UNWTO/WTCF

City Tourism
Performance Research

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Foreword

Taleb Rifai

Secretary-General,
World Tourism Organization (UNWTO)

Tourism increasingly constitutes a central component of the economy, society and geography of cities and urban areas worldwide. It has become a powerful engine for the local economic and social development of cities by offering a range of cultural, architectural, technological, social and natural experiences and products for leisure and business.

It is estimated by UN-Habitat that by 2050, 70% of the world's population will be living in cities and by 2025, cities will contribute over USD 30 trillion on an annual basis. Therefore it is essential to monitor tourism performance in urban destinations and clearly address areas for improvement, with the aim of assisting policy makers and all other stakeholders in their efforts of building a better urban tourism governance and management.

The *UNWTO/WTCF City Tourism Performance Research* brings forward the success stories of 15 different cities worldwide with the objective of enabling other cities to observe and learn from them. The research also includes a summary of UNWTO's report on *New Platform Tourism Services (or the so-called Sharing Economy),* considering the impact of the same in urban tourism and development overall.

On behalf of the World Tourism Organization (UNWTO), I wish to thank the World Tourism Cities Federation (WTCF) for its valuable collaboration and contribution to making this research possible, as well as to all cities that have participated in this ambitious project. A special word of appreciation goes to Mr. Song Yu, Secretary-General of WTCF, for his continuing commitment and support.

I trust this research will provide useful insights about best practice in tourism in urban destinations, and will serve as a guide for policy makers and local tourism stakeholders in their efforts to improve performance, competitiveness and sustainability making urban areas leaders in advancing the contribution of tourism to the 2030 Agenda and its 17 Sustainable Development Goals.

Foreword

Song Yu

Secretary-General,
World Tourism Cities Federation (WTCF)

The *UNWTO/WTCF City Tourism Performance Research* is a special research project co-sponsored by World Tourism Cities Federation (WTCF) and World Tourism Organization (UNWTO) with a focus on the development of tourism in cities. The project is conducted for the purpose of reviewing the successful experience and exploring the evaluation standards of world tourism city development, and providing a template for the development of world tourism cities.

WTCF is a global international tourism organization based on cities. Its current membership includes 128 cities and 64 institutions from 62 countries, covering all the five continents and the whole tourism industrial chain. Following the core vision of Better City Life through Tourism, WTCF is dedicated to facilitating exchanges and cooperation among world tourism cities and promoting the economic growth and market prosperity of tourism cities.

The year 2017 has been designated as the International Year of Sustainable Tourism for Development, which carries the theme of "well-designed and well-managed tourism". Cities are major destinations and tourist sources of world tourism. Most of the tourism activities in the world can only be realized with cities as

the hub. For the purpose of the special research, we have picked 15 cities with outstanding performance in tourism development from around the world. Based on the case studies of the development of these tourism cities, we have established measurable criteria and replicable models, and produced classic cases of "well-designed and well-managed tourism" for world tourism cities.

WTCF and UNWTO look forward to furthering their exchanges and cooperation and fully leveraging the role of international organizations as the hub and platform to make new contribution to sustainable development of world tourism.

Executive summary

Tourism along with other sectors currently constitutes a central component in the economy, social life and the geography of many cities in the world. Research indicates that the volume of tourism demand for city destinations has increased by approximately 50% worldwide in the last decade.

Cities are currently accommodating more than 50% of the world population and generating more than 60% of global GDP. By 2030 urban areas will host two-thirds of the world's population, their population in developing countries will double and the area covered could be triple (UNHABITAT). Therefore it is essential to monitor tourism performance in urban destinations and clearly address the areas for improvement with the aim of assisting policy makers and local stakeholders in their efforts to take strategic action for urban tourism governance and management.

The World Tourism Organization (UNWTO) and the World Tourism Cities Federation (WTCF) jointly launched the *UNWTO/WTCF City Tourism Performance Research,* an instrument with a set of criteria and a platform for exchange of information that can be used globally to evaluate tourism performance in urban destinations. The research was conducted by a group of experts who collected field data in order to have more in-depth understanding of each city involved in the initiative.

The research provides an analysis and evaluation of success stories in city tourism performance. Based on case studies from 15 cities, it provides in-depth understanding of each individual city and will enable other cities to learn from the progress they have achieved and hence to enhance their performance, competitiveness and sustainability.

Success factors

Based on an analysis and evaluation of the case studies, the following success factors for city tourism performance have been identified:

1. **Long-term vision and strategic planning:** The core to success in city tourism performance is a long-term strategic plan based on a clear vision for the future of the city. The strategic plan often comprises short and mid-term objectives, regular performance reviews and allows for revision if needed. For a holistic approach, the common vision should be developed through collaboration among all tourism stakeholders, policy makers, and inhabitants of the city. Cities like Turin and Linz show how, with a bold vision and strategic planning, a post-industrial city can successfully transform itself by placing tourism and culture at the heart of this process. Their dramatic regeneration and renovation serve as extraordinary examples for integrated destination development with the result of the cities being attractive places to live, work and visit.

2. **Public and private sector involvement:** In order to accelerate the transformation of tourism development, public-private partnerships (PPPs) have been identified as a priority by some destinations. Beijing has vigorously promoted PPPs in the tourism sector and pledges were made to promote the development of cultural and creative industries with the support of private capital. Berlin has another approach, having established its DMO *visitBerlin,* as a PPP model to promote the city as a major tourism destination and an attractive location for the meetings industry.

3. **Economic support:** Strengthening the tourism industry in a city also implies securing jobs in the local economy. In Tokyo, several government stakeholders including the Tokyo Chamber of Commerce play a vital role in this process by supporting small and medium-sized enterprises (SMEs) engaged in accommodation, restaurants and other tourism related services in order to enhance their competitiveness. Some of the incentive mechanisms include employment, financial, legal, and other professional arrangements.

4. **Authenticity:** For many travellers, *travelling like a local* has moved from being a noteworthy trend to becoming an indispensable part of getting under the skin of a destination. Authenticity, local experiences and the city as a shared place between locals and visitors are in focus of many tourism destinations. Buenos Aires, for example, did extensive research in its MiBarrio project in order to capture each neighbourhood's identity so as to re-design and re-value touristic routes and identify new opportunities for local experiences.

5. **Community engagement:** The engagement and acceptance of tourism by locals need to be ensured and efforts to involve them in the process of strategic planning have proven successful. For example, Copenhagen's tourism strategy sees residents, industry and visitors as one. It is recognized that tourism may have a negative impact on the resident's quality of life in case the local community is not involved in the visitor experience. Community engagement programmes in Bogota are directed towards locals, providers of tourist services, taxi drivers and even schools, to familiarize students with the added value of tourism.

6. **Cultural heritage investments:** Investment in cultural heritage and preservation of historical structures often represents the core of tourism in a city. Exceptional examples of balancing the preservation of cultural heritage and opening sites to tourists are Beijing's Imperial Palace Museum, Tianjin's foreign concessions and the Grand Canal of Hangzhou.

7. **Product development:** Along with cultural heritage and the creation of new attractions, products and tourism services have been the focus of many tourism destinations. An outstanding success story is the Ars Electronica Center in Linz, a museum that presents, interprets and provokes ideas about futuristic visions of society and its impact on the environment. Similarly the West Lake Impression, a large-scale open-air performance on a water stage has been an innovative attraction in Hangzhou.

8   **Events:** More and more cities include the hosting of events in their tourism strategy to improve their positioning and/or mitigate seasonality. The Snow Festival in Sapporo, for example, a two week-long festival with snow statues, stalls of food and drinks, skating rinks and various shows attracts visitors internationally.

9. **Policy for sustainable development and management:** Merely focusing on a growth in tourism numbers is not enough for the sustainable development of a destination. Corporate social responsibility and policies linked to recycling, air quality, energy efficiency and green spaces become imperative elements. Cape Town's V&A Waterfront for example is built around creating and fostering opportunities for the citizens of this country. Its vision is to be recognized as a premier destination for responsible tourism, managed as a professional and environmentally conscious business, acknowledging the impact that its operations may have on the environment. Likewise, Turin's Slow Food concept is contributing to position Turin on the map of gastronomy centres, focusing on quality, fairness and sustainability of food production, processing and consumption.

10. **Technology:** To improve the quality of life of the citizens and to improve the visitor quality experience, concepts like *smart city* and new platform tourism services (so-called sharing economy) are being incorporated as new patterns for business. In order to bring about a more sustainable and livable city, Seoul adopted its Shared City Seoul project which seeks to create a shared economy ecosystem and spread of the sharing culture. Sapporo and Antwerp use crowd monitoring in real-time to steer tourist flows, to visualize mobility and security and if necessary take actions. Buenos Aires' 'Big Data' project will turn Buenos Aires into the first city of South America with its own development of a Big Data tool applied to tourism.

Introduction

The World Tourism Organization (UNWTO) has been addressing urban tourism as an important segment in today's domestic and international tourism market and as a significant actor in the economy, social life and the geography of many urban destinations in the world. It is also a driving force for creating economic, social and spatial dynamics for transforming the urban landscape through the rejuvenation of public space, public infrastructure and connectivity and development of local amenities and recreational facilities as well as stimulating business entrepreneurship, developing public-private partnerships, attracting other industries and services and building citizen awareness on cultural and natural protection.

Greater global mobility, the information boom and the increased knowledge-sharing between people have facilitated the development of urban structures and led to higher levels of city tourism demand in recent years. City tourism services are among the most highly standardized products in comparison to other tourism offers and they have been readily accessible for purchase ever since they became available through online booking engines. Mainly because of the easy access, cities are ideal destinations for short-breaks and they normally offer a wide range of cultural experiences which perfectly match general trends in travel behavior.

UNWTO defines urban tourism as:
"A type of tourism activity which takes place in an urban space with its inherent attributes characterized by non-agricultural based economy such as administration, manufacturing, trade and services and by being nodal points of transport. Urban/city destinations offer a broad and heterogeneous range of cultural, architectural, technological, social and natural experiences and products for leisure and business."

UNWTO promotes a globally shared vision and a strategic approach to re-address the tools to adapt to the new paradigms in urban tourism while achieving coherence among the tourism activities, urban development policies and the economic and social benefits for the local inhabitants through integrated planning, efficient governance, knowledge management and professionalism in operations.

It is essential to monitor city tourism performance and to find the areas for improvement for each individual city. In order to do that, the World Tourism Organization (UNWTO) and the World Tourism Cities Federation (WTCF) jointly launched the *UNWTO/ WTCF City Tourism Performance Research,* a report based on success stories of fifteen cities worldwide; creating an information exchange platform that can be used globally to evaluate tourism performance in urban destinations.

Methodology

The *UNWTO/WTCF City Tourism Performance Research* is conducted by collecting quantitative and qualitative data collected at city level. The experts involved in the project applied the methodology through a survey created for the initiative by realizing field visits and interviewing the main stakeholders on the identified performance criteria.

The 15 case studies presented in the *UNWTO/WTCF City Tourism Performance Research* are based on five key performance areas (KPAs):

1. Destination Management;

2. Economic Perspective;

3. Social and Cultural Perspective;

4. Environmental Perspective; and

5. Technology and New Business Models.

For each key performance area the experts evaluated the available information covering three types of criteria:

1. The **main performance criteria** are those significant for policy makers and destinations: They consist of quantitative criteria such as numbers, percentages or ratios, relatively easily accessible and can be provided by the Tourism Board, Statistics office, or similar.

2. The **second-tier performance criteria,** include those that cannot be collected from quantitative data: This category of information can be collected with yes/no questions to check the availability of data.

3. The **third-tier performance criteria:** They refer to qualitative criteria that were collected via expert interviews to understand the matter in depth.

From the research provided by the experts for 15 cities worldwide, the UNWTO/WTCF publication presents carefully selected information on the KPAs in which the city achieved progress within a historical perspective together with quantitative data, as well as specific success stories for each city.

1. Buenos Aires, Argentina

2. Linz, Austria

3. Antwerp, Belgium

4. Beijing, China

5. Hangzhou, China

6. Tianjin, China

7. Bogota, Colombia

8. Copenhagen, Denmark

9. Berlin, Germany

10. Turin, Italy

11. Sapporo, Japan

12. Tokyo, Japan

13. Marrakech, Morocco

14. Seoul, Republic of Korea

15. Cape Town, South Africa

UNWTO / WTCF • City Tourism Performance Research

BUENOS AIRES
ARGENTINA

1

Casa Rosada on Plaza de Majo.

1.1 Introduction

1.1.1 Basic facts

Located on the banks of the Rio de la Plata, in the centre-east of Argentina, the Autonomous City of Buenos Aires (CABA) is the capital of Argentina and the seat of the federal government.

With an estimated population of 2.9 million inhabitants (and 12.8 in the metropolitan area) and an area of around 202 km^2, the City of Buenos Aires is the largest urban conglomerate of Argentina and one of the most populated areas of South America. It is also among the 20 largest cities in the world.[1][2]

Along with São Paulo and Mexico City, Buenos Aires is one of the three Latin American cities of alpha category, according to the study of the Globalization and World Cities (GaWC) Research Network.[3] Buenos Aires also ranks among the cities with the highest quality of life in Latin America, and its per capita income (per capita GDP, USD 24,812)[4] puts it in the top-three in the region.

The City of Buenos Aires was founded in 1580 by the Spanish colonist Juan de Garay, who called it City of the Holy Trinity. In the 19th century the Argentine state, with the aim of populating a large nation, promoted

European immigration. Thus, the port of Buenos Aires was the arrival point of the Spaniards, Italians, Lebanese Syrians, Poles and Russians who will define the as a cosmopolitan and dynamic city, rich in cultural diversity.

The city reveals traditions inherited from multiple cultures and its diverse neighbourhoods can be explored by foot with free guided tours. The combination of gastronomic and cultural offers is not to be missed in a city that does not sleep. In addition, its extensive parks and plazas, its coastlines and reserves make Buenos Aires an eco-friendly and healthy city.

With 10.8 million tourists per year[5], Buenos Aires is the most visited city in South America, one of the 25 best tourist destinations in the world and the most popular destination in South America (TripAdvisor 2016). It is also the Latin American city with the most award-winning restaurants (Latin America's 50 Best Restaurants 2015[6]) and the best tourism destination in Central and South America (Conde Nast Traveller 2013).

1.1.2 Infrastructure, transport and connectivity

A privileged location in South America connects Buenos Aires with the main cities of the region and the world. With two international airports, receiving more than 700 international flights per week, three hours from Rio de Janeiro and two from Santiago de Chile, Buenos Aires is a strategic centre at regional and international level.

Ranking #1 in the Americas and #17 worldwide in the International Congress and Convention Association (ICCA) ranking in 2016. The new Convention Centre, with capacity for 5,300 attendees, will contribute to consolidate this position in the coming years.

1.1.3 Tourism flows

Tourism is one of the main drivers of the economic development of the City of Buenos Aires (Ciudad Autónoma de Buenos Aires – CABA) and a sector with high potential. 10.8 million tourists visited CABA in 2016, of which 2.1 million were international visitors (19% of the total) and 8.7 million national tourists (81%).

The total foreign bednights were around 18,477,000 and the average length of stay was 8.9 nights. Of the total foreign arrivals, 1,667,000 tourists came for personal/leisure reasons and 413,000 for business reasons.[7]

During the period 2011–2015, there was a decrease of 8.5% in the number of international arrivals in Buenos Aires, while in the last 6 months, tourism has shown a positive trend compared to the same period of the previous year. Some of the aspects that have favoured the increase in international arrivals have been:

- The reduction of migration restrictions for Chinese citizens;

- The suspension of the payment of the reciprocity fee for United States of America, Canadian and Australian citizens; and

- Increased air connectivity with Oceania (Air New Zealand).

ENTUR estimates that number of international tourist arrivals will increase from 2.1 million in 2016 to 2.7 million in 2020 while expenditure will increase from USD 1.5 billion to USD 2.0 billion respectively, being the main two reasons for this increase a greater aerial connectivity and the increase of tourism competitiveness, as well as intelligent tourism promotional strategy.

The most dynamic regions according to the potentiality index developed by ENTUR are the Americas, Europe and Asia and Oceania, while the markets with the highest sustained growth are China, the United States of America, the United Kingdom, Germany and Canada.

1.1.4 Tourism source markets and seasonality

The major incoming markets for Buenos Aires are shown in the following figure.

Figure 1.1 **Main incoming markets, 2016 (%)**

Others (8.7)
Rest of America (26.7)
Brazil (15.1)
Chile (5.8)
Uruguay (0.6)
Europe (29.8)
Unites States of America and Canada (13.4)
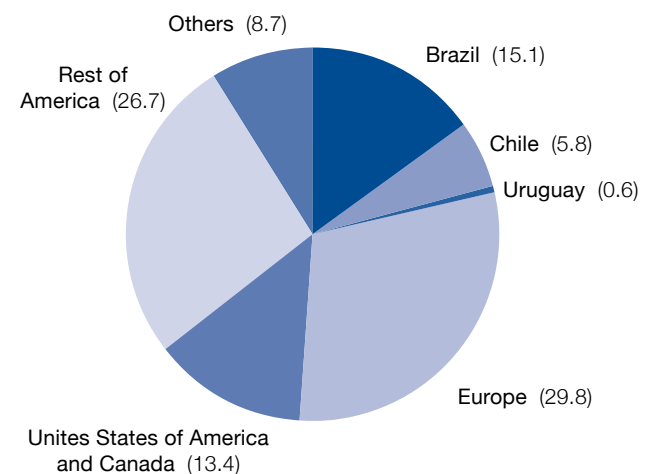
Note: Percentages may not total 100% due to rounding.

Source: Ministerio de la Nación de Turismo (2016), National Tourism Survey (Encuesta de Turismo de la Nación ET).

1.1.5 Economic impact

The number of formal jobs in the tourism industry in 2016 was 149,000, which represent 6.9% of total jobs in the local economy.[8] November is the month with the highest number of tourism jobs (1.5% higher than the average) while June is the lowest (1.4% lower than the average).

The total expenditure was USD 2.9 billion: International tourists spent USD 1.5 billion (52% of the total) while national tourists spent USD 1.4 billion (48%). The relative contribution of tourism sector to the destination's economy in 2014 was 6.4% of the GDP[9]. The average daily expenditure per tourist daily spending in the case of overnight visitors was USD 100.[10]

1.1.6 Tourism enterprises

The City of Buenos Aires stands out for having a very active cultural life. Most of the cultural activities are carried out through different agencies, establishments and events under the jurisdiction of the city government: libraries, museums, theatres, the cultural centres of Recoleta and General San Martín Planetarium Galileo

Galilei, the Historical Institute of the city and the different festivals organized by the Government of the City of Buenos Aires (GCBA), among others.

As of 2016, the cultural resources and attractions in Buenos Aires were:

- 3 Thematic Parks (Tierra Santa, Museo de los niños, Ecoparque);

- 150 Museums;

- 5 Opera Houses (Teatro Colón, Teatro Avenida, Teatro Coliseo, Teatro Picadero, Teatro Ópera Alianz);

- 287 Theatres;

- 400 Libraries; and

- 3 Consolidated Traditional Fairs (Feria de Mataderos, Feria de Antigüedades Mercado de San Telmo, Feria de Antigüedades Mercado de las Pulgas) apart from hundreds of trade fairs of social interest, of responsible consumption, artisans, manualists and booksellers.[11]

Bookshop el Ateneo Grand Splendid.

1.2 Key performance areas

1.2.1 Destination management

Structure of the DMO

The destination management organization (DMO) is in charge of tourism development and promotion of the city. Its main objective is to design and implement policies and programmes for the development and promotion of tourism as a strategic economic activity of the city.

There is a new Director General of the tourism entity since December 2015, due to the change in the Presidency of the Nation after the elections in November 2015. A new strategic plan for the destination was developed with the aim of giving a new push to the tourist sector in the city. It is structured through four General Directions:

1. The General Directorate for Development and Competitiveness of the Tourism Offer;

2. The General Technical, Administrative and Legal Directorate;

3. The General Directorate of Market Intelligence and Ente de Turismo Observatory; and

4. The General Directorate for Tourism Promotion.

The DMO also has a management team in charge of accessibility and inclusion tourism policies and works together with other ministries and governmental agencies of the city in aspects such as environmental sustainability and the management of green spaces.

At an operational level and in relation to other stakeholders in the city, the entity works with different actors, organizations and associations such as the Association of Tourism Hotels of the Argentine Republic (AHT) and the Association of Hotels, Restaurants, Confectioneries and Cafes (AHRCC), and there is an advisory council in which topics of interest to the tourism sector are discussed (see figure 1.2).

Tourism development policy

The strategic plan designed establishes a clear goal at the management level: to duplicate the impact that tourism has on the economic development of the city.

Figure 1.2 **Destination management organization chart of Argentina**
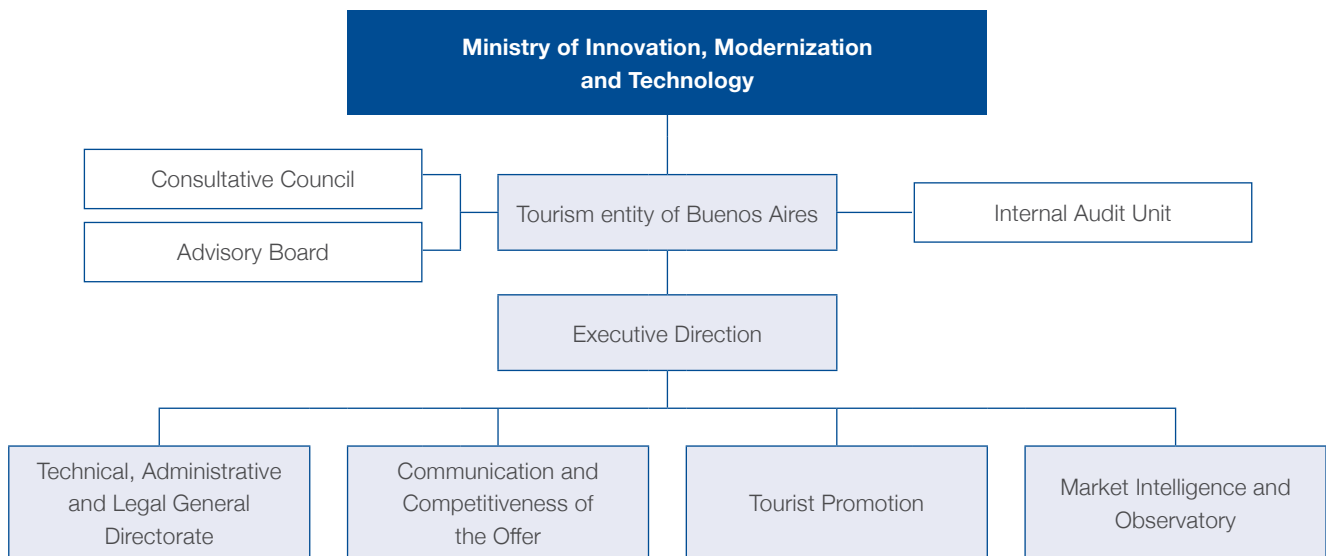
Source: Destination management organization of Argentina.

