugal had some conditions that helped it to surpass the crisis, such as highly qualified people working in ICT and the support of institutional investments and business angels for attracting startups. Tourism is both an exportable mass industry and a field favourable for startups to test innovative ideas.

Nowadays, Portugal is the 14th most competitive tourism market in the world, even though it is placed in a modest 46th position in terms of the overall competitiveness of its economy. Guerreiro claimed that tourism is a composite product (a 'package') and that technology enables to maximize travellers' time. Afterwards, the speaker highlighted the work of the public institution Portugal Ventures, which is a venture capital company. Portugal Ventures provides specialized services to startups; it advises entrepreneurs on available financial instruments; participates in marketing campaigns and initiatives; mobilizes national and international mentorship programs and promotes the coordination of the entrepreneurial ecosystem agents and partnerships with accelerators and incubators. Therefore, Portugal Ventures is a key player in facilitating innovation in the tourism sector of the country.

Portugal has been investing in stimulating its entrepreneurial culture and ecosystem. An example of this is the successful Start-up Lisboa, which promotes access to funding too. All these initiatives, as well as the main flagship event (Web Summit) aim to add value to Portugal's brand as a place of innovation. Portugal is now more and more often viewed abroad as a country of innovation.

RICARDO BRAMÃO - Founder and Executive President of APORFEST **(2nd July)**

The Impact of Music and Festivals on Tourism Promotion

At the event, Ricardo Bramão, founder and executive president of APORFEST, presented his work on the impact of music festivals and how it relates to tourism. His presentation was based on the 1st edition of APORFEST's Annual Report and the 5th edition of the Profile of Festival Goers and Social Environment, both released in 2017. Its main goal is to present numbers and conclusions from his studies to TOCRIA's audience.

In 2017, 272 festivals occurred in Portugal, with 15% (38) of them celebrating their first edition. Those 272 festivals were attended by 2.5 million people, with foreigner public coming mostly from the United Kingdom, Spain and France. Most of the festivals were held in Lisbon and Oporto (96 and 79 in 2017, respectively).

The biggest festivals in Portugal are MEO Sudoeste, NOS Alive and Vodafone Paredes de Coura, which can bring up to 100.000 people to their locations in over three days. In a general sense, there are more small festivals (i.e., festivals that attract less or around 1.500 people) in Portugal than major or medium ones, with the majority being sponsored and named after their municipality.

Regarding the profile of an average festival goer, although almost equal, 55% is female, with more than half of the audience being in their 20s. As of the communication of the festivals, they reach their public mostly via digital channels – online ads, social media, and websites. TV ads were not used that often. Only 3% of those that answered the inquiry chose TV as their mean of receiving information about a festival.

Another thing which is worth mentioning, since it affects the promotion of tourism in these regions, is the acquisition of the festival tickets. 76% of the festival goers buy the tickets at least 6 months in advance. Moreover, 72% of the festival goers bought full access tickets to the events. As for the use of those festivals for brand awareness, 43% of those that took part in the study felt like brands did increase their personal experience of the festival.

ROSÁRIO MIRA (2nd July)

Quality of Tourism:
From Training to Intervention

The main goal of Rosário Mira's presentation was to explain the importance of knowledge and training and how it translates into the quality of tourism. The speaker looked at those topics through the perspectives of technical literature, the World Tourism Organization (WTO) and the Portuguese public decision-makers.

As the WTO keeps investing into qualification, the training and knowledge of tourism isn't any more a question which affects companies and the individual, but it's rather part of a condition that establishes creativity, innovation and entrepreneurship in tourism. In other words, without innovation, there's no knowledge, and without knowledge, the quality of tourism and touristic destination decreases. In this sense, it's important that the curriculum has an emphasis on specific features of each region, and it should be as multidisciplinary as ever, including tourism organizations, and tackling the studies of how tourism can and should be done by learning from the best cases. And with this in mind, the innovation comes from the human resources, the ones that stimulate and introduce changes in organizational practices through entrepreneurship.

To achieve that, WTO created the UNWTO. TedQual Certification System, a program which tries to secure the quality of the formation of tourism on a global level. With this program, the WTO are making sure that the future leaders are ready to use the ICT to contact clients, develop action plans with the local communities, establish creative partnerships with stakeholders, modernize company management through specialized knowledge of human resources, monitor competition and understand the opportunities to create and capture new businesses and markets, implement benchmarking processes, and know how to be entrepreneurs, innovators and socially responsible citizens.