Within this framework, four specific strategic objectives have been established:

1. Increase by 2019 the average travel expenditure per foreign tourist in CABA by 35% cumulative;

2. In the next four years, position Buenos Aires among the 10 most attractive cities in the world according to TripAdvisor rankings;

3. Increase by 2019 the number of foreign tourist's arrivals to CABA; and

4. Increase the number of jobs in the tourism industry in CABA by 2019 by 10%.

Although the objectives of the DMO are made with a time horizon of 2019, it works as well in the medium and long term, aligned with the project 'Buenos Aires 2027' to be presented very soon.

To achieve the objective established by the DMO to double the economic impact of tourism in the city, the Directorate General of Market Intelligence and Observatory was created, starting with the reformulation of the former General Directorate of Observatory. The new General Directorate (GD) has two Managements:

1. The Operational Management of Market Intelligence, which performs the functions of market intelligence, big-data and economic observatory; and

2. The Operational Research Management, which fulfils the functions of tourist and sociological research and surveys.

Its main areas of work are:

- Analyse the decision process of the tourist when choosing a destination;

- Determine how to attract new tourists from new markets; and

- Analyse tourist behaviour in Buenos Aires.

The GD is currently developing new projects to attract international markets in pursuit of the economic growth of tourism in the city. All the GD's projects go towards the objective of the DMO to double the economic impact of tourism, several ongoing projects that were not aligned with the strategy were stopped.

Among the new projects the DG is developing we can mention:

- The development of Big-Data, turning Buenos Aires into the first city of South America with own development of a big-data tool applied to tourism (see chapter 'success stories');

- The creation of the Tourist Potential Indicator; and

- The creation of the *MiBarrio* research project to bring tourism to more neighbourhoods. The project's main objective is to analyse the identity and potential tourist attractions of different neighbourhoods of the city with the purpose of defining strategies aimed at promoting visits and tourism. (see chapter 'success stories').

Marketing strategy and USP

The DMO's objective is to position Buenos Aires as an attractive city for different targets with the final aim of increase tourism and income in the city. The 2020 vision is to make Buenos Aires 'the most passionate capital in Latin America, known by its sophistication, eclecticism and originality'.

The current Buenos Aires tourism brand is based around the concept *Buenos Aires, Todas las Pasiones* (Many Passions)[12].

The strategic pillars on which the vision and positioning strategy is based are:

- **Intensity, experience and passion:** when visiting Buenos Aires, you will experience a sensation different from other big cities. Far from being a mere spectator of attractions, the visitor will discover a living and latent city that writes and rewrites its history at every moment. The interaction is a hallmark of Buenos Aires and its friendly and expressive hosts make the visitors feel a real bond with the city. Everything in Buenos Aires feels intensely, and one cannot go through it without being left with the feeling of having lived an authentic experience;

- **Culture and entertainment:** Buenos Aires has probably the best and most diverse cultural and entertainment offer in the entire region, covering all artistic disciplines and budgets, from the most varied artistic and cultural manifestations in its

streets, to its theatre circuits in Corrientes and Off-Corrientes, passing through the best museums, offering a unique cultural experience to visitors. The city has also an inexhaustible offer of restaurants, that position Buenos Aires as a gourmet destination, with a gastronomic offer recognized worldwide; as well as world-renowned bars and nightlife. It has also a wide range and diversity of parks and markets spread around its more than 100 neighbourhoods; and

- **Contrasts:** Buenos Aires is recognized by this sophisticated fusion of European imprint and South American passion. The city is a mosaic where all the manifestations and styles fit, from the elegance of its architecture, to the distinctive class of its people molded by the immigrant culture. Those who visit the city enjoy its contrast and are immersed in it, leaving its mark. Buenos Aires combines popular culture and sophisticated culture, traditional and modern, ancient religions and modern idols. With its squares and museums the city offers great attractions to walk it by day, and at the same time an unbeatable nightlife offer.

The promotional strategy is structured by key target geographical markets (national, regional and international markets) and by target segments (MICE, LGBTIQ, Shopping, Medical and Social Tourism. The main target segments are:

- Leisure Tourism;

- MICE Tourism;

- LGTBTIQ Tourism;

- Luxury Tourism; and

- The Tourism Industry.

The main target markets in terms of geographic spread were determined by the 'potential tourism index', and specific messages are being used to promote the city, suitable to the respective segments. The main ten markets determined by the DMO are China, the United States of America, India, France, Colombia, Mexico, New Zealand, the United Kingdom, Spain and Peru.

The DMO's mission from the promotional perspective is:

- Duplicate growth of tourists;

- Capture new markets;

- Strengthen current markets; and

- Promote and disseminate the city's new offer by coordinating work with the private sector.

The vision is:

- To be referents and leaders in the creation, management and execution of innovative plans and programmes;

- Align to the strategies of the Ministry of Modernization, Innovation and Technology of the City, and the Ministry of Tourism of the Nation; and

- Position Buenos Aires among the ten most attractive and competitive cities in the world.

The expected high level results from the tourism positioning and promotional strategy from Buenos Aires[13] are to position BA as a desired tourist destination in the strategic target markets, to increase spending and average length of stay in the city and to be known under the idea around the 'passion of its citizens'.

Other tactical and operational objectives are to enhance tourism opportunities in the different neighbourhoods, promote tourism as a job generator, attract high quality hotel investment to the city and position Buenos Aires as a top-class quality destination, as well as being more efficient in attracting international tourism and reduce dependence on Brazil tourists.

With regards to MICE, each year the DMO and the Buenos Aires Convention and Visitors Bureau (BAC & VB) participate in the main international fairs of the MICE segment, to spread the services and facilities of Buenos Aires as a tourism destination.

Since the arrival of the new team in the entity at the end of 2015 and the beginning of the implementation of the new tourism strategy, the city has managed to increase the volume of international tourists and, for the first time in five years, increase the arrivals of tourists from the United States of America and Canada.

Tourist assistance and tourist information centres

The city's tourist information centres provide visitors with information and recommendations about Buenos Aires and its attractions. There are eight of them located around the city. The city also provides different free applications to help tourist get the most of the city, including:

- 'BA Turismo', an indispensable tool to know Buenos Aires, with more than 400 points of interest, an interactive map, recommended itineraries, geolocation and augmented reality;

- 'BA Cómo llego', to help tourists find out how to get from A to B in the city, whether on public transport, by car or on foot;

- 'BA Wi-Fi', to access to free wi-fi hotspots all over the city, in parks, on the underground system, and other environments;

- 'BA Móvil', to keep you updated on the transport situation in real time on your smartphone;

- 'BA Ecobici', a mobile application for all bicycle users in the city mapping out bicycles lanes and showing locations and availability of city bikes for hire on the city's free Eco-bici system; and

- 'BA Subte', to check the state of the underground metro system in real time, including alerts on delays and service interruptions.

- 'BA Tours',[14] through the official online store of Tourism of Buenos Aires, visitors can buy – with credit or debit card – more than 200 activities and experiences to live the city in the best way and in an agile and safe way.

Teatro Colón.

Performance measurement tools

The Directorate General of Market Intelligence and Observatory is responsible for market intelligence and research and produces different kind of surveys, research initiatives and periodical reports to analyse Buenos Aires tourism performance and to provide insights and market intelligence for strategy review and formulation. For 2017, the DG plans to produce different surveys, research and reports including, among others:

- Monthly report of tourism indicators;

- Report on international markets (IPT);

- Annual report on MICE tourism 2016;

- Annual report on international congresses ICCA 2016;

- BA yearbook;

- Tourism projections by market;

- Bus touristic survey 2016;

- Tourism reports by segment; and

- Visitor satisfaction surveys.

1.2.2 Social and cultural perspective

Events

The City of Buenos Aires organizes and hosts numerous events of all kinds during the year. At present (data for 2016), the MICE calendar of the city has 1,198 events, of which 1,063 (89%) correspond to congresses and conferences (category that includes: congresses, conferences, symposia, seminars, forums, conventions, workshops, etc.). The total number of congress and conference participants in 2016 was 514,700.

Of the conferences identified, 199 (19%) are international and the rest, 864 events (81%), are national ones.

Buenos Aires will have a new Convention Centre in 2017. Located in the neighbourhood of Recoleta, this building will have three underground floors with rooms for conferences and events. It will be equipped with solar panels in the exterior for the generation of energy, in compliance with the sustainability norms of the city. Located in a strategic place, the project includes a future subway station (line H) and several bus stops.

Buenos Aires will host the Youth Olympic Games in 2018. The city prepares its infrastructure to welcome young athletes from all over the world, the different Olympic disciplines will be developed in more than 30 establishments in the city.

Community attitudes and engagement

In terms of tourism, two relevant initiatives for citizen engagement are the already mentioned *MiBarrio* project, as an initiative to promote tourism within the different districts and neighbourhoods, as well as the *Vamos Buenos Aires* campaign, developed by the city government to engage citizens to improve and promote the city and to generate sense of pride and identification.

Gender equality and inclusion

As of 2016, 54.1% of employees in hotels and gastronomy (RCT) in the City of Buenos Aires are men and 45.9% are women[15].

Social inclusion is a priority for the DMO and for the City of Buenos Aires. When the new city government came to power, one of the main priorities was to create a city that provides equal opportunities for all its citizens, and a city that recognizes and values individual characteristics and needs. The objective is to build an accessible and friendly city for people with motoric, visual, hearing, intellectual and visceral disabilities.

Buenos Aires, the City of All Argentines, is one of the most popular destinations for tourists from all over the world. It is, therefore, essential to work on improving the quality of life of all of the visitors through equitable and accessible tourism. Accessible tourism benefits everyone. More people enjoy the opportunity to travel and the city gets more visitors, longer seasons and new incomes. Society as a whole benefits from new job opportunities, more tax revenue and an accessible environment for local communities and visitors.

The city keeps working on new projects so that an increasing number of travellers from around the world can enjoy the city to the fullest and on an equal basis.

COPIDIS, the Commission for the Full Participation and Inclusion of Persons with Disabilities that promotes their rights, including equal opportunities, access to work and education, and independent living, works together with the DMO to develop new initiatives for Buenos Aires to be recognized as the most inclusive city in Latin America. This initiatives includes, among others:

- The Accessible Tourism Guide, which gives information on accessibility of the city, and has been structures in routes to make it more understandable and readable, including maps and pictures, to facilitate locating and identifying places of interest;

- The Accessibility Guide for Tourist Accommodations; and

- The Accessible Tourism Best Practices Manual, a tool to raise awareness and train the different stakeholders that work directly or indirectly in the tourism sector.

Authenticity

Buenos Aires is promoting the destinations though the idea or brand concept Many Passions. This idea is linked to the authenticity related both, the character of its citizens and the way they live and approach different aspects of their city.

Buenos Aires is a pulsating cosmopolitan city and a place of many passions. The combination of rich architectural and cultural heritage, modern creative energy, electric nightlife, unique traditions, a vibrant arts scene, extensive parks and open spaces, and warm, friendly people makes it one of the world's most exciting capitals.

The city its promoting end enhancing its attractiveness based in its authenticity and unique offering and attractions, including its heritage, food, open air, sport, tango, culture, design and style, nightlife, etc.[16]

Japanese garden.

1.2.3 Environmental perspective

Sustainable tourism strategy

Buenos Aires is a city committed to the environment. For this, it has a wide range of public spaces and green areas, among which are parks, natural reserves and plazas. In addition, it offers sustainable mobility and accommodation and healthy gastronomy. In this sense, the city also encourages sports and an infinity of outdoor activities. Today Buenos Aires has a system of cycle paths that connects almost all points of the city.

The Environmental Protection Agency, under the Ministry of Environment and Public Space, is responsible for environmental sustainability issues. The agency works on the development of an environmental quality index, made of 12 different indicators, and aspects such as the monitoring of water quality and the survey of contaminated sites in the city (odours, noise, pollution, etc.) and generates certificates of environmental impact attitude. The agency also has the mission to influence the designs of green spaces in the city.

In its first year of management after the change of government in the city, the agency has developed:

- A Climate Change Plan (updated last year with 2030 vision);

- Contingency plans; and

- A Biodiversity Plan (north and south coast).

The CREAS Building Support Program, promoted by the Agency, includes aspects such as responsible consumption, sustainable public procurement, management of urban and essential solid waste, energy efficiency, the hydraulic footprint, the carbon footprint, safety, health and sustainable mobility. Another relevant programme is the *Producción más limpia (P+L)* programme, providing free consulting support to companies (up to date more than 140 companies).

Public green spaces

With regards to public green spaces, as of 2015, Buenos Aires had 1,188 public spaces, including parks, gardens, quarries and squares[17].

31.5% of total land area were preserved areas, reservoirs, waterways and parks.[18] The city had a total of 424,439 trees distributed in 203.3 km^2 (2,087 trees/km^2) and the percentage of green space coverage in relation to city population was 5.9 m^2/habitant.[19] It is estimated that 25% of public spaces need to be upgraded (see table 1.1).

1.2.4 Technology and new business models

The smart city

Within the Ministry of Modernization, Innovation and Technology of the Government of the City of Buenos Aires, there is an under secretariat of Intelligent City, which, in turn, has a General Directorate of Innovation and Autonomous Government, which is in charge of developing technologies, platforms and applications related to different aspects of the city, including applications to promote the collaborative economy from the government or aspects related to smart city, internet connectedness, open data or online government services.

At smart city level, Buenos Aires currently has 4.5 open wifi spots per km^2, as well as 200 installed sensors corresponding to the river network. It also has a Single Coordination and Control Centre (CUCC), armed with state-of-the-art technology that allows coordinating and quick responses in an integrated manner in the event of casualties, catastrophes, floods, police incidents or health emergencies.

Finally, the commitment of the government of Buenos Aires to be linked to technology management projects turned the Autonomous City of Buenos Aires into the headquarters of the Smart City Expo in September 2017, an event that brings together experts in urban development, and managers who seek to make the metropolis of the 21st century a more humane place. The event, the first of its kind in South America, was held at the city's new convention centre.

Open data

With regards to open data, there are various mobile applications available based on open data: 'Biciplus', 'Donde?', 'Localizar Emergencia', 'Me voy en bici', 'Cruz Roja Argentina' and 'AllGreenUP'.

There is an official citywide privacy policy[20] to protect citizen data based on:

- Decree 156-12 Data Transparency;

- Decree 478-13 MMIT in charge of information and data about citizens; and

- The Privacy Policies that are ruled by the laws from the Argentina Republic.

Table 1.1 **Main strategies of the General Direction of Green Spaces (DGEV)**

Objective	Strategy
Increase positive attributes around Green Spaces	- Irrigation, parking and playgrounds; - Incorporating aerobic stations, drinking fountains, fountains, cultural events, games for teens and seniors; and - Incorporation of native plant beds.
Improve accessibility	- Replacement of pellets by draining soles; - Incorporation of furniture adapted for people with reduced mobility and/or older adults; and - Incorporation of games and flooring accessible for children with reduced mobility.
Increase the number of Green Spaces	- Bill related to vacant inheritances to create educational green spaces (in negotiations); and - Survey of disused/sub-used spaces to create green spaces (service stations, city and national government properties, etc.). For example, a new park of 3 ha has been created.
More equitable distribution of Green Spaces	- Careful survey of communes with the greatest lack of green space per inhabitant to locate potential land to create green spaces.
Increase the number of trees	- Plan of trees 2017-2019. Two stages making a total of 40,000 trees throughout the city.
Prioritize green coverage	- Premise to incorporate the largest amount of green space into new and value-added works; and - Remove walls as much as possible and replace them with grates with vegetation.

Source: General Direction of Green Spaces.

Mural in the neighbourhood of San Telmo.

1.3   Success stories

1.3.1   The *MiBarrio* project

Introduction

The Directorate General of Market Intelligence and Observatory of the DMO implemented in 2016 an applied research project called *MiBarrio,* an applied research project consisting on an ×-ray of the districts of Buenos Aires through the eyes of the neighbours and the multidisciplinary research team that went out into the streets, in order to capture each neighbourhood's identity, so as to redesign and revalue touristic routes and identify new opportunities.

As more and more tourists seek to live native experiences, the neighbourhood continues to be an element that gives identity to both the city and its neighbours, and has potential contribute added value to the tourist offer of the city.

Objectives

- Understand and describe the identity of the studied neighbourhoods from the citizens and referents' perspective;

- Obtain information that permits the generation of original proposals with a differential value in each neighbourhood; and

- Redirect the touristic flow to cold areas, enabling new commercial businesses and decongesting overexploited areas.

Key strategies and initiatives

The research analysed the districts' history and traditions, their urban configuration and aspects related to tourism (main arteries, walkability, accessibility, among others), gastronomic initiatives and unique services and places, always with the objective of showing a genuine city, open to the world without filters. It aimed at getting to know the neighbours' profile, more specifically, their values and behaviour patterns, by means of focus groups and interviews to the districts' main referents and opinion leaders.

The research was conducted in 20 neighbourhoods of the City of Buenos Aires, a selection was made according to exhibition and tourist exploitation of each neighbourhood.

The research was based in qualitative and exploratory approach, through the implementation of the following techniques:

- Desk research of successful initiatives in other touristic destinations;

- 30 focus groups with neighbours – both young and adults;

- 46 in-depth interviews to key informants;

- Ethnographic observations (synchronous in situ and asynchronous in documental sources); and

- 45 days of photographing

From the results of *MiBarrio* each neighbourhood was presented as an area with tourist potential in the short, medium or long term. Needs were identified for the value of the supply, particular features for the creation of new routes and possibilities of transversal tourist routes.

The information obtained in the Focus Groups and in the in-depth interviews was classified into two main categories: referential and subjective.

The referential mentions covered:

- History of the neighbourhood, in general, or specific places, i.e. mention of milestones linked to the past of the neighbourhood and the history of the country;

- Places and events: mentions of sites and moments of tourist attraction; and

- Culture: mentions of films, books, or characters of the culture related to the neighbourhood.

On the other hand, the subjective mentions related to:

- Emotionality: expressions that connote attitudes and affections related to the neighbourhood;

- Borders: expressions referring to internal and external divisions found in the neighbourhood; and

- The metaphors: connotative expressions that associate with the neighbourhood.

From the spontaneous comments collected during the field work, various relevant aspects were noted, such as security, cleaning, connectivity, control of public space (keep, Houses taken, etc.), and graffiti on walls. This information also allowed understanding the degree of belonging and appreciation that the neighbours have with respect to their neighbourhood. The research also assessed the neighbours' willingness to receive more tourists in their neighbourhoods.

Outcome and impact

The proposals that arose from *MiBarrio* research seeks to protect the social and cultural identity, as well as the cultural and natural heritage in each neighbourhood following the UN Global Code of Ethics for Tourism.

The *MiBarrio* project is a tangible proof that Buenos Aires City is a destination that favours authentic and neighbourhood tourism in opposition to building artificial tourist quarters *(touristification).*

The project has helped to identify intervention areas that need social, urban, economic and touristic improvements, in order to boost social inclusion, commercial and touristic entrepreneurship, and sustainable development. Also, it has allowed to identify overexploited areas that can be decongested, redistributing benefits and improving the functioning of the destination as a whole.

For the very first time, the local tourism entity treats its inhabitants as city hosts. This is essential, considering that there is a growing interest in tourists for authentic experiences and it is precisely the neighbours who keep local identity and culture alive.

From the results of the field work, relevant information has been provided to different government areas, even though the main addressee was ENTUR itself (promotion, communication and supply development).

El Mercado del Progreso in the neighbourhood of Caballito.

Some immediate actions that resulted from the research:

- The route-extension of the Touristic Bus to the Palermo neighbourhood;

- The opening of a Tourist Attention Centre in the San Nicolás neighbourhood; and

- The elaboration of an intensive plan on the cleansing of places vandalized with graffiti and the development of a citizen participation platform called 'Vamos los Barrios' (98% finished) that will be used to stimulate local participation in different topics through contests and voting. The first topic will be entrepreneurial neighbourhoods.

The obtained information was also used by the communes' authorities, vendors, entrepreneurs and academics. A specific report for each neighbourhood was built, with recommendations for the different addressees, and specific projects in terms of neighbourhoods' boost and urban intervention.

Considering the imminent move of the Mercado de Hacienda (Farm Market) and the results of this research, a project was elaborated that aims to revalue the *criollo/gaucho* identity through the establishment of a cultural and gastronomic pole that:

- Optimizes the already existing handicraft market;

- Promotes shows on *gaucho* skills;

- Strengthens and expands the local gastronomic offer: 'parrillas' (grillrooms) and restaurants;

- Offers professional workshops for neighbours; and

- Recovers the public space of the park (Parque Alberdi).

It has to be emphasized that the activities held there did not answer to sanitary, legal, animal protection or care for the public space parameters and, as a result, a need of an integral project that reorganizes and boosts the area has been identified.

1.3.2 The Big Data project

Introduction

The main purpose of the Big-Data project is to provide the DMO with a tool that allows it to establish and analyse market information with the objective, on the one hand, of designing new products and tourism offer, as well as for marketing strategy design and tourism promotion, and, on the other hand, to evaluate the economic impact of tourism in the city.

The Big Data project will turn Buenos Aires into the first city of South America with its own development of a Big Data tool applied to tourism.

Key strategies and initiatives

The entity is currently in an advanced stage of the development of a platform of tourism indicators for governmental use, which will provide a wealth of information for strategic decision making and tourism management. In a first stage the platform will contain data of:

- Amadeus: searches, reservations and purchases of air tickets to Buenos Aires and to competitor cities from a set of selected cities;

- Tourist traffic data: arrival and departure of travellers, divided by hikers and tourists, according to gender, age group and access route;

- International Tourism via the International Tourism Survey (ETI): the platform will contain microdata to be able to carry out consultations on international tourism beyond the regular indicators published by the DMO;

- Tourism in Buenos Aires via surveys in Tourist Assistance Centres (CATs): information will be collected on people who consult in the centres and extended surveys are conducted allowing to know the areas they visit, type of accommodation, means of arrival to Buenos Aires, etc.;

- Accounting of national and international tourists through events recorded between antennas and mobile phones: this will provide data on the distribution of tourists in 166 areas of Buenos Aires, by day of the month, time zone, gender and age

Floralis Genérica on the United Nations Square.

group. This information will be gathered for 2015, 2016 and 2017;

- Analysis of prices and hotel quality, with analysis of feelings included via data mining: statistics on price evolution according to travel forecast (up to six months) will be developed, including benchmarking with other cities in South America; and

- International students: the universities will load their statistics on international students in Buenos Aires and a brief description of their socio-demographic characteristics and their study programme. The universities and the DMO will have access to that information.

At the general level, this implies a great deal of work in terms of data integration from non-proprietary data bases (this means to know in detail all the information they provide as well as their advantages and methodological limitations) and reassessment of statistics generated by the entity (quality analysis of all the information they contained and monitoring of data collection processes).

Chapter 1 Endnotes

1   Total population and absolute and relative intercensal variation per commune. Years 2001–2010. INDEC.

2   Directorate General Document Centre of Information and Legislative File 2011. "City of Buenos Aires".

3   www.lboro.ack.

4   Source: https://turismo.buenosaires.gob.ar.

5   According to DMO and the City of Buenos Aires MICE Tourism Guide 2016.

6   www.theworlds50best.com.

7   International Tourism Survey (ETI), National Ministry of Tourism.

8   SIPA (Sistema Integrado Provisional Argentino).

9   SIPA and the General Directorate of Statistics and Censuses of the City of Buenos Aires.

10 International Tourism Survey (Encuesta de Turismo Internacional ETI).

11 Ente de Turismo de Buenos Aires (2016), *Ferias,* Buenos Aires (online), available at: www.buenosaires.gob.ar/ambienteyespaciopublico/mantenimiento/feriasymercados/ferias (20-03-2017).

12 Ente de Turismo de Buenos Aires (2016), *Así somos,* Buenos Aires (online), available at: https://turismo.buenosaires.gob.ar/es/article/as%C3%AD-somos-¡conocenos) (20-03-2017).

13 ETBA, *Tourism Plan 2016–2019.*

14 Buenos Aires Tours (2017), *Visitas guiadas,* Buenos Aires (online), available at: www.ba.tours (25-04-2017).

15 Permanent Household Survey (Indec) (2016).

16 Ente de Turismo de Buenos Aires (2016), *Buenos Aires, todas las pasiones* (online), available at: https://turismo.buenosaires.gob.ar (20-04-2017).

17 Statistical Yearbook 2015 (CABA).

18 Data from DGEV- MAYEP.

19 Statistical Yearbook 2015 (CABA).

20 Centro de Protección de Datos Personales (2016), *Presentación* (online), available at: www.cpdp.gob.ar (20-04-2017).

LINZ
AUSTRIA

2

Linz.

2.1 Introduction

2.1.1 Basic facts

"In Linz beginnt's [it all begins in Linz]. This is a famous Austrian saying and it is spot on. [Linz] is a city on the move, with its finger on the pulse of the country's technology, industry, culture and science; a cyber centre and a cutting edge gathering that looks freshly minted for a sci-fi movie."

Lonely Planet (2014), Austria, Lonely Planet

Since 2000, when Linz became the first Austrian city to have a cultural development plan, the transformation of this 'Cinderella' of Austrian cities has been remarkable, especially in terms of tourism. The change has been driven by a clear vision for sustainable urban development that is closely integrated with and aligned to the role of culture and tourism.

Few post-industrial cities in the world have transformed their physical, perceptual and tourist image as radically and successfully as Linz. In less than two decades, Austria's third largest city and the capital of Upper Austria, with 200,000 residents (and over 400,000 in the wider conurbation), has undergone a significant metamorphosis. Today, Linz is synonymous with progress, vitality and vision founded on culture, sustainable urban development and tourism.

In 2015 Linz was placed 5th in the ranking of European smart cities after Luxembourg, Cork, Leicester and Aarhus, and a year later was recognized as the Austrian city with the best quality of life.

2.1.2 History

From its Roman origins, Linz had become a flourishing trading point in the Middle Ages. However, by the early 20th century, the city's importance had waned and it was just a modest provincial commercial centre. Under the German Third Reich Linz became a patronage city of the Führer, singled out for special urban and industrial planning and investment, especially for steel and armaments production. As a result, over the following 50 to 60 years, it was perceived as an unattractive, polluted, industrial centre with few attractions.

The city has been the birthplace or home to a number of people whose thinking and work have influenced (and still influence) the world today, among them:

- Johannes Kepler (1571–1630) the famous German theologian, mathematician, astronomer and astrologer, who lived in Linz from 1612–1627;

- Adalbert Stifter (1805–1868) poet, novelist and educationalist;

- Anton Bruckner (1824–1896) who was born near Linz and was an Austrian Romantic composer and music teacher; and

- Ludwig Wittgenstein (1889–1951) philosopher and mathematician who went to school in Linz with Adolf Hitler, who regarded Linz as his home town.

2.1.3 Infrastructure, transport and connectivity

Linz is located in Upper Austria and sitting astride the River Danube (which provides connections to Rotterdam and the Black Sea), with Slovakia and Bavaria to the west and the Czech Republic and Prague to the north. It is on the Paris-Budapest east-west axis and the Trieste–Malmö north–south axis. By motorway, it is 185 km from Vienna, 130 km from Salzburg and 270 km from Munich, and it also has a well laid out railway network.

Linz Airport, which was recently rebranded and renamed The Blue Danube Airport, is situated about 15 km west of the city centre. It has daily connections to Düsseldorf, Frankfurt, London and Vienna as well as a range of charter flights.

2.1.4 Tourism flows

Tourist arrivals and overnight volume in Linz have been tracked for at least 50 years in one way or another. In 1960 the city recorded 360,000 bednights – a figure that remained fairly constant until the 1980s. By 1990 the annual total had risen to 457,000 and, over the next 20 years, this slowly increased to 580,000 for 341,000 arrivals (see figure 2.1).

For many years, the annual growth in arrivals and bednights has been fairly steady, but the growth in bednights appears to have stalled since 2012. The ratio of international to domestic arrivals has been fairly balanced with 54:46 in 2016. But domestic tourists outweigh foreign visitors by 3:2 in terms of bednights, staying close to 2 nights on average as against less than 1.5 for those visiting from abroad (see table 2.2).

Table 2.1   **Growth of river cruises on the Danube and for Linz**

Criteria	Measure	
Vessels	165 cabin ships and cruise vessels/liners on Upper Austrian Danube	
Berthings[a]	2010	552
	2016	1,659
Berthings in Linz	2016	860
	2017	approx. 939
Number of passengers 2016	385,000 overnight trips	
	670,000 day-trips	
	115,000 occasional traffic	
Markets	Germany, Switzerland, the United States of America, Canada, Australia, Northern Europe (mainly the United Kingdom)	
Product development	Increase of themed cruises and bicycle tours	

a)   In marinas managed by the Werbegemeinschaft Donau OÖ.

Source: Linz Tourismus (2017).

Figure 2.1   Tourist arrivals and bednights in Linz, 1990–2016 (× 1,000)
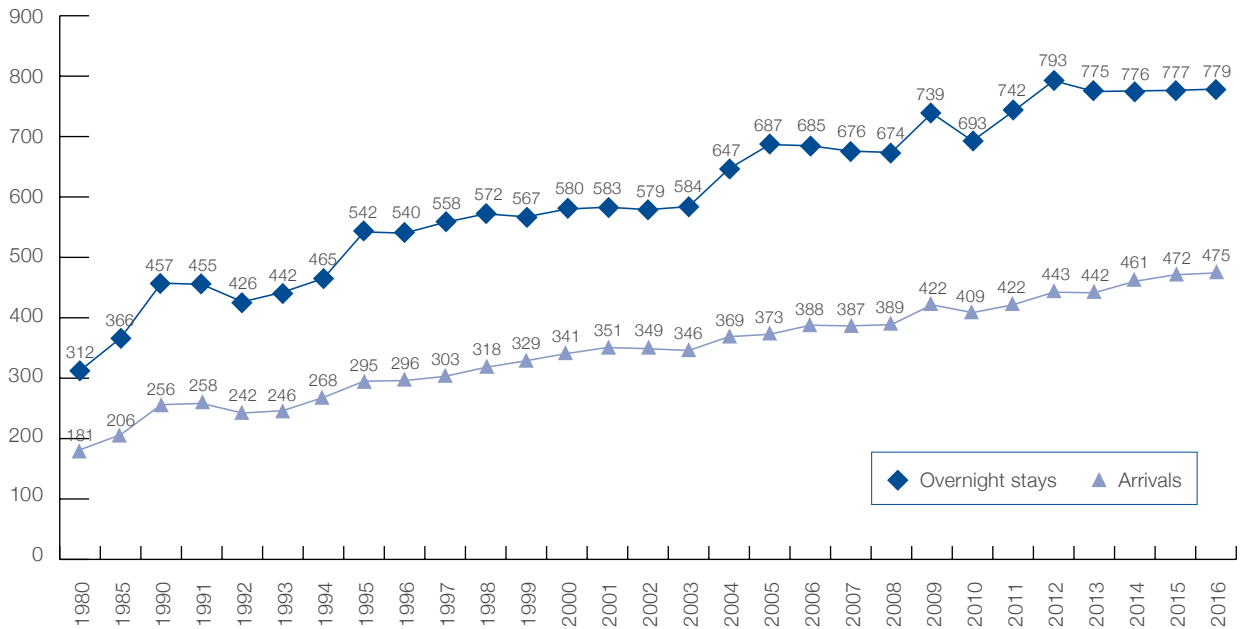
Source: Linz Tourismus (2017).

Table 2.2   Tourist beds in Linz by type of accommodation

Type of accommodation	Number of establishments (2017)	Number of beds (May 2016)
4* hotels	12	2,257
3* hotels	12	1,227
Hostels	1	252
Others	3	45
B&B	6	63
Total	**60**	**4,963**

Source: Linz Tourismus (2017).

Figure 2.2   Key international markets, 2016 (%)

Other (41)
Germany (44)
United Kingdom (3)
China (5)
Italy (7)
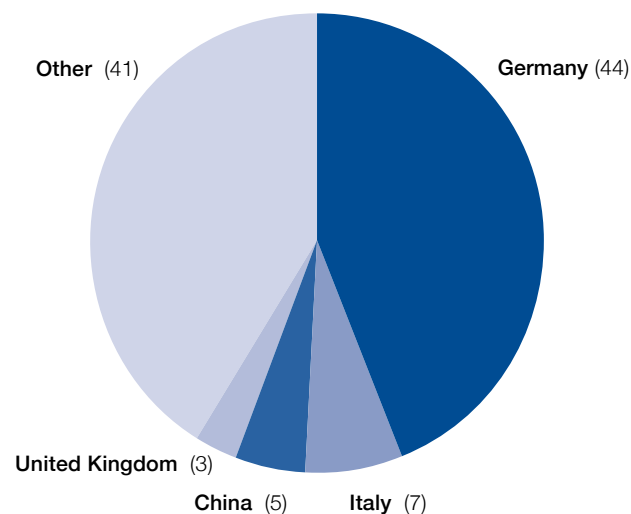
Source: Linz Tourismus (2017).

Table 2.3   Seasonal highs and lows in hotel occupancy in Linz, 2016

	Bednights	Occupancy (%)
Seasonal low: January	44,588	27.7
Seasonal high: October	80,818	49.2

Source: Linz Tourismus (2017).

Tourist train.

2.1.5 Tourism source markets and seasonality

Germans and Italians are the most important markets, and it is estimated that 60% of all visits are made by business tourists (MICE markets) and only 40% for leisure purposes (see figure 2.2 and table 2.3).

2.1.6 Economic impact

In 2016 tourism contributed EUR 18,800 million of direct value added to the state's economy, or 5.5% of GDP, resulting from direct tourism expenditure of EUR 38,400 million and direct employment of over 334,000 people.

According to the Upper Austria Chamber of Commerce (2015), tourism supports over 4,000 full-time job equivalents in the city. This includes work in the commercial accommodation sector (some 60 establishments) as well as in restaurants and bars (approximately 1,700 businesses) and in cultural and leisure attractions.

2.2 Key performance areas

2.2.1 Destination management

Structure of the DMO

Destination development and tourism growth are driven by a very strong commitment to, and deep understanding of, the role and importance of the process of destination management by all stakeholders, the City Council and, increasingly, by the residents of the city themselves.

Linz Tourismus is the non-profit destination management organization (DMO) charged with driving the city's tourism agenda and is the lead body responsible for development and marketing. It also coordinates these strategies and plans with those of other organizations representing the wider Upper Austria Region.[1] The DMO officially reports on its activities and performance every two years.

Since the organization and funding of tourism in Linz are embedded in statutes, Linz Tourismus does not have to chase after revenues. It has a stable budget and a legal mandate to operate. Tourism is a statutory obligation: every business in Linz is obliged to contribute a percentage of its turnover to contribute to the organization and marketing/promotion of tourism in the city.[2]

Linz Tourismus is established as a not-for-profit company founded on a public-private sector partnership. Its annual budget is EUR 3.0 million, comprising:

- EUR 700,000 of all companies' business turnover;

- EUR 1,200,000 overnight bed tax;

- EUR 700,000 contracts and commercial activities; and

- EUR 400,000 sales, merchandising and events.

In addition, EU structural funds provide project-based financing for a range of specific activities. Thanks to its strategic location, close to a number of international borders, Linz has been particularly successful in securing EU funding for transnational projects.[3]

The fact that every commercial accommodation operator has to maintain a register[4] of all guests, and is responsible for receiving and reporting on local bed and restaurant taxes, means that there is not only an accurate, robust, record of tourist activity in the sector, but that there is absolute trust and transparency in the process.

Linz Tourismus reports to a board of nine members and an Annual General Assembly attended by, on average, 1,800 stakeholders. The DMO has an Executive Office (managed by the CEO) of 14 full-time and 8 tourism information centre staff.

Tourism development policy

The DMO is responsible for driving the vision and for elaborating strategies and programmes to deliver the agreed vision for the destination. It collaborates with partners and stakeholders representing the public, private and tertiary sectors of tourism and hospitality, and by forging a very close relationship between culture and sustainable urban development.

In order to ensure that its strategy for tourism development is contemporary, relevant to marketplace trends and aligned to international best practice, Linz Tourismus monitors competitor destinations

on a regular basis, in addition to undertaking and/or commissioning frequent market research and international benchmarking exercises. These activities involve many different stakeholders and the findings are shared with the tourism industry and the local community through a wide range of media.

There is a general consensus among key stakeholders that the main issues facing the future development of tourism in Linz are:

- Increasing the number, range and quality of the accommodation stock in the city, especially in terms of hotels, and increasing the number of quality apartments for short-term rental;

- The responsible and sustainable growth of cruise tourism;

- The development of new routes for the Blue Danube Airport;

- Growing Linz's international markets and visitation through an increase in, and promotion of, internationally renowned events and festivals and foreign student access to the city's universities;

- Maintaining the strength of the city brand by encouraging local community and tourist buy-in of the concept; and

- Ensuring ongoing innovation and creativity in developing new experiences and products.

Marketing strategy and USP

The city of Linz has ancient foundations; its Celtic and Roman names (Lentia and Lentos, respectively) mean: "on a bend/the place where the Danube changes its course". This has encouraged Linz Tourismus to develop the branding and positioning of Linz as a place of constant change with a spirit of experimentation and innovation, as well as a preference for the contemporary.

These values and characteristics remain at the heart of all the city's business and product development, inspiring cultural programmes, imaginative architecture

Urban landscape.

and innovative approaches to tourism development, marketing and promotion.

Visitors to Linz are invited to "discover new things, feelings, thoughts and experiences", to encounter history, landscape, technology and culture in different ways, to be prepared and willing to change their attitudes, perceptions and their behaviour in the same way that Linz and its citizens have changed their outlook and attitudes over the past 10–15 years and have become open minded as a society.

Linz.Verändert is the current marketing and action plan of Linz Tourismus, a document that sets out the strategy and articulates the rationale for the strategy, together with targets, outcomes and costed actions for the following:

- **Projects and joint collaborative activities** such as transborder promotions of the Danube, the development of 'Next Generation and the Tourism Lab for Innovation', joint promotions with the airport, and new events;

- **The delivery of visitor information services** within the city, especially the newly created weekend packages targeting domestic tourists, the development of the Linz Card, and the creation of new campaigns;

- **On-line communications** including social media, newsletters, the schedule of trade shows, and group marketing activities (including educational markets); and

- **The development of cooperation and partnerships,** including working with the cultural sector, local and regional transport providers, universities, the Austrian Tourist Guides network and other private and public stakeholders such as the Hotel Association, the Innkeepers Association, Creative Austria and the Upper Austria Chamber of Commerce.

The action plan determines the balance to be achieved through traditional and new media for marketing, promotions, sales, PR and visitor service information.

Some examples for product development:

- Tabakfabrik: a creative hub for designers, manufacturers and hackers (www.tabakfabrik.linz.at);

- Ars Electronica: an experimental space where science and technology meet art (www. arselectronica.at) (see chapter on 'success stories'); and

- The Klangwolke Open Air spectacle in Donau Park attracting 100,000-plus visitors a year and the 'Bubble Days' when the city invites internationally acclaimed street artists to create world-class street/urban art (www.muralharbor.at).

Performance measurement tools

Within the senior management team of Linz Tourismus there is concern that there is too much reliance on traditional KPIs and that they distract attention from the more meaningful measures of sucess relevant to the 21st century. Indeed, in a destination that positions itself as a place that is constantly changing, it is perhaps appropriate that Linz Tourismus is considering a new palette of key performance areas and indices that are likely to be a better fit for the future.

Since the review of traditional performance measurement is ongoing by Linz Tourismus and its partners and stakeholders, the following reflects the possible direction and scope of destination metrics that may be developed by Linz Tourismus:

- Residents' buy-in and overall level of support for tourism and annual themes under consideration (e.g., 2016 was the Year of the Art of Living);

- The number of new, innovative products brought to market, especially via the Tourism Lab and other creative initiatives;

- Factors representing an increased level of professionalism within the industry;

- The number/percentage of front line hospitality staff benefiting from training and other means of developing person-to-person relationships;

- The proportion of businesses represented at the annual tourism conference and the engagement of businesses/organizations in the Tourism Academy;

- Innovative measures to track changing attitudes of residents and visitors;

- The level and depth of involvement of the creative sectors in tourism; and

- Metrics associated with social media activity and the role of big data analysis linked directly to marketing strategy and action plans.

There will be a shift in emphasis away from a reliance on traditional metrics of the volume and value of tourism to a new system of information, sourced from a range to new technology and social media-based data that relates much more closely to:

- The quality of the tourist/guest experience;

- The quality of life for its citizens/hosts; and

- The quality of interactions and relationships between guest and host.

2.2.2 Social and cultural perspective

Cultural development strategy

At the heart of the paradigm shift in the way Linz has developed over the past 15 years is a strong, ambitious and unambiguous focus on the role of culture and tourism in changing the physical structure and character of the city and, in so doing, enhancing the perception, appeal and reputation of the city in domestic and international markets. As a result, social and cultural criteria are now seen as vital elements in monitoring and measuring the success of tourism in the city.

The city's tourism development plan is now aligned with, and fully integrated with, the cultural and social development of the city, and together help to determine the future of sustainable urban development in Linz. There is strong inter-agency collaboration between the cultural and creative industries and the tourism industry.

The basis for the cultural transformation of Linz was the creation of the Cultural Development Plan 2000–2010[5] for the city and the way this plan contributed to enlightened and visionary thinking about the sustainable urban development of Linz. These changes were directly linked to a change in the minds of people – both residents and tourists.

The plan, and the resulting bid to be the 2009 European Capital of Culture, had a number of key themes that continue to resonate throughout the city today and contribute to the appeal, branding and positioning of Linz in today's tourism marketplace. The themes were:

- Culture as everyday life;

- *Avant garde* – now and forever;

- Connectedness is an asset of democracy;

- Culture knows no bounds; and

- At the end is renewal and constant change.

In the same way as the new cultural buildings (the LENTOS Museum in 2003, the Knowledge Tower in 2007 and Ars Electronica in 2009) changed the cityscape and city life, so new cultural programmes helped to change the mindset of the people, especially in terms of awareness and perceptions.

Community attitudes and engagement

Linz Tourismus conducts an annual sample survey of its inhabitants to gauge their feelings about tourism in Linz – its direction, its outcomes and what their friends and relatives say and feel. This is regarded by Linz Tourismus as a good instrument for measuring performance but it's also about feelings and opinions.

The 2015 survey concluded that:

- 78% of the population of the city felt the direction of tourism strategy and development was correct (9% disagreed and 13% expressed no opinion);

- 90% of the residents reported that their visiting friends and relatives were highly satisfied with the tourism experience in Linz;

- 92% of the residents interviewed were very satisfied with the tourism experiences; and

- 90%+ of visitor satisfaction levels.

2.2.3 Environmental perspective

Sustainable tourism strategy

Responsibility for urban development is shared between the State and the City Council of Linz. In addition, the City Council has recently adopted 'Linz 2050', a holistic vision for new energy systems throughout the city based on the e metering of consumption, e-mobility, and energy-efficient buildings all aiming to deliver a zero per capita level of CO_2 emissions by 2050.

The city's Zonal Plan is implemented by the Urban Development Business Group and includes decisions about residential, industrial, cultural, touristic and green space land allocations. From this exercise local projects are emerging which benefit residents and tourists alike, such as *Linz braucht einen Strand* (Linz needs a beach), community gardens, such as the Garden of Habitats and 'Linz Picks', which will see fruit trees planted throughout the city.

With the recent decline of industrialization in the city, there are particular challenges associated with former brown-field sites and the reuse of redundant industrial buildings – which are being increasingly recycled for cultural and tourism purposes. In addition, the Urban Development Business Group is in charge of encouraging new ideas and solutions for sustainable development.

Blue Meetings concept

The Blue Meetings concept for Linz is based on the premise that every business meeting is climate neutral, committed to waste reduction, is energy efficient and contributes to regional value added. Linz has further developed the concept of green events to ensure, not just the needs of the environment, but also those of individual people. There are three levels to Linz's Blue Meetings concept: the person, the venue and the programme, the optimal coordination of which guarantees the event's success.

2.3 Success stories

2.3.1 Ars Electronica

Introduction

Ars Electronica has its origins in 1979 when a small group of visionaries proposed an initiative that sought to develop links between the arts, technology and society that would produce innovative, radical and often eccentric ideas to influence everyday life and contribute to sustainable urban development.

Today, the Ars Electronica centre, opened in 2009 on the north bank of the Danube as part of the European Capital of Culture, attracts some 150,000 visitors a year. It is an architectural expression of a place of inquiry, discovery and experimentation with a range of permanent and temporary exhibits. Known locally as the Museum of the Future, the Ars Electronics presents, interprets and provokes ideas about futuristic visions of society and our impact on the environment. It includes the unique Deep Space, an immersive and interactive 16 × 9 m high 3D art installation.

Key strategies and initiatives

In addition to being a visitor attraction, Ars Electronica is also a place of research, interaction and experimentation. Aspects of its work include:

- The FutureLab: an in-house research and development laboratory that experiments with ideas and converts them into applications and products that can benefit and drive new ideas about urban development;

- Organizers of the annual Festival for Art, Technology and Society (branded Ars Electronica) in which a different theme is identified every year. In 2015 the theme was Post-City, Habitats for the 21st century; in 2016 the Radical Atom and the Alchemists of the Future; and in 2017 Artificial Intelligence; and

- Organizers of the Prix Ars Electronica competition, which is regarded as an international trend barometer that identifies, articulates and interprets key trends affecting the interaction between art, technology and society.

The Ars Electronica Centre.

Outcome and impact

The work of Ars Electronica is embedded in the development of Linz and the wider region. It is a real expression of the branding and positioning of Linz as a place of change, a city that looks forward, is open to new ideas and experimentation, and is focused on *change* in all its dimensions. It is an institution that works closely with specialists around the world thus advancing the internationalization of the city. The benefits to the city and the wider region are well recognized by all local and regional stakeholders:

- Generates tourist and day visits to attraction and festival;

- Collaboration with Linz Tourismus and partners in city promotions;

- Generates international awareness and collaborations;

- Contributes to new ideas and product development to support tourism, sustainable urban development and shaping responsible futures;

- Creates jobs and spending in the community; attracts new talent and helps support the work of the universities; and

- Supports the change of culture by encouraging innovation and creativity, thus helping change perceptions of the city.

2.3.2 European Capital of Culture 2009: a success story

Introduction

The importance of Linz becoming European Capital of Culture (ECoC) in 2009 cannot be overestimated in terms of its impact on the city's fortunes. It brought new confidence to the city, generating a willingness and eagerness to collaborate and to develop new ideas for tourism and culture.