As for the Portuguese decision-makers, they toned to understand that tourism development should serve to improve the quality of life of local residents. This responsibility falls to the local municipals that should develop new touristic destinations with the support of the local decision-makers. In this context, it's important to note that through training in human resources and entrepreneurship, the main goal of tourism, which is to attract loyal tourists, especially out of season tourists, can and will be achieved.

ÁLVARO DIAS (2nd July)

Creative Tourism and Poverty Reduction: Is It Possible to Offer Interactive Experiences to Tourists?

At the end of the first day of TOCRIA, a special session was held at the Portuguese Geography Society (PGS). At first, there was an opening speech by João Pereira Neto, perpetual secretary of the PGS, Anabela Félix Mateus, President of the Communication Science Section, Ana Pereira Neto, President of the Tourism Section, and Paulo Faustino, ITRACOTUR Coordinator and JOCIS Co-Editor. After that Álvaro Dias presented his paper on the link between creative tourism and the reduction of poverty, based on research conducted by a group of authors in Latin America. This research was a qualitative field study and it was aimed at contributing to local development.

For example, in the northeast region of Brazil there are barriers to local development through tourism, mostly due to the lack of funding and knowledge, inexistent market orientation and poor entrepreneurial spirit. Another important aspect to note is that most locals prefer to engage in a subsistence economy rather than engage with the market. One way to solve this issue, said Álvaro, was through external intervention, with an aim to help reduce and surpass those barriers. For example, rural production could be an initial area of intervention.

Other point that was discussed was the direct effect that tourism has on entrepreneurial management, with the main question resting in the fact that Latin America suffers a reputational problem, mainly due to crime. Through tourism, it is possible for local communities to gain a more positive connotation.

ELI NOAM – Director of CITI at Columbia University **(3rd July)**

The Impact of the Internet on Travel and Creative Industries

Professor Eli Noam, a recognized global leader in the field of media management, began his presentation with the following question: "Is the internet in the travel industry a substitute or a complement?" The professor claimed that the internet, by working as an alternative, may reduce the willingness to travel. Afterwards, Noam said that the conventional story about the impact of the internet in the travel industry highlights it as being quite positive, allowing internet users to receive feedback from other tourists, having a better navigation ability in the cities they visit, among other aspects, like voice translation apps for smartphones.

When it comes to new technologies, Professor Noam mentioned that AI will be useful for travel planning; AR for sightseeing tours and location-based services. As for the negative impacts of the internet on the travel industry, they vary. For instance, there is a 'hype curve', meaning that there is a positive reaction from tourists to news stories published in newspapers and magazines about a given destination, that may lead to disillusionment once they visit it. This usually happens with the so-called overhyped destinations. Other negative aspects include the higher ability for travellers to find cheaper alternatives, which increases price competition. Also, there is a problem with negative online reviews that might be biased, these can purposefully be unfair or malicious if they target a personal or a business enemy.

Moving on with his presentation, Professor Noam revealed that the Airbnb platform has an insignificant impact upon hotel revenues, with the exception of the cheaper hotels. According to the professor, there are valid alternatives to certain types of travel. For example, business travel and conventions can be replaced by electronic communications and 'the travelling gambler' can use online casinos (the electronic gambling industry is worth 100 billion dollars). In the academic field, virtual conferences are cheaper and more convenient, being a reality in the Columbia University.

Afterwards, Professor Noam posed a relevant question: "Why do people travel? Can that experience be substituted electronically?" According to him, travel is not a natural activity and it didn't exist for tens of thousands of years; migrations did exist, but these obviously weren't leisure travels. Therefore, travel is a very modern experience. VR (Virtual Reality) can generate experiences for existing travel locations, by providing additional on-site experiences. A possible impact of VR on travel will be a higher expectation of quality and a greater need for more exciting experiences, therefore, 'real places' must upgrade their offerings to match the virtual.

Conclusion

In this report, we intended to summarize the most relevant lectures and discussions presented at this conference about the future of the travel industry in connection with the creative industries. We also aimed at making the TOCRIA event reach a wider audience, including those that were unable to attend it, that by reading this report will be able to get the key ideas about the topics and ideas discussed at that forum.