According to the Kommerzialrat (KR) Manfred Grubauer, the Chair of Linz Tourismus, "Linz needed the explosion created by its year as European Capital of Culture – 7,500 cultural events and 3.5 million visitors – to reinvigorate the city. Now we can't stop the revolution."

Outcome and impact

During the three years 2006–2008, Linz welcomed 600,000 international overnight tourists, as well as millions of same-day visitors or excursionists. In 2009 alone, as the EcoC, it attracted 2.9 million day visitors. Domestic arrivals (overnight and same-day visitors) increased by 20%, and there was similar growth from Switzerland and the Czech Republic, with the German market up 16%. During the same year, overnight volume rose by 10%.

Research carried out by the Johannes Kepler University (2011)[6] over the period 2005 (when the decision to bid for European Capital of Culture was taken) to 2010 suggested that tourism activities contributed some EUR 426 million to the city's gross domestic product (GDP), creating some 4,600 jobs across the Upper Austria region. In addition, according to the same report, public sector investment over the period totalled EUR 323 million in terms of infrastructure, with the private sector also investing close to EUR 75 million in new hotel developments and improvements.

The 2010 review of the cultural benefits and impacts of Linz's year as European Capital of Culture, which was undertaken by consultants ECOTEC for the European Union (EAC/03/06),[7] concluded that:

- The Cultural Development Plan had created the essential vision and an environment of steady growth giving the ECoC year a strong foundation;

- It had created strong partnerships at federal, regional and city level;

- The original budget of EUR 80 million was well managed, with a total spending of EUR 69 million creating a residual resource for ongoing cultural activity;

- The year generated significant economic and tourism benefits, as well as a change awareness and a major shift in residents' perceptions of their city; and

- The Cultural Development Plan was successful in setting out the goals of, and the mechanisms needed to secure, the 2009 European Capital of Culture. It also articulated the legacy opportunities, one of which was to become part of the UNESCO Creative Cities Network (www.unesco.org/creative-cities).

Five years later, in 2014, building on the legacy of 2009, Linz successfully joined as one of the UNESCO Media Arts cities, along with eight other cities in the world – Dakar, Austin, Enghein-les-bains, Tel Aviv, Gwangju, Lyon and York. This means that Linz is, according to UNESCO, formally "placing creativity and cultural inclusion at the heart of the city's development plans for urban development and tourism at the local level and actively cooperating at the international level."

'Media art' is defined by UNESCO as "artworks that depend on technological components to function." This designation and the focus on the cultural programme over the period 2015–2025 are helping to drive international tourism and enhance the international profile of the city, thus reinforcing the brand and positioning of Linz.

The Cathedral of the Immaculate Conception.

Chapter 2 Endnotes

1   As represented by the Chamber of Commerce for Upper Austria (Tourism and Leisure Section) and the Upper Austria Tourist Board.

2   Every business is allowed to calculate what proportion of its turnover is attributable to tourism and self-assesses its contribution.

3   Such as Danube cruising and cycle path projects.

4   As from 2018, the function of coordinating, collecting and recording this information will be undertaken by the State Office for Tourism and Leisure.

5   City of Linz (2000), *Cultural Development Plan 2000–2010* (online), available at: www.linz.at.

6   Johannes Kepler University (2011), *The Economic Impact of European Capital of Culture,* Linz.

7   European Commission (2010), *Ex-post evaluation of the European Capitals of Culture 2009* (online), available at: https://ec.europa.eu.

ANTWERP
BELGIUM

3

Gildejuweel.

3.1 Introduction

3.1.1 Basic facts

Antwerp is the second largest city in Belgium and capital of the Antwerp province of the same name, with a population of over 500,000, and measures 203 km2 in total area. Since the 16th century Antwerp has been the commercial heart of Flanders, the Dutch-speaking region of Belgium. It is also the second largest port in Europe (in volume of goods) and ranks among the 20 largest ports in the world. The city has a direct link through open water with the North Sea.

The old city on the river's right bank has charming narrow, winding streets and old buildings. The 19th century city, with broader and substantially parallel streets, stretches beyond the old city. Another right-bank area spreads beyond the 19th century fortifications and is characterized by numerous modern buildings.

The largest part of Antwerp, however, is the non-residential northern seaport complex. Most of the agricultural waterside villages incorporated by the city have been eliminated to make room for expansion of the somewhat bleak areas of docks, industrial sites and railway yards. Locks connect this complex with the Schelde River.

3.1.2 History

Antwerp was inhabited as long ago as the Gallo-Roman period (2nd or 3rd centuries A.D.). The city first experienced an economic boom in the 12th century, when the rival port of Bruges started silting up. By the first half of the 14th century, Antwerp had become the most important trading and financial centre in Western Europe, based largely on its seaport and wool market. As the Belgian Golden Age unfolded, Antwerp became a world-class metropolis, described as "the loveliest city in the world".

By the second half of the 16th century, the city was the focus of politico-religious struggles which led to the River Scheldt being closed. From an economic point of view, this was a disaster. Yet the city continued to flourish culturally until the mid-17th century thanks to painters like Rubens, Anthony Van Dyck, Jordaens and Teniers, printers such as Plantin and Moretus, and the famous Antwerp harpsichord builders.

The river was permanently reopened in 1863, paving the way for Antwerp to return to its former glory. Antwerp has experienced steady economic growth since the start of the 20th century and is now home to the second largest port in Europe, facilitating the city's petrochemical industry. It is also a major trade and cultural centre, home to 170 nationalities, known as the "diamond capital" of the world.

3.1.3 Infrastructure, transport and connectivity

Antwerp is well connected and lies at the crossroads of five major international motorways, giving access from all. It is also served by international high-speed rail, with direct connections to Amsterdam (including the airport), Lille (for connections to the United Kingdom) and Paris.

Brussels' airport is the international airport for Belgium, while Amsterdam as a European hub offers more global connections. Antwerp's regional airport mainly handles outbound holiday flights, a daily regular service to London City Airport and private business aircrafts. The national rail network provides the city with a frequent service to Brussels and links with all national cities. Regionally and locally there is a well-organized public transport network with frequent buses and trams. Daily rover cards and the city card provide easy access for visitors (see table 3.1).

Antwerp has become a main North European cruise port, receiving 22 seagoing vessels and 689 river cruisers in 2016.[1] Special investments have been made to facilitate the mooring of cruise vessels and the handling of passengers in a cruise terminal next to the city centre. A new cruise terminal is planned for 2020, slightly north of the existing one. Boosting cruise tourism for its perceived above-average visitor spending was a main goal in of Antwerp's second Strategic Tourism Plan.

Cruise passengers in Antwerp are registered as same-day visitors, as they stay overnight on board the vessels. In terms of passenger numbers, 16,429 arrived by seagoing cruise vessels (2016) and 88,056 on river cruisers. Although this is a modest number compared with the overall visitor count, Antwerp has proven to cities like Amsterdam that cruise development can boost the regeneration of port areas, contribute to the destination's promotion and revitalization if its history.

3.1.4 Overview of key attractions

The Cathedral of Our Lady is Belgium's largest Gothic church. It is a landmark for the city. The market square, the town hall and the guild houses form a remarkable 16th–17th century setting, attracting many visitors. This, together with the numerous restaurants, shops and cafés, guarantee a pleasant, authentic atmosphere.

The Plantin Moretus Museum, named after the famous 16th century printer family and the first industrial printer in history, and the Royal Museum of Fine Arts (closed for restoration until the end of 2018). A vast collection of the work of Flemish artists gives a valuable insight into fine art over the centuries. Museums of Modern Art and the Museum aan de Stroom (MAS) are other cultural attractions. The Rubens House, where the famous painter once worked and lived, is now a well-developed attraction.

The authenticity and charming architecture of the city are directly complemented by the atmosphere of the city and city life. The traditional Flemish lifestyle is well preserved in the city. And as many other Flemish cities have similar architectures and museums worth visiting, it is more likely to be Antwerp's genuine Flemish lifestyle that makes it such great attraction for foreign visitors.

Table 3.1 **Travelling times between Antwerp and selected airports**

Airport	Travelling times to the city		
	Public transport	**Road**	**km**
Antwerp/Deurne	30 minutes	15 minutes	7
Brussels Airport	35 minutes	50 minutes	45
Amsterdam Airport	65 minutes	2 hours	160

Source: Visit Antwerpen (2017).

3.1.5 Tourism flows

In 2015 Antwerp recorded 1.9 million bednights, of which 63% were foreign. The total number of arrivals was 1.1 million, of which 55% on leisure trips, 27% for MICE, and 18% traditional business and other. The last 20 years have seen fairly stable, albeit modest, growth in numbers of 1.8% per annum with no marked peaks or troughs.[2]

The number of same-day visitors varies from month to month and by quarter, with an average of just over 1 million arrivals per month. Two-thirds of these visitors are domestic (travelling from more than 20 km outside the city), and between 25% and 33% are foreign (see figure 3.1).[3]

3.1.6 Tourism source markets and seasonality

The main markets, generating 79% of bednights are: Belgium, the Netherlands, Germany, the United Kingdom, France and the United States of America (see figure 3.2).

In 2015, average room occupancy varied from 58.6% in January to 83.2% in September, with peaks in June, September and October. In 2015 the individual business segment accounted for 42.6% of roomnights, with MICE at 8.5%, the individual leisure market for 38.2%, and group tourists for 10.8%. This explains the peaks in July, August and October[4] (see figure 3.3).

Figure 3.2 **Bednights by source market, 2015 (%)**
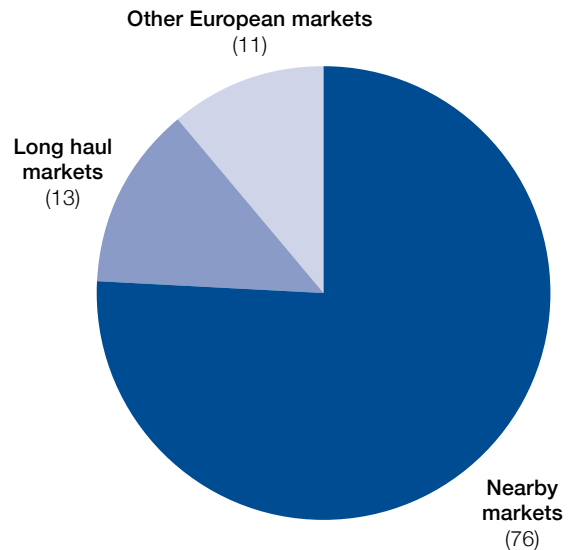
Source: Calculations based on figures from FPS Economy, *Overnachtingen in 2015 per regio en type van accommodatie* (online), available at: statbel.fgov.be (28-07-2017)

Figure 3.1 **Trend in number of bednights in hotels, 1998–2016 (× 1,000)**
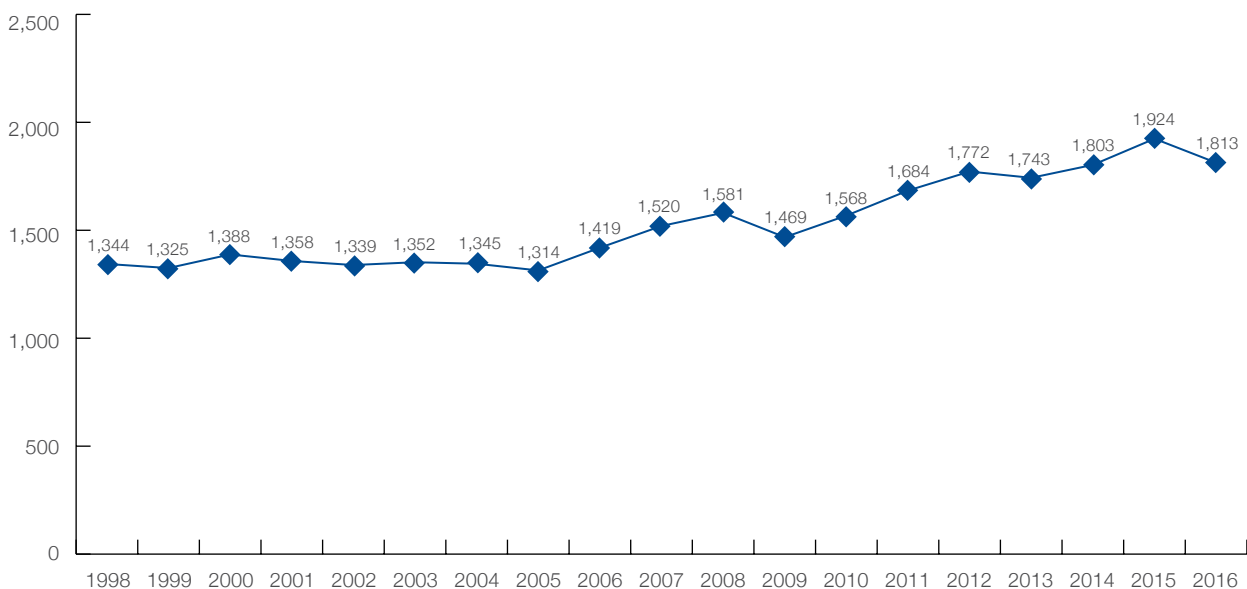
Source: Stad Antwerpen, *Stad In cijfers* (online), available at: https://stadincijfers.antwerpen.be (10-08-2017).

3.1.7 Economic impact

Belgium's GDP was EUR 479,122 million in 2015, up from EUR 356,125 million in 2010. Of the 2015 figure, 16% (€ 75,365 million) was generated in the province of Antwerp (see table 3.2).

The most important elements in Antwerp's economy are the petrochemical, logistics and knowledge sectors. The added value generated by tourism is more modest, but still on a par with that of the fashion and diamond sectors (all around usd 352 million).

However, in the new city marketing strategy, visitors are seen as making an important contribution to the other industries, so a direct comparison of value added is not realistic as a way of judging the value of tourism to Antwerp's economy.

Table 3.2 **Performance criteria regarding the economic impact of tourism**

Criteria	Data
Number of jobs in the tourism industry, 2012[a]	20,672
Contribution of tourism to the destination's economy (% of GDP)[b]	2.15%
Contribution of tourism to jobs in the local economy[b]	5.9%
Daily spending per overnight visitor[a]	USD 182
Daily spending per same-day visitor[c]	USD 93

Note: Tourism is not registered as a defined sector, data on tourism is only available through incidental surveys.
Sources: a   Toerismevlaanderen (2014), *Toerisme in cijfers 2013,* rapport kunststeden, Vlaanderen.
           b   Maesschalck de, P. and Weekers, K., (2014), *TSA (Tourism Satellite Account) Flemish Region and Brussels-Capital Region 2014 Executive Summary,* Studiedienst Vlaamse Regering.
           c   WES (2012), *Kunststedenonderzoek 2011.*

Figure 3.3 **Overnight stays in hotels by month, 2015 (× 1,000)**
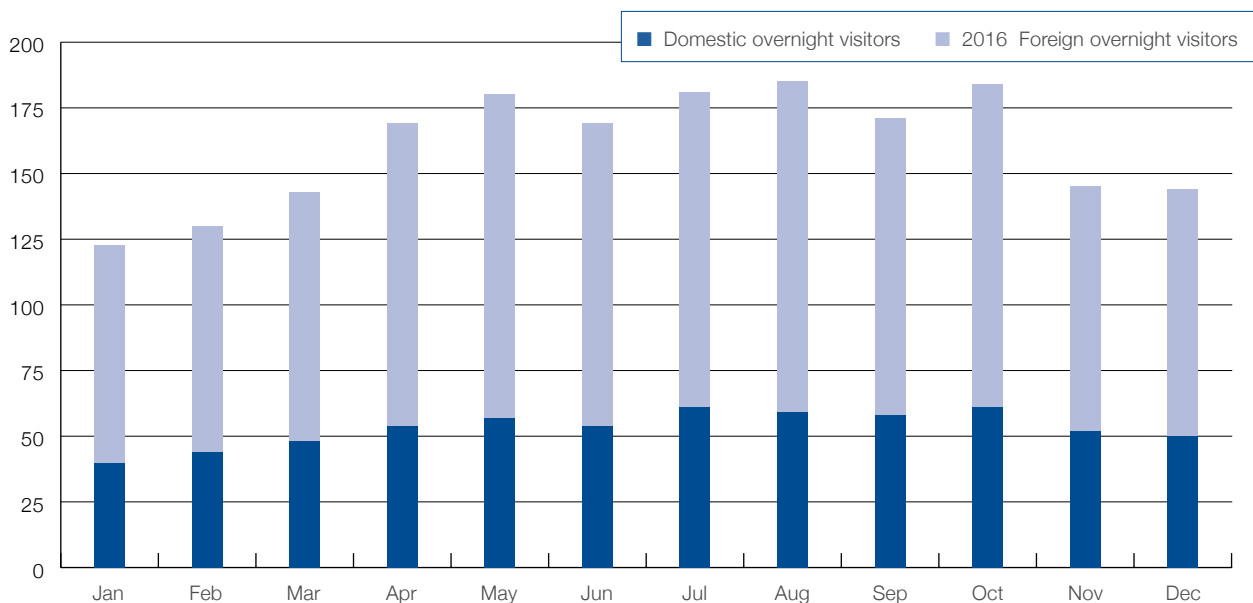
Source: Toerismevlaanderen (2016), *Toerisme in cijfers 2015 XL* (online), available at: www.toerismevlaanderen.be.

Central station.

3.1.8 Tourism enterprises

Antwerp has a total accommodation capacity of more than 5,200 rooms, providing nearly 12,900 beds. The classified hotels comprise 28% one- and two-star properties, 42% three-star, 30% four-star and zero five-star hotels, together accounting for more than 9,700 beds. The capacity in B&B's is unclear as not all are registered.

Table 3.3   **Types of tourism enterprises in Antwerp**

Type of enterprise	Number
Caravan parks and camping sites	4
Guest houses (e.g., B&B)	84
Youth hostels	8
Hotels	59
Holiday parks	0
Self-catering units	72
Miscellaneous lodging	25
Conference centres	1
Attractions	71
Restaurants	806

Source: Toerismevlaanderen (2017), *Te gast in Vlaanderen 2011–2015,* Logiesaanbod in Vlaanderen, Vlaanderen.

3.2   Key performance areas

3.2.1   Destination management

Structure of the DMO

Visit Antwerpen is the city's destination management organization (DMO) that sits within the local government's Department for Business Development and City Marketing *(Ondernemen en Stadsmarketing).* This department is tasked with promoting Antwerp as an attractive city to live, study, work and visit. In effect, it is the city's marketing and promotions agency, communicating and cooperating with other departments as necessary.

Visit Antwerpen is responsible for marketing the city as a destination for visitors, both leisure and meetings, conferences, etc. (MICE), as well as providing information and other and other facilitation services and distributing the Antwerp Tourist City Card. Its current budget (2017) is USD 2.06 million, excluding staff and housing costs.

In addition, the city is active in urban and societal management, including monitoring visitors' flows, monitoring and managing the liveability of shopping and nightlife areas, supporting entrepreneurs in data collection and distribution, education and training of

entrepreneurs. The city seeks to capitalize on, and improve, the assets of the hospitality industry by developing a clear and supportive hospitality policy.

Antwerp has the second highest density of hotels and catering businesses of any city in Flanders, after Bruges. As such, the quality of this industry is key for the city from an economic, social and tourist point of view. Hospitality businesses are essential to the city's social fabric, too. Residents and visitors meet in Antwerp's hotels, cafés and restaurants. This makes for lively city streets, which in turn enhances the feeling of safety among residents and visitors. Equally, the combination of hospitality amenities with other leisure opportunities, like shopping or cultural visits, is considered to be a big asset for the city. In the city

centre most shops are open seven days a week.

As the DMO, Visit Antwerpen also is involved in dialogue with the industry. Since the roles and responsibilities of the public and private sectors in tourism are quite distinct, Visit Antwerpen recognizes that public-private cooperation in marketing and destination development needs to be supported. It takes a leading role and organizes regular meetings for the industry, identifying industry needs and wishes and discussing the best ways of meeting these needs.

Since 2006 there has been a structured dialogue between the industry and the municipality of Antwerp. Around 400 entrepreneurs from the hotel and catering industry, Antwerp Convention Bureau, guide

Figure 3.4   **Organogram of the Department for Business Development and City Marketing**
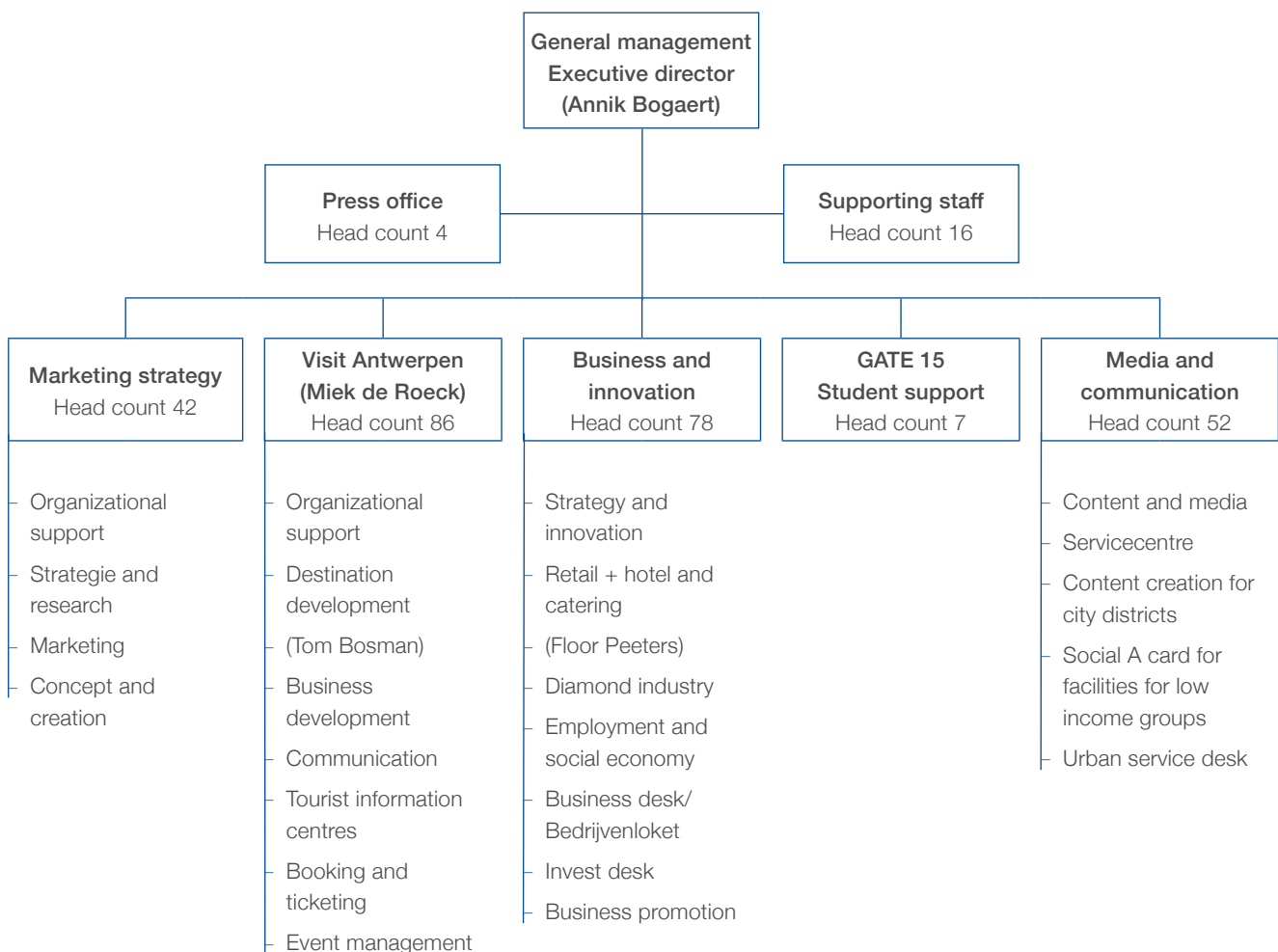
Source: Department for Business Development and City Marketing (2017).

Grote markt.

associations, Guild of B&B's, cultural institutions, local tour operators, event organizers, the World Diamond Centre, the airport and cultural heritage monuments are invited several times a year for discussions. An average of about 60 representatives of the private sector attend each of the meetings, which are held 4 to 6 times a year.

Policy discussions also take place through the official advisory board to the vice mayor, which includes representatives from the tourism industry. Feedback from the tourism and other industries is achieved through working groups, of which those for tourism, retail, hotel and catering and museums are the most relevant ones.

The non-profit organization of the Cities of Art in Flanders *(Kunststeden Vlaanderen)* is a cooperative venture of the tourism departments of five cities (Antwerp, Ghent, Bruges, Mechelen and Leuven), all famous for their cultural history. This very effective cooperation started in 2011 and focuses on enhancing the joint efforts of the five DMOs in visitor information and management, and enriching the visitor experience in the different destinations. This is achieved through exchange of knowledge, joint research projects, collaboration in staff training, and organizing seminars with the industry. One area in which there have been successful outcomes is in addressing issues like handling visitor density.

Tourism development policy

Antwerp first ten-year strategic plan for tourism was launched in 1993, creating awareness for tourism as an activity that can generate economic growth and job creation if supported at a political level.

The second plan ended in 2015 and had more measurable targets and a list of 37 actions – aimed at generating USD 117 million turnover in ten years. Most actions were focused on enhancing the local tourism product. The aim was to make better use of and to support the existing core values of the city (an attractive city in which to live, a culturally rich city, and one good for shopping). The result was translated into new government policies for the city. The USD 117 million target was presumably not reached but there were a number of positive outcomes. In addition, the city, its entrepreneurs and inhabitants have become much more confident in representing a city that has a lot to offer to tourists.

The third and latest plan (for 2016–2025)[5] represents the new overall marketing strategy of the city. It now specifies more realistic five-year targets within the ten-year strategy, based on continued steady growth in visitor numbers and satisfaction levels, and more targeted marketing activities, both for the leisure and MICE markets.

Performance is now more easily measurable in terms of average length of stay (+4%), bednight volume (+23%), cruise passengers (+8%), number of same-day visitors (+15%), and also an increase in accommodation capacity in commercial establishments (+8% including five-star accommodation) and occupancy rate. Marketing is more focused on the most prosperous source markets and lifestyle segments, and branding is aligned with that of the city's overall marketing strategy.

Performance measurement tools

The city's department for Business Development and City Marketing monitors the development of the city in several ways. One example is the retail area monitoring system, where the mix of supply in shops is monitored. There are quality checks every three years on the type of shops in order to maintain the image of the area. The same checks are made in the most visited bar and restaurant areas and results provide indications as to which types of attractions and enterprises are lacking.

In April 2017 the Flemish regional government introduced quality regulations for all paid accommodation, including B&Bs, controlling safety (fire regulations), health, cleanliness, amenities and insurance. This means that individuals offering rooms for rent (as well as hotels etc.) now have to adhere to quality and safety regulations.

The District of Antwerp has identified **12 strategic hospitality centres** – areas with a high density of hotel, catering and entertainment businesses, where there is a certain coherence in terms of target audience, activities, etc.

In 2010, Antwerp carried out a baseline survey of the hospitality centres in the city. The survey was designed to answer questions such as "Which strategic hospitality centre is the largest?" or "What type of catering business can be found there?" This kind of information is key for investors. At the same time new entrepreneurs are supported and coached by city officials to start their businesses. A new initiative is a hotel pilot helping new accommodation investors to find suitable locations.

3.2.2 Social and cultural perspective

Attractions

- **Fashion:** Antwerp has developed into one of the most important European trend setters in the fashion world. Its reputation dates back to the emergence in the 1980s of six fashion designers who have earned international fame and notoriety – the "Antwerp Six". The Six drew international attention to Antwerp, which led to the emergence of a new generation of designers. Fashion is one of the main shopping interests of visitors;

- **Diamonds:** Antwerp is the nerve centre of a global network coordinating the transformation of rough diamonds into the sparkling showpieces sold in jewellery shops. Some 80% of the world's rough diamonds and 50% of its polished diamonds are traded in the city. A new diamond museum is under construction and there are city walks through the diamond quarter. While the diamond trade has been socially and culturally very important to the city for a long time, its role in attracting tourists to the city is limited; and

- **Art and culture:** Antwerp is also a genuine cultural magnet. In the 17th century many famous painters, sculptors, instrument builders and printers were born and lived in Antwerp – Rubens, Jordaens, Van Dyck and Jan Breughel II (the Younger), to name just a few. These artists, and others, have shaped the city's cultural heritage into a unique legacy exhibited in the main museums and churches in and around the city. Antwerp has a bustling contemporary scene, with both world-famous and yet-to-be discovered artists, a wide variety of theatres, cinemas, galleries, dance and concert halls, large well-established cultural production houses and experimental projects, and provocative and intimate architecture.

The newly opened conference centre.

Events

Antwerp is Belgium's second most important city for conferences and events after Brussels. No less than 25% of all bednights in Antwerp are linked to the MICE segment. It offers good conference facilities directly linked to the city's major hotels.

The total number of events held in the city, whether aimed at inhabitants or visitors, was 11,664 in 2015. Exhibitions accounted for a further 1,726.[6]

These figures point to a small but steady growth in the last couple of years to 2015. And the new city marketing strategy is targeting an increase in events for the domestic and international markets. To this end a special event team has been put in place at Visit Antwerpen to develop the business.

Until now, Antwerp has handled mainly small to medium-sized conferences and events. But with the opening of the refurbished Queen Elisabeth Hall in 2017 as the Flanders Meeting & Convention Centre Antwerp, the city will be able to host major international conferences with up to 2,000 participants.

Community attitudes and engagement

Antwerp and its people are proud of their city and generally welcome visitors. This was helped by efforts of the municipality to promote the tourism's value for the city and ensuring buy-in from the community. The city also takes a very pro-active role in ensuring a good visitor spread across the city, so that tourism has a positive social and economic impact on all neighbourhoods.

The city counts 207 tourists and 2,319 same-day-visitors per 100 residents.[7] The 2015 report of the European Commission shows that the inhabitants are satisfied with their quality of life and greatly appreciate the health and sporting facilities, schools and other services available in their city.[8]

3.2.3 Environmental perspective

Sustainable tourism strategy

Nine tourist establishments in Antwerp are participating in the Green Key initiative (see below). Some hotels have installed water recycling plants and the Hotel Association of Antwerp is working on reducing energy consumption in the sector.[9]

In February 2017 a low emission zone for motorized traffic in the city centre was introduced.[10]

Nature conservation regulations have been set by the local government for nature areas, but also for currently empty business parks. If flora and fauna are discovered in protected or unoccupied areas, they can be the subject of special preservation and monitoring schemes, and future industrial development can even be blocked.

In Flanders, the share of renewable energy (green electricity, green heat, biofuels for transport) against energy consumption more than doubled from 2008 to 2015 – from 2.9% to 6.0%.[11] The share of green electricity tripled in the same period.

Public green spaces

For District Antwerp, an average 39% of the total area is green space (varying by city quarter from 14% to 51%). Antwerp is one of Europe's greenest cities. 69% of the population lives within 400m of a green public space; access to 28% of the total green space is free; 10% of green space consists of public parks.[12]

Green Key is a voluntary eco-label scheme that has grown from a national initiative in Denmark in 1994 to more than 2,600 hotels and other establishments in 56 countries, mainly in Europe. UNWTO is a partner of Green Key.

Eight hotels and one attraction in Antwerp are working under the Green Key certification for tourism enterprises. It is the largest and most respected international certification system for environmentally friendly tourism companies. Green Key-certified companies commit to sustainable operations, as well as respecting minimum social conditions for staff and guests. A 100-point checklist is reviewed annually.

Green Key certification represents a commitment by businesses that their premises adhere to the strict criteria set by the Foundation for Environmental Education. There are six Green Key categories – for hotels and hostels, campsites and holiday parks, small establishments, conference centres, restaurants and attractions – covering 13 criteria: 'staff involvement', 'environmental management', 'guest information', 'water', 'energy', 'washing and cleaning', 'food and beverage', 'waste', 'administration', 'indoor environment', 'green areas', 'green activities' and 'corporate social responsibility'. Most criteria are imperative; a few are considered to be guidelines. Certified establishments must meet an increasing percentage of guideline criteria depending on the number of years of involvement in the Green Key programme.

Mobility

Public transport and low-emission transport are promoted in Antwerp. A special website (www. slimnaarantwerpen.be) provides information on alternative ways of getting to the city. The Ring Ring

City bikes in front of the headquarters of the Port of Antwerp.

initiative encourages citizens to use their bicycles when travelling in the city, enabling them to collect credit points when they do.

Visitors can purchase an attractively priced daily Rover card, and the Antwerp City Card also includes public transport. Car sharing is provided by a private company as well as individual citizen schemes. There are 84 pickup points for cars.

Velo Antwerpen, a private initiative from 2011, has over 3,000 bicycles at 259 self-service stations available for rent. It plans to increase the number to 300 stations with 3,600 bicycles over the next two years. An application provides details on availability. The service can also be used by visitors who want to discover the city on their own. Like other bicycle rental services, it is promoted on the Visit Antwerpen website.

3.2.4 Technology and new business models

The smart city

Since January 2017 the Antwerp municipal government has introduced a number of smart city initiatives. The city plans to distribute hundreds of sensors across the city in parking lots, garbage bins, water pipes,

and even residents' boilers, so as to facilitate Internet connectivity for application developers and public users. Sensors are also installed in traffic systems, public lighting systems and to monitor air quality.

Free wifii spots in the city centre provide coverage in the main tourist areas. Visitors can easily consult Visit Antwerpen's different applications on their smart phones and tablets. The bicycle application "Velo" for bike rentals and the city's museum application provide excellent information and are a real companions for getting around the city.

Young creatives are also encouraged to develop new applications for residents and visitors alike. The new and trendy "This is Antwerp" application and the "Atypical Antwerp" application are the result of cooperations with young creatives.

Open data

The city of Antwerp pursues an open data philosophy – data is accessible for everybody (https://opendata. antwerpen.be). A good example is the dashboard providing actual and interactive data on various items, which the city makes freely available[13]. For tourism there are figures available on KPIs, such as number of bednights, arrivals, cruise passengers, gross room occupancy, and TIC visitors.

Development of Eilandje with the MAS Museum.

3.3   Success stories

3.3.1   The creation of a new city quarter, Het Eilandje

Introduction

Antwerp's former harbour area, Het Eilandje, breathes water and exudes charm. Since wholeheartedly embracing its maritime history through projects such as the MAS and the Red Star Line Museum, a gust of rejuvenation has blown through the neighbourhood. Coffee bars, artist ateliers, and stunning architectural projects have popped up left and right, making the area a must-visit when in Antwerp.

Key strategies and initiatives

The redevelopment of the former port area in the north of the city is a classic case among many harbour cities in Europe. New challenges arise in finding new functions for old harbours and buildings.

The opening in 2011 of the Museum aan de Stroom (MAS), telling the story of the city's rich history, was a major milestone. An attraction and crossing between East and West, North and South, between inhabitants, business people and visitors. The ideas of a cultural axis were further supported by the Red Star Line Museum, dedicated to the emigration flows from Europe towards the new world in the 19th and 20th century.

3.3.2 Crowd monitoring

Introduction

Since 2016, in cooperation with mobile phone providers, the city has been monitoring visitor movements across the city centre, especially during large events, and is able to provide real-time public transport data to those who need it.

Crowd monitoring, or measuring the presence and movements/trends of visitors and passengers, has become an important tool for city marketing in recent years. Antwerp uses such data to measure the impact of, among others, its tourism and economic policy. During events, the data is also used to further visualize mobility and security and, if necessary, take actions.

Key strategies and initiatives

- **Counting shoppers through Wi-Fi sensors:** this method of counting shoppers is based on the Bluetooth and/or Wi-Fi signals emitted by mobile devices. After initial testing at three measuring points, there are now 25 across the city, allowing the local authorities to get a better view of crowds in shopping areas so as to gauge, for example, the effect on crowds of store sales periods, monthly Sunday shopping, and various special events in the city centre; and

- **Counting tourists and visitors using mobile data:** a second method of measurement uses mobile data – the signals received by mobile phone masts. These give insight into the size of visitor flows, their origin and their average duration of stay. This data can also be used for safety and security purposes during major events such as the Giants of Royal de Luxe or Antwerp 10 miles.

Outcome and impact

Examples of data retrieved through crowd monitoring:

- During the July and August 2015, 420,000 holiday visitors were counted in the city. Unlike the FPS Economy's overnight figures, this figure includes VFR stays and those opting for couch surfing, B&Bs, etc.;

- In the same two months, 2 million same-day visitors were counted in the city;

- The origin of these same-day visitors was identified. 71% were Belgians, 56% of foreign visitors came from the Netherlands (331,000). The remaining ones came predominantly from other neighbouring countries, sometimes taking holidays in Belgium but outside Antwerp;

- 44% of the foreign tourists in the centre of Antwerp came from the Netherlands. Together with Germans, French and British, they represented 70% of total foreign nights in Antwerp;

- During the holiday season, most visitors are counted on Saturdays;

- At the Meir (the city's main shopping promenade) there are an average of 1.3 million visitors a month, or around 16 million a year; and

- Since the start of Sunday shopping in September 2014, there have been an average of 45,000 shoppers or passers-by at the Meir on Sundays, compared with 60,000–70,000 on Saturdays.[14]

The MAS.

Chapter 3 Endnotes

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BEIJING
CHINA

4

Temple of Heaven.

4.1   Introduction

4.1.1   Basic facts

Beijing, the capital of the People's Republic of China, is one of the four municipalities directly administered by the central government. Beijing is the political and cultural centre of China and the centre for international exchange as well as science, technology and innovation.

Situated in the northern part of the North China Plain, Beijing sits next to the Bohai Bay and on the back of the Yanshan Mountain. It faces the Liaodong Peninsula to the north and the Shandong Peninsula to the south. The city covers an area of 16,410 km², including 10,072 km² of mountains, 61.4% of the total.

According to the *2008/2010 China Human Development Report,* Beijing ranks the second place among Chinese cities in human development index (HDI). In 2016, Beijing registered CNY 2.5 trillion (USD 375 billion)of GDP.[1] As of the end of 2016, the city had a total of 21.7 million of permanent residents, and a per capita GDP of CNY 115,000 (USD 17,300).

4.1.2   Infrastructure, transport and connectivity

As the main Chinese transport hub on land, Beijing provides convenient transport routes to economically advanced regions in the country, such as Southeast China and Southern China. Beijing-Shanghai railway and Beijing-Guangzhou railway are two major arteries in China's transport system. The annual passenger throughput of Beijing Capital International Airport, China's aviation gateway, surpassed 90 million in December 2016. The new airport of Beijing, which is expected to be delivered in July 2019, will be the world's largest aviation hub.

4.1.3   Overview of key attractions

With seven UNESCO heritage sites, Beijing is also the city with the largest number of world heritage sites globally. Beijing has 99 key cultural sites under state protection, five national geological parks, 15 national forest parks and 151 registered museums, including the National Museum of China, the largest museum in the world, and the Palace Museum, one of the world's five largest museums.

The UNESCO world heritage sites that draw visitors to Beijing are: The Imperial Palace Museum, The

Great Wall, Peking Man Site at Zhoukoudian, Temple of Heaven, The Summer Palace, The Ming Dynasty Tombs, and Beijing-Hangzhou Grand Canal.

4.1.4 Tourism flows

During the past years, tourism development in Beijing has stayed on a fast track. There has been a steady increase in tourist arrivals and tourism revenue, both ranking it on top of Chinese cities. In 2016, the number of domestic and international tourists visiting Beijing totaled 285 million, up by 4.6% year-on-year, and total tourism revenue reached CNY 502.1 billion (USD 75.5 billion), up by 9%. Between 2010 and 2015, tourist arrivals increased by 8.2% per year and tourism revenue rose by 10.7% per year (see figure 4.1).

However, Beijing's inbound tourism flow has been moderately declining in recent years. In 2016, the number of inbound tourists reached 4.165 million person-trips, down by 0.8% year-on-year (see figure 4.2).

4.1.5 Tourism source markets and seasonality

In 2015, Asia was the largest source of inbound tourists[2] for Beijing (47%), followed by Europe (25%) and America (22%). In terms of countries and regions, tourists from Hong Kong (China), Macao (China) and Taiwan Province of China account for some 15% of the total, while foreign tourists account for 85%. Among foreign markets, the United States of America, the Republic of Korea, and Japan rank the top-three, followed by Germany, the United Kingdom, France, Canada, Singapore and the Russian Federation (see figure 4.3).

The average occupancy rate of the 504 star-rated hotels in Beijing demonstrates a visible seasonable feature: January and February are the slack season, occupancy rates are the highest in July and August (above 70%).

Apart from star-rated hotels, as of 2016, Beijing had 1,282 budget hotels. According to the annual reports of listed companies, the occupancy rate is over 80% for most of the budget hotels. With the rapid expansion of budget hotels, the demand for low star-rated hotels has been further reduced. Two-star hotels that provide homogeneous services will be gradually eliminated by the market (see table 4.1).

Figure 4.1   **Total Tourist Arrivals of Beijing, 2007–2016 (× 10,000)**[a]
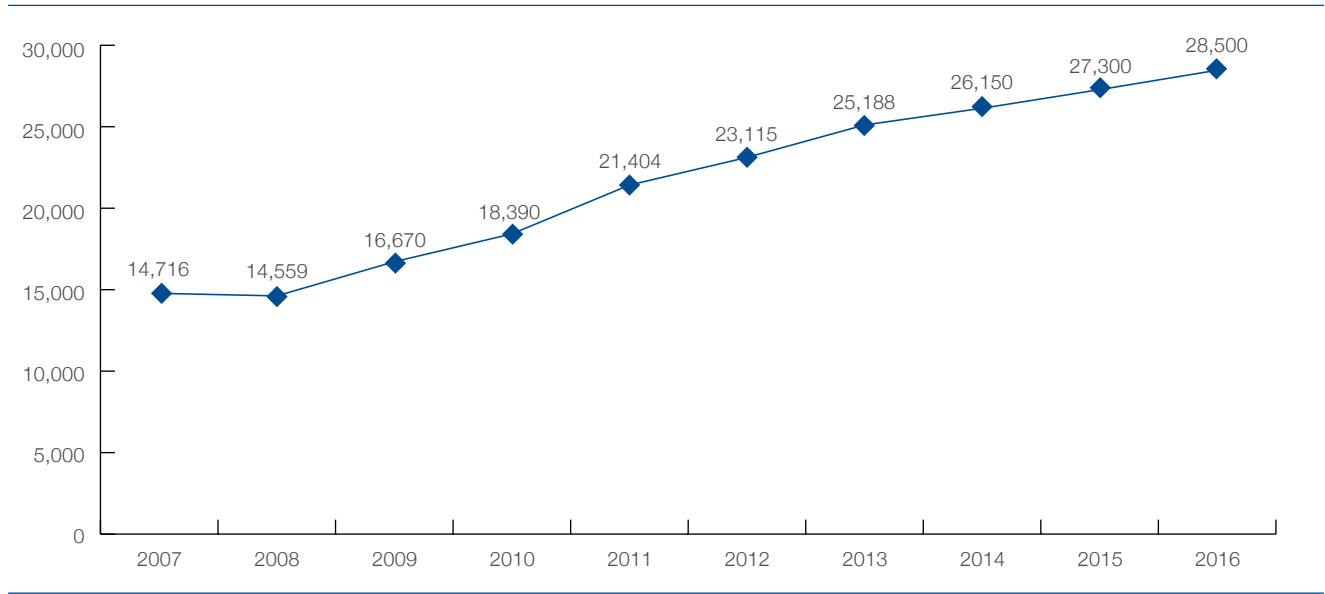
a)   Unless indicated otherwise, all data used in this report are sourced from Beijing Tourism Commission, Beijing Statistics Bureau and other official institutions.
Source: Beijing Tourism Commission (2017).

Figure 4.2 **Year-by-year comparison of inbound tourism to Beijing, 2007–2016**
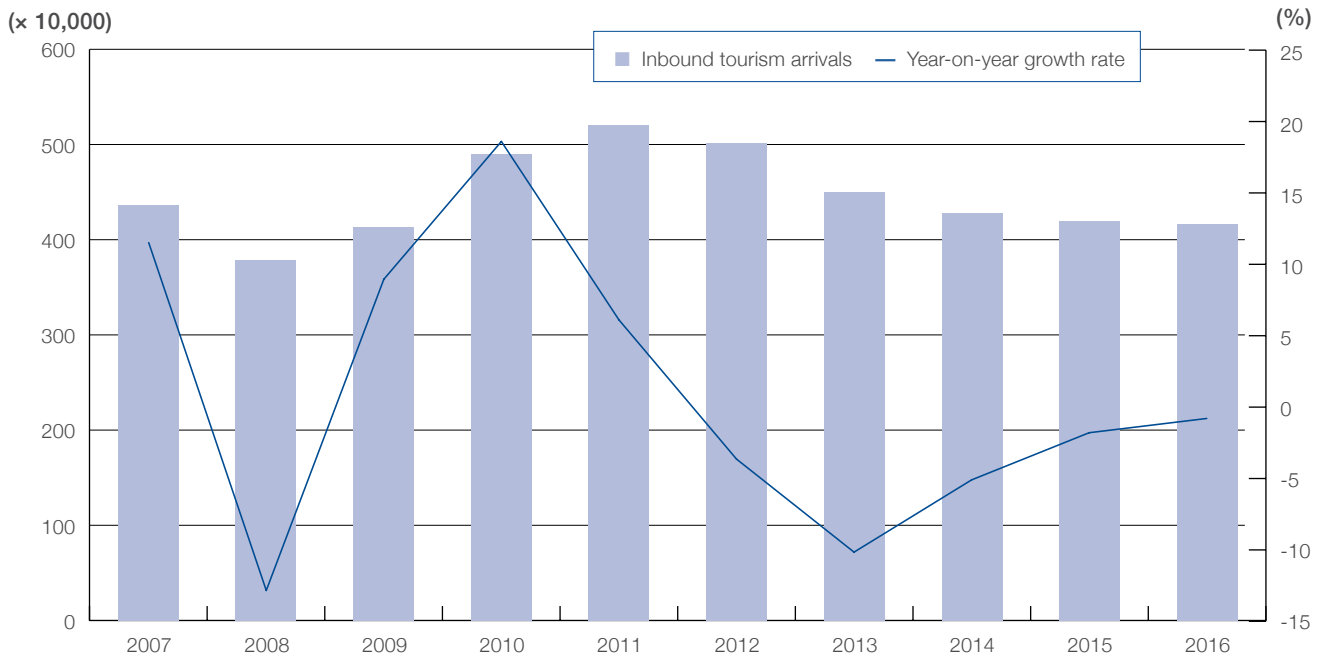
Source: Beijing Bureau of Statistics (2017).

Figure 4.3 **Beijing's inbound tourism market by continents, 2015 (%)**
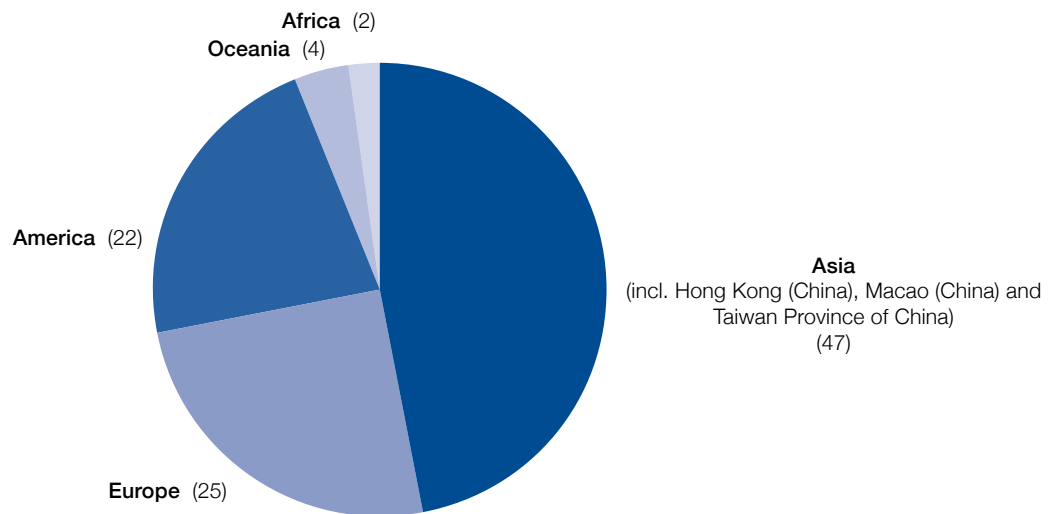
Source: Beijing Bureau of Statistics (2017).

Table 4.1 **Average occupancy rates of star-rated hotels in Beijing, January–December 2016 (%)**

Month	1–2	3	4	5	6	7	8	9	10	11	12
Occupancy rate	46.7	62.9	64.3	63.1	63.2	72.4	72.7	64.3	66	64.9	60.1

Source: Beijing Tourism Commission (2017).

4.1.6   Economic impact

Between 2011 and 2015, the added value of the tourism industry in Beijing grew 3.2 percentage points faster than the value of the third industry, and 3.7 percentage points faster than GDP. In 2015, the added value of the tourism industry reached CNY 172 billion (USD 28 billion), marking an average annual growth of 11.2% during the 2010–2015 period. The share of the added value of the tourism industry in the city's GDP rose from 7.2% in 2010 to 7.5% in 2015.

- **Investment in the tourism industry:** in 2016, fixed-asset investment of tourism-related industries in Beijing reached CNY 79.55 billion (USD 11.96 billion), up by 11.7% year-on-year, accounting for 9.4% of the total fixed-asset investments;

- **Tourism jobs:** as of the end of 2015, the number of jobs provided by the tourism industry totalled 990,000 in Beijing, up by 69,000 over the 2010 figure, accounting for approximately 8.4% of the total jobs in the city; and

- **Tourist spending:** in recent years, there has been a continuous increase in the average spending of tourists in Beijing, especially that of domestic tourists. Between 2010 and 2015, the per capita spending of domestic and foreign tourists increased by 4.9% and 1.3% per year respectively. In 2016, the per capita spending of domestic tourists reached CNY 2,498 (USD 376), which is 2.66 times that of the national average of CNY 937.5 (USD 141.2).

In the 2016 catering (21%) and shopping (29%) were the main sources of tourism revenue for Beijing. 18% of revenue came from accommodation, 17% from long-distance transportation, 9% from sight-seeing and entertainment, and 6% from others (transport in the city, post and telecommunication) (see figure 4.4).

Rural tourism has had a positive impact on the poverty alleviation and income generation of farmers living in the suburb of Beijing. Between 2011 and 2015, tourism revenue in the rural area continued to grow, and its share in the total output of agriculture, forestry, husbandry and fishery industries rose from 8.4% in 2011 to 10.6% in 2015. The development of rural tourism has brought a positive shift towards agriculture in city countryside. In 2015, the per capita disposable income of farmers living in Beijing's suburb increased to 1.4 times that of 2011, the first year of the 12th Five-Year period. With the development of rural tourism, its revenue has become a major source of income for farmers, and rural tourism has played a significant role in the poverty alleviation and income generation of the rural communities.

4.1.7   Tourism enterprises

As of 2016, Beijing had 235 class-A tourist attractions (including eight 5A ones), 504 star-rated hotels, 1,282 budget hotels, 2,117 travel agencies, 41,811 certified tour guides, 141 star-rated folk villages, 4,008 folk households, 647 distinctive businesses and 33 distinctive tourist towns and villages.

In recent years Beijing could observe a decrease of star hotels which was accompanied by an increase of other types of accommodation, such as budget hotels, motels, homestay in rural regions, and peer economy.

Figure 4.4   **Composition of tourism revenue in Beijing, 2016 (%)**

Source: Beijing Bureau of Statistics (2017).

Summer Palace Pagoda.
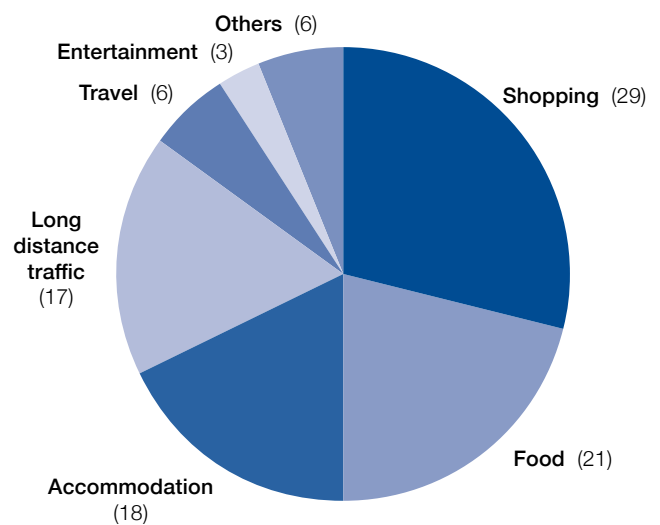
4.2 Key performance areas

4.2.1 Destination management

Structure of the DMO

Beijing is the first province-level city taking part in the pilot programme of a comprehensive tourism reform. In 2011, the Beijing Municipal Government took the pioneering step of upgrading Beijing Tourism Bureau into Beijing Tourism Commission (BTC), and incorporated it as part of the municipal government. As a result, tourism development became a multi-agency effort instead of the work of one single department, and the functions of industry development, resource allocation, coordination and service supervision were strengthened. BTC mainly undertakes the following duties:

- **Strategic planning:** formulating and organizing the city's tourism development strategy, five-year development plan, action plan and policy measures;

- **Tourism development:** overseeing the protection and development of tourism resources, coordinating the development of the tourism industry, guiding the planning and development of key tourism regions, tourism destinations and routes and new tourism businesses, coordinating and providing services for tourism investment, promotion and major tourism projects;

- **Marketing:** formulating and implementing tourism marketing strategies, promoting the city's tourism image, conducting tourism exchange with foreign countries, taking part in regional tourism cooperation, organizing and coordinating major tourism festivals/exhibitions and cultivating tourism brands; and

- **Industry management:** overseeing the enforcement of tourism laws and regulations, drafting and organizing the implementation of local legislations, supervising the order of tourism market and quality of tourism services, managing the special fund for tourism development, strengthening public tourism services, and overseeing tourist safety regulation, tourism industry organization and management, and tourism professional training.

There are 14 divisions and offices under Beijing Tourism Commission. It also has several affiliated organizations such as Beijing World Tourism Cities Development Center, Beijing Institute for the Supervision and Management of Service Quality of Travel Agencies, *Tourism* magazine, Beijing Tourism Professional Development Center and Beijing Tourist Consulting Service Center as well as social groups such as Beijing Tourism Association and Beijing Tourism Society, which together form the basis of an organizational structure underpinned by government.

Figure 4.5 **Organizational Structure of Beijing Tourism Commission**

```
                        Beijing Municipal Government
                                   |
                        Beijing Tourism Commission
                                   |
      ┌──────────────────┬──────────────────┬──────────────────┐
Divisions and offices  Public Institutions  Social groups   District Tourism Committee
```

Divisions and offices

- General Office
- Comprehensive Affairs Division
- Legal Affairs Division
- Division of Industry Development and Promotion
- Division of Capital Tourism Coordination and Regional Cooperation
- Division of City Image and Market Promotion
- Division of Tourism Consumption Promotion
- Division of Major Activities
- Division of Tourism Environment and Public Services
- Division of Safety and Emergencies (Office of Holiday Tourism)
- Financial Division
- Human Resources Division
- Supervision Division

Public Institutions

- Beijing World Tourism Cities Development Center
- Beijing Institute for the Supervision and Management of Service Quality of Travel Agency
- Tourism magazine
- Beijing Tourism Professional Development Centre
- Beijing Tourist Consulting Service Centre
- Information Center of Beijing Tourism Commission (Beijing Tourism Operation Surveillance Center)

Social groups

- Beijing Tourism Association
- Beijing Tourism Society

District Tourism Committee

- Xicheng District
- Dongcheng District
- Chaoyang District
- Haidian District
- Fengtai District
- Shijingshan District
- Mentougou District
- Fangshan District
- Changping District
- Shunyi District
- Tongzhou District
- Daxing District
- Pinggu District
- Huairou District
- Miyun District
- Yanqing District

Source: Beijing Tourism Commission (2017).

Inter-agency meeting for tourism development of the capital city

Beijing Tourism Commission has initiated the mechanism of inter-agency meeting for tourism development of the capital city together with 80 other organizations, including ministries and commissions of the central government, to promote tourism initiatives such as 72-hour transit visa exemption, open day for tourists, tax refund for overseas tourists, customs clearance facilitation and expansion of flight routes.

Beijing Tourism Association

Established in 1993, Beijing Tourism Association is actively engaged in the protection of the interests of tourism businesses and the regulation of tourism market. It has drafted several codes of conduct for the tourism industry, including the *Credibility Convention of Hotel Industry in Beijing,* the *Credibility Convention of Tour Guides in Beijing,* the *Credibility Convention of Tourist Attractions (Spots) in Beijing and the Credibility Convention of Travel Agencies in Beijing.*

Beijing Tourism Society

Beijing Tourism Society is a public academic organization administered by BTC and a group member of Beijing Federation of Social Science Circles. Bringing together the best researchers in various fields, Beijing Tourism Society is actively involved in the research of tourism theories, organization of academic exchanges and publication of relevant journals. Since 2012, Beijing Tourism Society has published the *Beijing Tourism Development Report* (Green Book on Beijing Tourism) each year, which offers a theoretical review of the tourism development in Beijing in the form of annual reports.

The system of public tourism services in Beijing

A three-tiered management system consisting of municipal tourist service centre, district/county tourist consulting service centres and tourist consulting stations has been put in place in Beijing. The city also has China's first surveillance and control centre on the operation of the tourism industry.

Public and private sectors involvement

In 2016, Beijing Municipal People's Government issued the *Opinions on Promoting Reform and Development of the Tourism Industry.* Accelerating the transformation of government functions has been identified as the key priority for a comprehensive tourism reform. It is stressed, that the relations between the government and market should be clearly defined, administrative approval process should be streamlined, the role of tourism associations, societies and other social organizations should be further leveraged, and the development of intermediary organizations should be encouraged:

- **Beijing Trading Platform of Tourism Resources:** launched for the purpose of business investment in tourism projects, financing and equity trading of tourism businesses, trading of physical tourism assets and release of new tourism products for local governments, tourism companies as well as investment institutions interested in tourism

development. In 2015, the platform received the innovation award for reform and development of the tourism industry in China[3];

- **Beijing Tourism Industry Development Fund:** the fund is mainly used to invest in tourism projects in Beijing's tourism industry zones, as well as tourism industry projects, products and activities in cultural tourism. As of the end of 2015, the fund had delivered CNY 821 million (USD 132 million) of investment to Capitalcopter (Capital Helicopter) and several other projects; and

- **Tourism PPP:** Beijing has vigorously promoted PPP (public-private partnership) in the tourism sector.[4] Pledges were made to promote the development of cultural and creative industries with the support of private capital, to carry out construction projects such as the broadcasting studio and industrial cultural tourism zones of the new Beijing Shougang (Capital Steel); to encourage private investment in new tourism businesses, and ensure the implementation of priority projects including the Universal Studio Park.[5]

Tourism development policy

According to *the 13th Five-Year Plan of Beijing Municipality for Tourism and MICE Development,* Beijing will focus on building a "first-class international tourism city" by boosting tourism as a pillar industry of its economy. Efforts will be made to turn tourism into a leading industry in urban development and transformation, a livelihood industry that delivers job opportunities and higher income and a happiness industry for better quality of life. Beijing aims to become the most favored destination city for overseas tourists, the leading tourist city in China, and the most visitor-friendly capital city.

According to the *13th Five-Year Plan for Tourism Development of Beijing,* the city will make vigorous efforts to promote innovation in institutional reform during the 2016-2020 period to guide the building of umbrella-shaped international DMO, and invite tourism businesses, tourism operators and representatives of the city's residents to take part in the whole process of tourism destination management in Beijing.
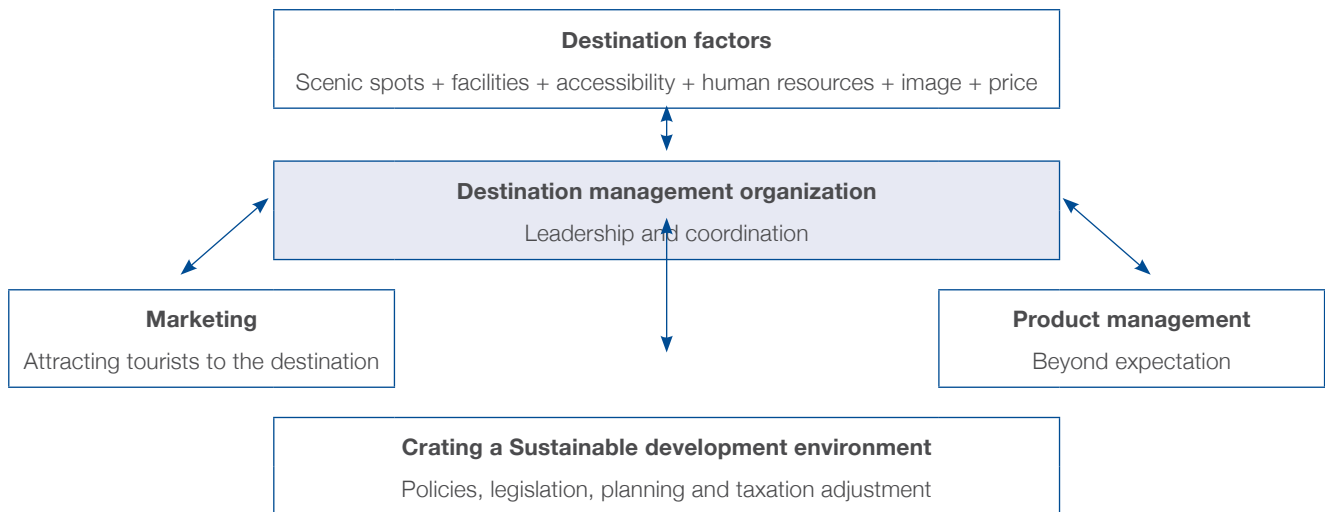
The specific targets are as follows: by 2020, tourist arrivals will reach 320 million and tourism revenue will exceed CNY 700 billion (USD 105 billion). The added value of the tourism industry will account for 8% of GDP, and 1.1 million jobs will be provided by the tourism industry. Tourist satisfaction will be notably improved, with the goal of surpassing 83. The number of class-A tourist attractions will reach 250.

In recent years, Beijing has actively implemented the state policies for tourism development and provided systemic support in terms of land, taxation and finance based on the actual needs of tourism development in the city (see table 4.2).

It should be noted that there are some challenges ahead for the future development of tourism in Beijing. Firstly, the uncertainty of global economic situation and the transforming domestic economic structure may have some influence on the tourism development in China, including Beijing Tourism.

Secondly, the competition of tourism is getting more and more intensified and Beijing is facing more competitors both at home and abroad. In the age of high-speed railway, the increase of traffic accessibility will also lead to the further increase of competitive intensity of domestic tourist destinations.

Finally, like other mega cities, Beijing is suffering from *big city disease,* such as the high population density,

traffic jams, high cost of living, as well as air pollution. It is a hard task to improve the service quality for tourists, as well as the local residents. Currently, the central and municipal governments are trying to shift Beijing's non-capital functions to neighbouring Tianjin and Hebei. During this progress, it is a challenge to provide tourists with high-quality tourism experiences.

Marketing strategy and USP

Following the goal of building a world-class international tourism city, Beijing has conducted a vigorous tourism marketing campaign in recent years. Since 2016, Beijing Tourism Commission has organized a series of tourism promotion events on the theme of "Restart the Maritime Silk Road, Discover New Beijing" in India, Viet Nam and the Russian Federation, presenting the unique charm of Beijing from six different perspectives, i.e. ancient imperial capital, Peking traditional operas and arts, modern fashion, leisure life, dynamic Winter Olympics and beautiful countryside.

In 2017, Beijing has enhanced cooperation with overseas Chinese restaurants, Confucius Institutes, key Chinese airline companies, major domestic and international airports and important media organizations to showcase Beijing's magnificent natural landscape, colourful folk culture and distinctive tailor-made tourism resources and products (including traditional Chinese medicine tour, sports tourism,

Table 4.2   **Policies introduced by Beijing to promote tourism development**

Ensuring land supply for the tourism industry	■ The management system for tourism land has been reformed and improved to promote differentiated land management and guide restructuring of tourism supplies; ■ The development plan of the tourism industry has been incorporated into the city's overall development plan, and the preferred location and required construction land of the relevant tourism projects and facilities will be fully considered; ■ More land is provided for tourism development in annual land supply. Key tourism projects with big investment and promising prospect receive preferential treatment in terms of the allocation and utilization of land quota; ■ Tourism projects developed on deserted mountains, slopes and beaches, landfill sites, abandoned mines and stony deserts receive more support; and ■ Rural collective economic organizations are encouraged to set up tourism companies with other organizations by acquiring shares with the use right of collectively-owned commercial construction land or joint operation.
Increasing fiscal, taxation and financial support for tourism	■ The trading platform for the tourism resources of Beijing has been strengthened and expanded to the neighboring Tianjin and Hebei area; ■ Greater support has been provided to the tourism infrastructures and public service facilities of key tourist sites, tourist routes and rural tourist zones; ■ The financing channels of tourism businesses have been expanded, and companies are encouraged to invest in, construct and operate tourism projects through public-private partnership (PPP); ■ Support has been provided for the listing of qualified tourism businesses, and financial institutions are encouraged to increase credit support to tourism companies; ■ Efforts have been made to promote the development of asset securitization products backed by tourism investment projects and the building of trading platform for the property right and operation right of tourism projects; ■ Tourism businesses with high expected returns and brand visibility are encouraged to explore the possibility of financing and fund-raising by way of mortgage on the relevant fee collection and operation rights; and ■ Companies are encouraged to build an integrated tourism industrial chain through such means as resource consolidation, asset reorganization, merger and acquisition, chain operation and management contract.
Improving the openness of the tourism industry	■ Foreign businesses are encouraged to invest in the tourism industry, take part in the development of profit-making tourist sites and scenic spots, and invest in tourism; and ■ The pilot programme for joint venture travel agencies to conduct outbound tourism business has been expanded, and greater support has been provided.
Supporting entrepreneurship and innovation in the tourism sector	■ Various types of innovation players are encouraged to engage in online tourism start-up and innovation in keeping up with tourist needs; ■ Support has been given to the development of tourism innovation platforms, maker spaces, innovation bases and other new types of tourism innovation facilities; ■ Funding and policy support has been provided to encourage the building of "tourism + Internet" entrepreneurship parks, state-level "tourism + Internet" maker bases and state-level demonstration maker projects; and ■ Incentives have been provided to promote online tourism entrepreneurship and innovation and build "mass entrepreneurship and innovation" communities in the Zhongguancun Entrepreneurship Street.

Source: *The 13th Five-Year Plan for Tourism Development of Beijing.*

exhibition and festival tourism and tour of classic cultural sites and museums), and launched a tourism promotion campaign on the theme of "Beijing Gourmet".

Visitor satisfaction

The *Green Book on Beijing Tourism 2015*[6] evaluates the quality of the operation system of tourism economy from a tourist's perception. It consists of indicators such as the perception of the operation quality of tourism services, the operation quality of public services, the quality of city environment and the overall image of the destination.

Overall, air quality, eco-environment and traffic congestion are the weak links of Beijing's tourism development. Tourists have given average comments about the city's catering, accommodation and travel agencies, and visitor satisfaction is relatively high with airports, train and bus stations, free wifi, self-help tour guide system and virtual tourism platforms. The conclusion mostly consistent with the findings of the *Research on the Building of the Evaluation System for Visitor Satisfaction in Beijing.*

Beijing also has the country's first province-level surveillance and dispatch centre for tourism industry, the Capital Surveillance and Dispatch Center for Tourism Industry Operation, to monitor tourism resources and tourism industry operations in the city and give directions in emergency situations.

The dispatch centre monitors tourist flow in key areas with high concentration of visitors, releases real-time data of the tourist comfort level, and provides real-time traffic and weather information. The data obtained by the dispatch centre is shared on a real-time basis on platforms such as Beijing Tourism Net, Beijing Tourism Weibo and Beijing Tourism Mobile News. In addition, media organizations such as CCTV, BTV and Beijing Communication Radio also send their staff to the dispatch centre to publish monitoring information and travel tips to help tourists make the best travel plans.

Figure 4.7   **Real-time information of tourist flow monitoring in the Imperial Palace Museum**
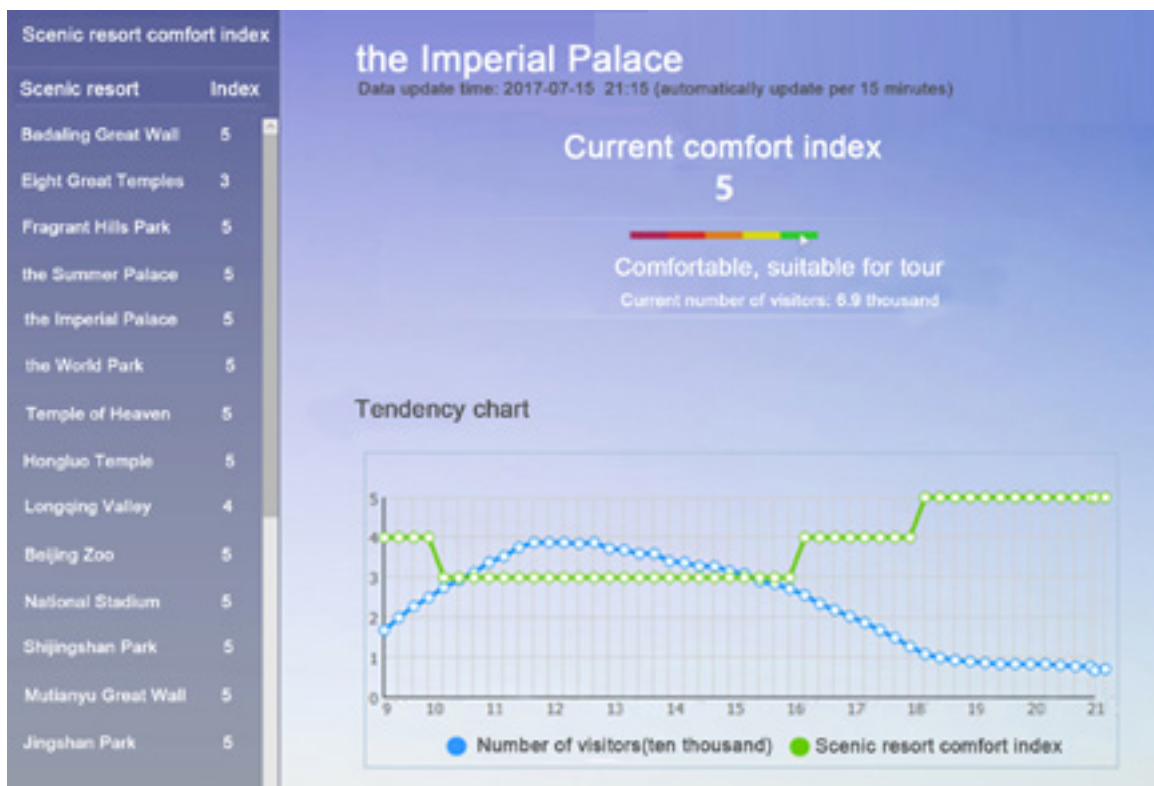
Source: Beijing Tourism Net (2017).

Tour boat on Beijing Beihal Lake.

4.2.2 Environmental perspective

Sustainable tourism policy and regulations

Beijing is committed to building a resource-conserving and environment-friendly society and promoting the conservation and efficient utilization of resources. It has promulgated a number of local legislations and pays attention to fostering the environmental awareness of the public and promoting a green way of living.

In terms of tourism, Beijing has introduced the green certification system for the tourism industry, called for the building of green hotels, developed green tourism products, promoted green restaurants, conducted green marketing and boosted the public awareness of green tourism. *The 13th Five-Year Plan for Tourism Development of Beijing* adopted in 2016 pointed out that:

"Vigorous efforts will be made to develop eco-tourism in the ecological preservation zones of Beijing, ecological protection will be strengthened, and logging, pasturing and fish farming activities in these areas will be put under strict control. Motor vehicles will be restricted in eco-tourism zones, and the use of new-energy and clean-energy vehicles will be encouraged for tourism purposes. The tourism environment in

Beijing's suburban areas will be comprehensively improved, and the campaign to reduce or replace the use of coal will be advanced in rural tourism zones. The green tourism plan for resource conservation and environmental protection will be implemented, and the concept of 4R (Reduce, Reuse, Recycle and Recovery) will be advocated in tourist sites, restaurants and hotels. Hotels will be encouraged to take part in the green certification programme, with the goal of making all high star-rated hotels pass the certification. The concept of green tourism will be promoted to raise the environmental awareness of tourists."[7]

The Tourism Regulations of Beijing Municipality promulgated in 2017 stipulates that the development and construction of tourism facilities should be harmonized with the natural and cultural environment of the local communities, natural resources and historical features should be preserved, and harmony between the environment, landscape and facilities should be maintained. Tourism operators must take appropriate measures to prevent environmental pollution and ecological degradation.[8]

Imperial Palace.

4.3 Success stories

4.3.1 The Imperial Palace Museum[9]

Introduction

The Palace Museum was the emperor's residence in Ming and Qing Dynasties and holds the title of key cultural site under state protection (1961), UNESCO world cultural heritage (1987), 5A scenic spot (2007) and class-one national museum (2008).

Objectives

The Palace Museum mainly undertakes the following three missions:

- First, as the world's largest and most well-preserved wooden-structured Palace Museum compound with a history of almost 600 years, and the national museum with the largest collection of ancient Chinese cultural relics, the primary mission of the Palace Museum is to "leave a magnificent Forbidden City in its entirety to the generations in the next 600 years". Therefore, facing the huge pressure of visitor flow, the most important

thing is to ensure the renovation, protection and inheritance of the ancient architecture and preserve the 1.8 million+ pieces of cultural relics;

- Second, the Palace Museum is the only museum in the world that receives over 10 million visitors every year. To present its splendid imperial buildings and precious cultural relics to the visitors and help more people learn to appreciate its cultural value is the second mission of the Palace Museum and also one of its key functions as the world's fifth largest museum. These functions are realized mainly through exhibition and demonstration, publicity and education, cultural promotion, digital media, tour guide services, customized tour and creative cultural products; and

- Finally, providing services of quality to the visitors is the third mission of the Palace Museum and its primary responsibility as a world cultural heritage site and a national 5A scenic spot. The main efforts in this regard include renovating service facilities, upgrading the sign system, improving information services, fostering a sound tourist atmosphere, undertaking social responsibilities, managing community relations, handling visitor complaint and conducting visitor survey.

Key strategies and initiatives

1. Protecting cultural relics and serving visitors

The biggest challenge for the Palace Museum is to properly handle the relations between protecting cultural relics and serving visitors. In recent years, the Palace Museum has made the following explorations to address the challenge:

- **The model of cultural relics protection and renovation guided by the approach of minimum intervention and maximum visitor access:** wooden-structured buildings are highly vulnerable and the outlook and structure of the buildings in the museum cannot be altered at will. Repair and precautionary protective measures are needed for over 1 million pieces of collections in the museum, and many cultural relics have shown signs of decay, erosion, cracking and damage. Therefore, the following measures to address these challenges:

  - Two major projects, (i) comprehensive protection and renovation of the ancient buildings of the Palace Museum and (ii) safe Palace Museum, have been launched to check the conditions of the buildings and cultural relics for better protection;

  - Keeping the practice of daily maintenance and conducting both scheduled and ad hoc fixing to ensure the buildings always stay in healthy conditions;

  - Ensuring minimum intervention in fixing, trying to keep the original status of the cultural relics and preserve the historical information in the best way possible, and paying attention to the inheritance of traditional techniques; and

  - The *Integrated Plan for the Protection of the Palace Museum (2013–2025)* includes instructions on how to manage the relations between protecting and displaying cultural relics and handling visitor flow beyond comfortable level. Priority lays on the renovation of ancient buildings with serious safety risks yet significant benefits in order to gradually expand the space that can be open to the visitors.

- Including visitor flow management into the plan for cultural relics protection and the agenda for the management of the Palace Museum: During the decade from 2002 to 2011, the number of visitors to the Palace Museum had doubled to 14 million person-trips per year, and topped 16 million person-trips in 2016, which is unrivalled by any museum both home and abroad in terms of the speed and size of growth. The number of single-day visits surpassed 182,000 at its peak, which not only puts huge safety pressure on the 600-year-old Forbidden City and the ancient treasures in the museum, but also affects the tourist experience of the visitors. Therefore, to restrict and properly divert visitor flow became an urgent task for the Palace Museum. After several years of planning, a series of visitor flow restriction and diversion measures were introduced in 2015 (see table 4.3).

2. Expanding the function of cultural communication

Due to the constraint of existing exhibition facilities, only less than 1% of the 1.8 million pieces of cultural relics in the collection of the Palace Museum are on display. In recent years, while stepping up the efforts of the exhibition and display of cultural relics, the Palace Museum has also taken several measures to promote its culture:

- **Promoting exhibition and presentation:** over recent years, the Palace Museum has launched several permanent exhibitions (such as the calligraphy and painting pavilion in the Hall of Martial Valor, the ceramics pavilion in the Hall of Literary Brilliance, the gold and silver ware pavilion in the Palace of Great Brilliance and the jade ware pavilion in the Palace of Accumulated Purity), and organized a series of temporary shows, which have attracted a large number of visitors who are interested in cultural relics. In addition, the museum has worked with partner museums, both home and abroad, to organize joint exhibitions, and held exhibitions in the museums of various Chinese cities; and

- **Reaching out to schools and communities:** the Palace Museum has developed a customized education programme for primary and secondary

Table 4.3   **Visitor flow management measures introduced by the Imperial Palace Museum, 2015**

Formulating and implementing the maximum visitor load system	Based on the results of multi-year research, the information platform of world cultural heritage surveillance at the Palace Museum calculated the maximum single-day visitor load of the Palace Museum as 80,000 person-trips. In 2015, restrictive measures on visitor flow were formally introduced, combining real-name ticket purchase and online booking. The proportion of tickets booked online increased from 17.34% in 2015 to 41.14% in 2016.
Introducing the system of museum close on Monday	Following a one-year trial of half-day close in the afternoon, the system of full-day close on Monday (except for statutory holidays and summer vacation) was formally implemented in January 2014.
Improving lining management	Starting from 2013, the Palace Museum has increased the number of ticket windows from 16 to 30, resulting in an 87.5% expansion in ticket-selling capacity and significantly reducing the waiting time of tourists. In the meantime, the number of screening gates has increased from 2 to 18, making it faster for tourists to pass through the security check. In congested sections (such as the Imperial Garden and the Exhibition Hall), temporary visitor diversion measures have been taken, including on-site direction, kiosk closing, one-way route and limited access.
Increasing the space open to the public	In 2015, 65% of the space in the Palace Museum was open to visitors, 13% larger than 2014, including five areas that had never been opened to the public before. In 2016, part of the office and research facilities of the Palace Museum were moved outside, and the space open to visitors was further increased to 76%.
Strengthening surveillance	The Palace Museum has installed about 3,000 CCTV cameras to monitor day-to-day operation and conduct real-time surveillance on the visitor flow in entry/exit points and key areas.
Restricting motor vehicle access to public area	In 2013, the Palace Museum banned the access of all motor vehicles to the public area. All visitors, including state dignitaries, must get off the vehicle outside the Meridian Gate and walk into the Palace Museum. Such arrangement has prevented the potential conflict between the motorcade and visitors and the safety risks it may cause.

Source: *The research team on the public tourism services of the Palace Museum* (2017).

schools. In addition, famous scholars and experts of the Palace Museum have been invited to give lectures in universities, and customized tours are being offered to university students. In the meantime, the Palace Museum has launched a host of public programmes such as the Palace Museum Lecture Hall, Palace Museum theme day and Palace Museum classroom.

3. Improving tour guide and information services

The tour guide and information services of the Palace Museum are provided in multiple forms, through multiple channels and with multiple contents. While most of the international museums offer audio guide services in ten languages, the Palace Museum provides 40 languages. Most of the museum guides

at the permanent, temporary and special exhibitions of the Palace Museum are volunteers.

The Palace Museum has developed a digital Palace Museum system, which consists of official website, WeChat, mobile application, multi-media data resources and other information sub-systems. By connecting online with offline, it provides convenient and comprehensive digital information of the museum to the visitors. The visitors can look up for information about ticket booking, tourist routes, exhibition, cultural relics collection, safety and emergency instructions on the system. To stimulate young people's interest in traditional Chinese culture, the Palace Museum has opened a special website for the young people, using their language and animation tools to promote the Chinese culture.

Entrance to the Forbidden City.

4. Developing creative cultural products

The museum has developed an extensive portfolio of exquisitely designed, inexpensive, quality and creative souvenirs with the mark of Palace Museum. As of the end of 2015, the Palace Museum had developed more than 8,600 kinds of creative cultural products. In the first half of 2015, total sales reached CNY 700 million (USD 112.36 million), generating a profit of close to CNY 80 million (USD 12.84 million). The success of the creative cultural products has not only produced additional revenue for the Palace Museum, but more importantly introduced its rich culture into people's daily life and generated a far-reaching cultural impact.

5. Improving the quality of tourism services

- **Keeping the low-price strategy:** following the principles of using public resources for public purposes, setting prices based on cost and upholding public interest, the museum has kept a low ticket price for many years, i.e. CNY 40 (USD 6) in slack and CNY 60 (USD 9) in peak season. In addition, starting from 2014, free access to the museum is offered once a month (during slack season) to particular groups, including teachers, medical workers, volunteers, servicemen, policemen, university and college students;

- **Improving service facilities:** the basic tourist facilities of the Palace Museum have been upgraded and renovated, e.g., the signboard system has been updated, colours and patterns have been re-designed to match the majestic atmosphere of the Forbidden City, the locations of signboards have been rearranged to facilitate the visitor tours, a QR code is printed on the signboards so that the visitors could easily access information about the relics;

- **Sanitation:** the Palace Museum has introduced the strictest ever standards, requiring "absolutely clean environment inside the buildings, and no litter of paper in the open space"; and

- **Ensure that the tourists can "visit and rest with dignity":** in order to provide rest areas for visitors, over 1,400 chairs have been installed in public squares and suitable places, and wooden benches have been placed around ancient trees, which adds space to the rest area, so that the visitors will no longer need to sit on the ground, by the tree or on the railings as in the past. To create a sound tourist atmosphere and prevent the noises of loudspeakers used by tour guides, the Palace Museum requires all tour guides to use oral interpretation. If oral interpretation cannot be conducted because of the number of visitors, the Palace Museum will provide automatic audio guides to tourist groups.

Great Wall of China.

Chapter 4 Endnotes

1   It is based on the average exchange rate of CNY against USD by 2016.

2   China's inbound tourism includes foreigners and Hong Kong (China), Macao (China) and Taiwan Province of China.

3   From the official website of China National Tourism Administration: www.cnta.gov.cn.

4   Beijing Municipal Government (2015), Opinions of the General Affairs Office of the Beijing Municipal People's Government on Promoting Public-Private Partnership Model in Public Services, Beijing.

5   Beijing Municipal Government (2015), *Opinions of the Beijing Municipal People's Government on Encouraging Private Investment in Priority Sectors through Innovation in the Investment and Financing Mechanism,* Beijing.

6   Beijing Tourism Society (2015), *Green Book on Beijing Tourism 2015,* Beijing.

7   Beijing Tourism Commission, Beijing Municipal Commission of Development and Reform (2016), *13th Five-Year Plan for Tourism Development of Beijing,* Beijing.

8   Beijing Tourism Commission (2017), *Tourism Regulations of Beijing Municipality,* Beijing.

9   The research team on the public tourism services of the Palace Museum (2017).

HANGZHOU
CHINA

5

Qianjiang new buildings.

5.1 Introduction

5.1.1 Basic facts

Hangzhou is the capital of the Zhejiang Province, located in the centre of the Yangtze River Delta region, and a major scenic tourist city in China. Renowned as one of China's seven ancient capitals, Hangzhou has a history of over 2200 years. Marco Polo, the Italian traveler of the 13th century, lauded Hangzhou as 'the world's most magnificent and noble city'.

With a permanent population of 9.2 million, Hangzhou is spread over an area of 16,596 km[2].

In 2016, the city's GDP was over CNY 1.1 trillion (USD 166 billion), 2.8% higher than the national average. It's per capita GDP reached CNY 121,394 (USD 18,300), ranking fourth among the country's provincial capital cities.[1] Hangzhou has been awarded as the Top Ten Cities with International Influence, Top Ten Innovative Cities of China, Top Ten Vibrant Cities of China, Top Ten Smart Cities of China, Top Hundred Destinations of International Conference, First Pilot City for Sustainable Development in the World and One of the 52 Global Cities to Visit, etc. Notably, the city has been listed continuously as the Top City of Happiness in China for the past ten years.

Recently, this metropolis gains a lot of global media attention because of the Alibaba Group, which is incubated and headquartered there.

5.1.2 Infrastructure, transport and connectivity

As an important and easily accessible transportation hub of southeastern China, Hangzhou has one international airport, four railway stations and six long-distance bus stations. Xiaoshan International Airport ranks as one of four major international airports in China[2] with 240 airlines by the end of 2016 among which are 38 international routes and 7 routes to Hong Kong (China), Macao (China) and Taiwan Province of China. Every year, around 250,000 flights are flown with an average annual increase by 8.2%.[3]

5.1.3 Tourism flow

In 2016, the number of domestic and foreign tourists rose by 13.5% to 140.6 million on a year-on-year basis and the gross revenue of tourism industry reached CNY 257.2 billion (USD 38.8 billion), up 16.9% from the previous year (see table 5.1).

5.1.4 Tourism source markets and seasonality

In 2016, Hangzhou welcomed 3.6 million international inbound tourists, with a 6.3% increase compared to the year before. Tourism foreign exchange income was USD 3.1 billion, representing a 7.5% increase. Among China's 15 city sub-provinces, Hangzhou's inbound tourist numbers and foreign exchange income are both ranked number 3, following Shenzhen and Guangzhou (see table 5.2).

In 2016, 3.6 million foreigners visited Hangzhou, a year-on-year increase of 6.3%, and accounting for 70.4% of the total number of inbound tourists. 40.6% of inbound visitors were from Asia, 12.8% from Europe, 10.4% from America, 2.5% from Oceania and 4.0% from Africa and other regions. The remaining 29.6% were inbound tourists from Hong Kong (China), Taiwan Province of China and Macao (China) (see table 5.3).

Table 5.1 **Total number of tourists and gross tourism revenue of Hangzhou, 2006–2016**

Year	Total number person (× 10,000)	Year-on-year (%)	Total income (× 100 million)	Year-on-year (%)
2006	3,864.16	13.1	544.00	16.9
2007	4,320.49	11.8	630.06	15.9
2008	4,773.00	10.5	707.22	12.2
2009	5,324.12	11.5	803.12	13.6
2010	6,580.60	23.6	1,025.70	27.7
2011	7,487.27	13.8	1,191.00	16.1
2012	8,568.00	14.43	1,392.25	16.9
2013	9,725.15	13.51	1,603.67	15.19
2014	10,932.56	12.42	1,886.33	17.63
2015	12,381.97	13.26	2,200.67	16.66
2016	14,059.08	13.54	2,571.84	16.87

Source: Hangzhou Tourism Overview (2016).

Table 5.2 **International inbound tourists of Hangzhou, 2006–2016**

Year	Total number person (× 10,000)	Year-on-year (%)	Tourism Foreign Exchange Earnings (× 100 million)	Year-on-year (%)
2006	182.02	20.3	9.09	19.9
2007	208.60	14.6	11.19	23.1
2008	221.33	6.1	12.96	15.8
2009	230.40	4.1	13.80	6.5
2010	275.71	19.7	16.90	22.5
2011	306.31	11.1	19.57	15.8
2012	331.12	8.1	22.02	12.5
2013	316.01	-4.57	21.60	-1.87
2014	326.13	3.2	23.18	7.3
2015	341.56	4.73	29.31	7.03
2016	363.23	6.34	31.49	7.47

Source: Hangzhou Tourism Overview (2016).

Table 5.3   **Constitution of Hangzhou Inbound Tourists, 2016**

Area	Total number person (× 10,000)	Year-on-year (%)
Total	**363.23**	**6.34**
Asia	147.34	3.68
Europe	46.62	10.17
America	37.92	11.00
Oceania	9.21	9.84
Africa and other regions	14.53	4.00
Hong Kong (China)	40.97	4.99
Macao (China)	6.08	3.48

Source: Hangzhou Tourism Overview (2016).

In 2016, the top-ten source markets for Hangzhou were the Republic of Korea, the United States of America, Japan, Malaysia, Singapore, Thailand, Germany, the United Kingdom, France and Australia. The number of visitors from countries above accounted for 67.1% of the total number of international tourists received.

In 2016, Hangzhou received 137 million domestic tourists, an increase of 13.7%. The city also gained CNY 236.2 billion (USD 35.6 billion) of tourism income, a 17.0% increase compared to 2015.

Surveys revealed that in 2016, each domestic tourist spent an average of 2.3 days in Hangzhou, whereas those 'visiting relatives and friends' stayed 3.7 days on average.

According to analysis, the added value of the city's tourism and leisure industry recorded a 13.3% increase to CNY 80.9 billion (USD 12.2 billion), representing 7.3% of the city's GDP.

5.1.5 Tourism enterprises

Hangzhou has 70 A-level scenic spots, including 3 5A tourist attractions. There are 717 travel agencies, among which 86 agencies are running outbound tourism business, 103 agencies are labeled as 'quality-proved travel agencies' by Hangzhou Tourism Committee. The annual operating income of city's travel agencies reached CNY 18.8 billion (USD 2.8 billion), an increase of 22.3% compared to 2015.

A total of 173 star-rated hotels is registered in Hangzhou, including 24 five-star hotels, 46 four-star hotels, 59 three-star hotels, 42 two star hotels and 2 two star hotels. In total they account for more than 30,700 bed rooms and 51,800 beds. The average room occupancy rate was 57.6%, down by 1.4% from 2015. However, the average price of each room reached CNY 393.96 (USD 59), up by 1% from 2015. The overall hotel operating income increased by 0.4% to CNY 14.5 billion (USD 2.2 billion).

A Pavilion Bridge in West Lake.

5.2   Key performance areas

5.2.1   Destination management

Tourism development policy

Not like other cities in the world where tourism and leisure industry faces lower political position, Hangzhou firmly puts the tourism and leisure industry under its major spot light. In the city's *13th Five Year Development Plan (2016–2020),* Hangzhou municipal government initiated four International Centers as the future five-year vision. Among them, three are related with tourism[5], namely, *Tourism and Leisure Center of Global Significance, International Conference Destination* and *Important City of International Exchange in Oriental Culture.*

Marketing strategy and USP

Unlike Beijing, Xi'an or other ancient Chinese cities with heavy historical and cultural DNA, Hangzhou's unique quality is centered around a relaxing atmosphere, such as 'poetic leisureliness', 'slow life', 'peacefulness' and 'southern femi-beauty'. Following this line, with years of research and studies, in 2014 'the culture of living' was identified as the city's cultural DNA. Accordingly, *Hangzhou, Living Poetry* was created as the English promotional slogan of the city.

In the *4th Hangzhou Tourism International Action Plan* issued by Hangzhou municipal government in 2016, the "storytelling of living culture" was elaborated as the main strategy to attract international tourists. Their travelling experience in Hangzhou would be designed around nine key areas, including 'southern China leisure', 'oriental slow life', 'Longjing green tea', 'ancient elegant royal life', 'quiet place for meditation', 'silk house', 'Chinese medicine', 'royal ware', and 'relaxing atmosphere in nature'.

English promotional logo of Hangzhou. Source: Hangzhou Tourism Overview (2016).

5.2.2 Social and cultural perspective

Cultural development strategy

Hangzhou visitors can visit three UNESCO heritage sites in the city: the West Lake, the Grand Canal as well as the Liangzhou Culture (under application). In addition, 601 intangible cultural heritage attractions, 70 scenic spots, 87 museums and 120 galleries can be found in the city.[6]

In 2017, the Hangzhou Tourism Committee applied a new broader definition of tourism attraction, extending from traditional sightseeing to every single city element that can attract tourists' attention. 15 categories of tourism attractions were identified accordingly to show tourists a comprehensive city with multiple faces: a convergence of history and future, where tourists can not only see tradition and culture, but also experience creativity and a new economy.

In addition to the eight traditional sightseeing categories, the city adds seven new categories of tourism attractions and city elements. These seven non-traditional categories include *greenness everywhere, Chinese medicine capital, E-business capital, fine arts capital, Hang-style private garden, capital of love* and *capital of quality local life.* Tourist programmes have been developed accordingly (see figure 5.1 and 5.2).

Events

Hangzhou, as the capital of Zhejiang province, has always been a location for transnational fairs, events and gatherings; however, in the face of the economic transitions, Hangzhou municipal authorities became increasingly interested in hosting events on a regular basis. Nowadays, the capacity to host events seems an important indicator of city competitiveness in many rankings. Notwithstanding its organization costs, events are often praised by creating a considerable number of low and medium paid service jobs, while improving a city's external image and attractiveness. In 2017, Hangzhou Municipal People's Congress proposed that Hangzhou should become a 'city of conferences' and 'city of events'. Cultural festivals, sports events and business conferences are three

major kinds of events Hangzhou plans to develop in the future.

- **Sports events:** Hangzhou will host several large scale international sports events including the *13th National University Student Games* (2017), the *World Short Course Swimming Championship* (2018) and the *19th Asia Game* (2022);

- **Cultural events:** there are three city hallmark cultural events including *Hangzhou West Lake International Fair, China International Cartoon & Animation Festival* and *Hangzhou Tea Culture Expo;*

- **Business conferences:** Hangzhou has won several important awards, including the *Most Popular International Award-winning tourist destination – China Conference Industry Conference China Table Award, China's top ten charming conference destination – China Conference Seagull Award, Best MICE city – China MICE Industry Gold Chair Award, Best brand MICE destination city – brand China MICE industry gold spectrum award, Best domestic MICE city, 2015 China's most concerned MICE city,* etc. In 2016, Hangzhou was placed 100th in the ICCA ranking. It is the first time that the city is among the world's top-100 international conference destinations.

Government support and organizational innovations in Hangzhou do play a very important role in developing the business conference industry so quickly. Hangzhou is the first Chinese city to assign importance to the conference industry at the government level. As early as 2009, Hangzhou Tourism Committee was the first one in China to set up a MICE department (Hangzhou Business Exhibition Tourism Promotion Center) within the governance framework. The department has three divisions, namely, MICE division, planning division, and communication division.

Meanwhile, in 2014, Hangzhou launched a special MICE policy. Conferences organized by organizations outside Hangzhou will be subsidized 8% of the total cost by city government (the maximum subsidy for one conference is CNY 200,000). In 2016, to establish this 'international conference destination' became Hangzhou's development vision for the next five years. In addition, *Hangzhou International Conference*

Figure 5.1   'Non-traditional' attractions (examples)

Experiencing traditional Chinese medicine production process, health care process in Huqingyu Tang hospital and China Medicine Museum

Tasting Guangxing Tang healthy meals in Guangxing Tang hospital

Visiting headquarter of Alibaba

Visiting China Geely Automobile which acquainted Volvo

Visiting headquarter of Huawei, the world's leading ICT solution provider

Visiting 'web influencer' of fine arts: Harvard in arts world – China Academy of Fine Arts

Holding conferences in the mansion of the giant businessman Hu Xueyan in the late Qing Dynasty

Watching local residents perform in Hangzhou Yangguang Theatre

Shopping as locals in Gudang food market

Holding conferences in the mansion of the giant businessman Hu Xueyan in the late Qing Dynasty

Visiting the special school Yang Lingzi Disabled School

Eating and chatting with locals in their houses

Source: Hangzhou Tourism Overview (2016).

Figure 5.2   Non-traditional attractions to visit

Source: Hangzhou Tourism Overview (2016).

Bidding Service Center will be set up in the second half of 2017. The centre is fully managed by the MICE department of Hangzhou Tourism Committee, with the support of relevant tourism and conference stakeholders. It aims to establish an international conference database, share conference information globally, screen target audience, search for contacts, participate in global conference biddings and finally, enhance Hangzhou's opportunities in becoming an international conference destination.

Four Season Leisure in Hangzhou festival

In addition, it is worth mentioning a city hallmark tourist festival organized by Hangzhou Tourism Committee every year. To incorporate the transformation of non-traditional tourism elements to tourism products, since 2013, Hangzhou Tourism Committee has launched the annual whole-year even – 'Four Season Leisure IN Hangzhou' festival, including four themed sub-festivals named 'Beautiful Spring', 'Colourful Summer Night', 'Romantic Autumn', and 'Warm Winter'.

The main vision for organizing such a festival is to promote industrial integration, and actively guide social capital through title sponsorship, resource replacement, and cooperation in order to build a large platform for all types of tourism-related industry enterprises, associations and media.

In the course of organizing the festival, Hangzhou Tourism Committee has always combined government resources with company resources from the market, and thus leveraged enormous financial strength with limited financial resources. In the past three years, aside from traditional tourism companies, 20 types of non-tourism enterprises like automobile, clothing, jewelry, consumer goods, and Internet have participated. As a consequence, Hangzhou's tourism chain got continuously extended by the 'tourism+' effect, which promotes comprehensive consumption level of tourism and leisure.

The 'Four Season Leisure IN Hangzhou' festival is managed by the MICE department of Hangzhou Tourism Committee. The entrepreneur spirit with market-oriented innovative way of thinking set a remarkable standard for other city tourism authorities in China. During the organizing process, Hangzhou

Tourism Committee learns from its industry partners how to grasp the pulse of the market, and how to launch activities favored by consumers. More importantly, it explores how to set up KPIs in government activities so that all government funds can be traced and have good performance assessments. With the participation of various stakeholders, the role of Hangzhou tourism committee in this festival gradually changed from *project leader* into *platform builder.*

Community attitudes and engagement

The information provided by Hangzhou Tourism Committee shows that there are 571 volunteers in the Hangzhou Tourism Volunteer Corps in 2016, of which 473 are local residents, accounting for 82.8% of volunteers. This indicates that Hangzhou locals support the development of tourism industry. Meanwhile, Hangzhou locals account for a high proportion in the number of tourism employment, indicating that tourism industry does bring a lot of employment opportunities in Hangzhou so that local people can enjoy tourism benefits.

Safety and security

Channels of tourism complaints in Hangzhou are comprehensive. Phone calls are the main channel to make tourism complaints. There are five telephone hotlines including 'travel hotline complaints' and 'authority working hotline'. In addition, the official website of Hangzhou Tourism Committee is another channel to make an online complaint.

In 2016 Hangzhou city received around 1,850 cases of various types of complaints. Among them, the Tourism Quality Supervision received a total of 1,589 cases, the district and county tourism authorities received 258 complaints. Only 210 cases were identified as valid complaints. Within the 210 valid complaints, 72% of complaints were about travel agencies, 15% about scenic spots, and 13% about hotels.

Online business complaints show an increasing trend. In the case of travel agencies, quality of outbound travel services have become the focus of complaints. On the scenic spots cases, ticket disputes at 5A-level attractions are prominent.

West Lake impression.

5.3   Success stories

5.3.1   West Lake: UNESCO heritage site

Introduction

Located in the city centre, West Lake is the root and soul of Hangzhou. It was the first national 5A-level scenic spot, and the 41st UNESCO heritage site in China[7]. The overall area of West Lake stretches about 60 km^2. In 2002, Hangzhou was the first city in China to introduce the free-ticket policy. Since then, all attractions, museums and parks along the West Lake have been free of charge. Tourists choose to stay in Hangzhou for additional days because of the free ticket policy and thus spend more in the hotel and catering industries, which in turn contributes to the city's overall economy.

Key strategies and initiatives

In 2002, the Hangzhou city government decided to set up Hangzhou West Lake Administrative Committee (WLAC). The main functions of the WLAC are, firstly, the protection, management, research and utilization of the West Lake Scenic Area; secondly, landscaping and the protection of cultural relics and world cultural heritage; and thirdly, the protection, monitoring, research, and publicity of Beijing-Hangzhou Grand Canal (Hangzhou section). In total, there are twelve departments, three vertical institutions and one stationed office inside the structure of the WLAC (see figure 5.3). The WLAC assigns great importance to the development of cultural heritages in Hangzhou. It has launched several initiatives to protect and develop Hangzhou culture in an authentic way:

- Firstly, it takes care of the excavation and utilization of historical and cultural resources, and adheres to the principles of authenticity and integrity. Since 2002, more than 180 cultural relics have been restored, rebuilt, renovated and opened to tourists;

- Secondly, it introduces regulations to provide an effective legal basis for the protection of the West Lake world cultural heritage. Regulations include *West Lake Scenic Area Protection and Management Regulations, West Lake Water Management Regulations, West Lake Longjing Tea Protection and Management Regulations, Hangzhou West Lake Cultural Landscape Management Regulations,* etc.;

- Thirdly, it develops tourism plans to give the operation a horizontal and vertical vision. Examples include *West Lake Scenic Area Master Plan, Detailed Plan of Nine Major Scenic Spots of the West Lake, Hangzhou Historical and Cultural City Protection*

Plan, Hangzhou Cultural Relics Units Land Usage Plan, Hangzhou West Lake Cultural Landscape Protection and Management Plan, etc.; and

- Fourthly, it focuses on further enhancing public service capabilities of museums along the West Lake. The area has a large number of public and private museums and, to a certain extent, the West Lake itself is a large and profound open-air museum. Since 2002, various interactive activities have been carried out to greatly stimulate and encourage

tourists as well as local residents to experience the rich historical and cultural heritage of Hangzhou.

West Lake world cultural landscape heritage consists of six elements, including 'natural landscape', 'city lake characteristics', 'two-bank-three-island landscape', 'ten ancient spots', 'cultural relics' and 'unique plants'. The natural and cultural landscape continues to evolve and form the Oriental Culture Lake with rich landscape elements, unique design techniques, and rich cultural contents. For more than ten centuries,

Figure 5.3 **Distribution of administrative agencies in the West Lake Scenic Area**
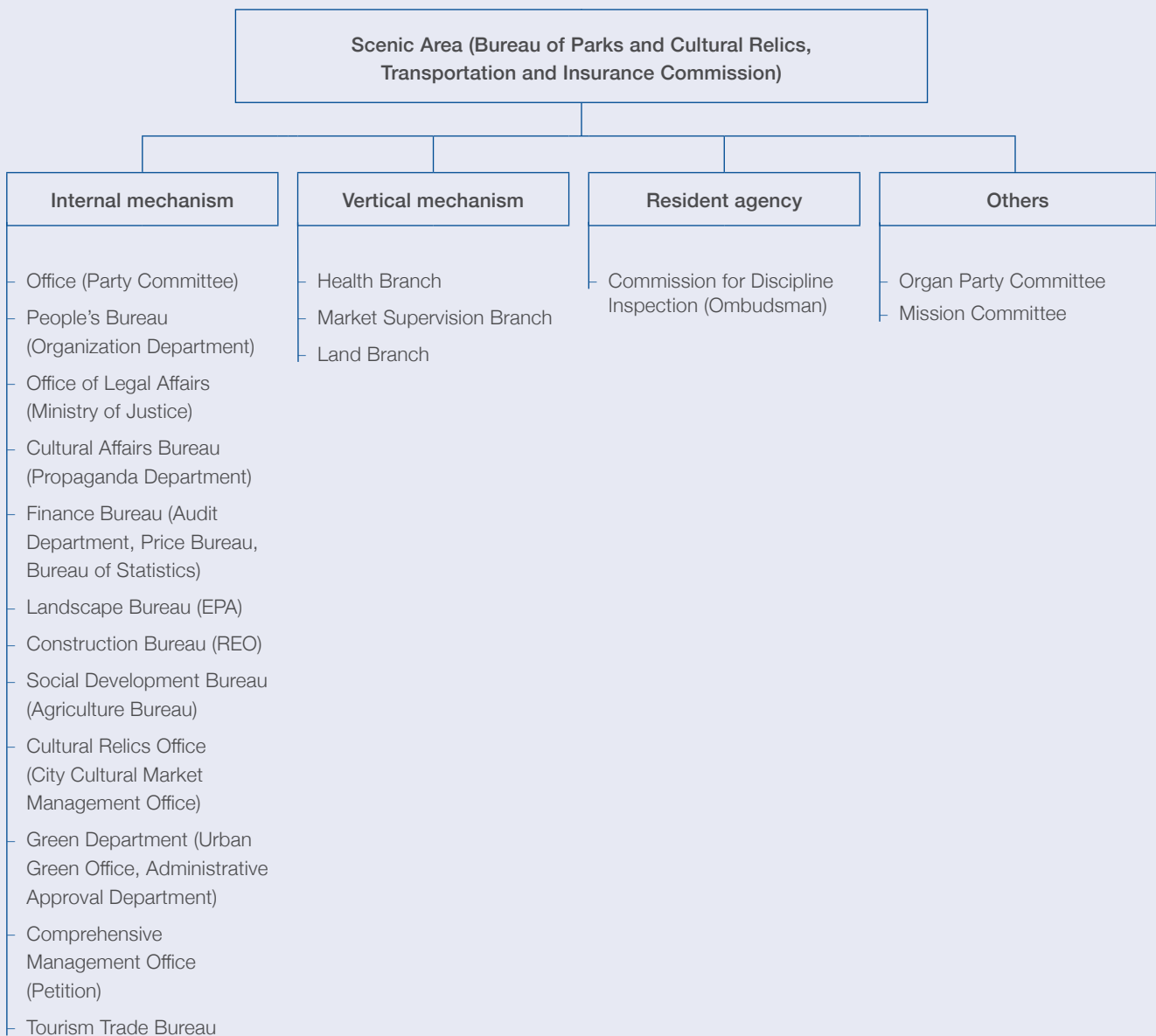
Source: Hangzhou West Lake Administrative Committee.

Traditional ship at the Xihu.

it has been the spiritual home of traditional Chinese culture elites. The outstanding Chinese landscape adheres to the theory of harmony between man and nature and sentimental landscape. It shows the typical poetic artistic landscape design style of the oriental culture since the Southern Song Dynasty.

In general, the West Lake is a full expression of oriental culture. It has a significant role in demonstrating the importance of China in world history and in inheriting and developing Buddhist culture, Taoist culture, seclusion, and other traditional local heritages. It contains almost all elements of Chinese culture, such as literature, painting, architecture, legends, drama and so on. These cultural connotations accumulate into the cultural excellence of the West Lake, making it different from other natural lakes in the world.

University Culture Envoy (UCE) project

In July 2012, Hangzhou West Lake Administrative Committee (WLAC) officially launched the first University Cultural Envoy (UCE) project, to select outstanding university students from global applications via Internet. "From the international perspective, spread West Lake culture" and "West Lake Cultural Envoy, work together for the future of West Lake" are two main advertising slogans of the UCE project. By the end of 2016, over 120 West Lake cultural envoys had come from home and abroad. Among them, 50% were local university students, 15% from other domestic universities, 30% Hangzhou locals who are studying abroad, 3% local outstanding high school students, and 2% foreign students who are studying in China.

After systematic professional training, travel education and face-to-face communication, the selected representatives can fully interpret the rich cultural connotation of West Lake, participate in broadcasting West Lake's culture and heritages and protect the lake's environment.

- Firstly, the project invites well-known scholars and experts to train the envoys, let them understand West Lake, love West Lake, and thus develop the impulse and passion to protect West Lake;

- Secondly, envoys are guided by locals and experts to experience the cultural value of the lake on site, and understand its unique beauty;

- Thirdly, envoys are responsible to design and carry out social activities. Some of them chose to be a high school part-time teacher to set up "West Lake

world heritage protection" as the theme of elective courses and created a new heritage education model. Some served as a part-time senior tour guide during various Hangzhou festivals and events;

- Fourthly, as a UCE studying abroad, they are encouraged to promote the world heritage West Lake globally via organizing West Lake cultural salons, speeches, etc. For example, UCEs at the University of Toronto in Canada initiated the WePArTea community to promote the charm of the West Lake world cultural heritage to young Canadians; and

- Fifthly, envoys are encouraged to promote the West Lake via their creativity and young vigor. Some envoys shoot West Lake promos, some integrate the cultural elements of the West Lake into their own product designs, some launched the 'UCE WeChat' (Chinese-version of twitter) to promote the young lifestyle of West Lake. Some designed, created and operated 'special travel routes' to the West Lake through identifying and connecting cultural elements in prose, poetries, and novels of celebrities at home and abroad. "To travel around the lake by following 'classic' literary works" is one of those creative travel routes.

Open-air urban landscape performance at night

West Lake Impression is a large-scale open-air urban landscape performance created by China's top-famous creative team. The show was officially announced in July 2008. Since then it performs one time per night, with 1 hour length. The lake water, which is the main attraction during daytime, becomes a unique stage background in the evening. The water stage, with a total area of about 5,000 km^2, is the largest water stage in Asia. A performance full of natural flavour and high-end professional standards is presented to the audience. The water-themed performance reflects the essence and charm of West Lake.

By the end of 2016, the West Lake Impression had more than 2,600 performances, receiving over 2.7 million visitors, and registered sales revenue of CNY 360 million (USD 54 million). Overseas tourists accounted for nearly 40% of the overall visitors. The West Lake Impression music was also nominated for a Grammy Award as 'New Century Music'.

Creative activation of the tea culture

Located in the West Lake Longjing tea producing areas, the Chinese National Tea Museum, carried out a lot of very interesting creative initiatives to activate Hangzhou's tea culture. It is the only national theme museum in China that has tea its culture as the theme. In total, nearly 4,000 pieces of cultural relics related to tea and tea culture are exhibited there.

The museum is very famous for its cultural experience activities. Numerous events are being held throughout the year, some of them are regular monthly activities, such as 'Tea tree adoption', 'Niuniu tea workshop', 'Tea arts weekend class', 'Celebrity dialogue', etc. Others are designed for a monthly theme, such as 'Chinese knot hand woven activity', 'International seminar on Chinese tea culture', 'International tea culture exchange festival' and many more. Overall, the activities include tea exhibitions, tea festivals, tea training programmes, and tea experience activities.

Aside from interactive experience activities in the museum, the West Lake International Tea Culture Expo (Tea Expo) is another good example to elaborate how Hangzhou promotes tea culture with authenticity. The Tea Expo is held every year in late March until May, divided into four sessions including 'main projects, tea culture, county projects, and tea tourism experience'.

Every year there are 22 fixed activities in the Tea Expo and some new cultural activities. Past themes of the Tea Expo were 'tea' and 'health' or 'tea and love'. Since the beginning of 2017, the emphasis has been on the internationalization of Chinese tea culture followed by the organization of several events, including the Global Confucius Institute Tea Festival, G20 International Tea Culture Experience Activity, 'Tea with Lunar Calendar Party', etc.

Bridge Hangzhou Grand Canal.

5.3.2 The Grand Canal: a destination to immerse with locals

Introduction

The Grand Canal from Beijing to Hangzhou has a history of over 2,400 years, it is the oldest artificial Grand Canal that was dug at the earliest, with the longest mileage. Together with the Great Wall, the Egyptian pyramids, the Indian Buddha and the Pagoda, they are the 'most majestic ancient projects in the world'. The Grand Canal represents outstanding engineering technologies in ancient China, and serves as the political, economic and cultural link between the North and the South. It contributes to the national fusion and reunification, and its abundant historical and cultural relics, generated numerous famous cities and towns, accumulating profound cultural deposits and condensing information in many fields, including politics, economy, culture and society of China. Accordingly, it is called the Ancient Cultural Corridor.

The overall length of the Hangzhou section of the canal is 39 km, and it's the southernmost point of the Grand Canal. In the history of over thousands of years, it was exposed to characteristic products, foods, clothes, styles and folkways and etiquettes, etc. of the regions in South and North China, and has formed a colourful Hangzhou Canal Culture with numerous historical landscapes and the gathering of complete historical and human venations. In 2014, the Grand Canal of China was included in the *World Cultural Heritage List* by the UNESCO, with 11 world heritage points and sections on the Hangzhou Section of the Grand Canal.

Objectives

The Hangzhou Section of Grand Canal is managed by the Hangzhou Canal Group, with the main aim to promote the cultural tourism brand of Hangzhou Canal through providing integrated tourism products with cultural character; the second aim is to provide comprehensive services in the scenic spots through integrating the resources of society and building a tourism complex with rich functions; the third aim is to actively launch investments for travel, leisure, culture and creativity, and to realize a maximum of benefits in asset operations.

Key strategies and initiatives

The typical Hangzhou Canal style comprises white walls and black tiles, in simple and unsophisticated poetic quality, ancient bridges, slow life, 'the world's granary', elegance, technological designs and Chinese folk art, etc.

Hangzhou Grand Canal.

Hangzhou Canal culture can be divided into 6 categories, namely the resident culture, the historical culture, the Buddhist culture, the business culture, the Kaibu culture and the emperor culture. One example for a transformation is Qiaoxi historical block:

From an old workshop to the largest museum cluster in China

The Qiaoxi historical block west of the bridge is the one of the few historical cultural blocks that fundamentally reflects the historical styles of the Grand Canal in Hangzhou. Its earliest formation can be traced back to the Ming Dynasty. In 1896, the Qiaoxi historical block witnessed the rise of modern industry and commerce, different kinds of stores are distributed along the river; the opera culture is prevailing, and common people live their lives here. Until today, a large collection of modern industrial relics have remained in the Qiaoxi historical block. Traditional commerce, industry, factories, storehouses, shops, quays, and wharfs are visible.

In 2010, after three years of restauration works, the Qiaoxi historical block was opened, factories, storehouses and old constructions of the past were changed into the national-level museum groups; the simple and unsophisticated traditional Chinese medicine street harmoniously merges with elegant canteens, cafes and bookshops.

The five museums, namely the China Hangzhou Museum of Applied Arts, the China Knife, Scissors and Sword Museum, the China Fan Museum, the China Umbrella Museum and the Handicraft Dynamic Exhibition Museum got repaired and were rebuilt on the industrial remains of the canal. It is now the largest museum cluster in China, taking an area of 47,309 km^2, with an overall area of exhibition room of 14,264 km^2.

In the industrial museums, visitors can not only see the charm exhibition of folk handicrafts like knives, scissors and swords, umbrellas and fans, etc., they can also take part in the characteristic handicraft experiences like manufacturing leather ware, woodcarving, producing polymer clay and cloth handcrafts, creative sketching, etc. This national level museum cluster has become an important base to protect the national handicraft heritages.

Hangzhou Spring Festival.

Chapter 5 Endnotes

1   Following Guangzhou, Chengdu and Wuhan.
2   Following Shanghai, Beijing and Guangzhou.
3   Source: Hangzhou City Overview (2017).
4   Source: Hangzhou Tourism Overview (2016).

5   The other international centre is 'International Internet+ Innovation and Entrepreneurship Center'.
6   Source: Hangzhou Tourism Overview (2016).
7   In 2011, the West Lake was included in the UNESCO world cultural heritage list.

6

TIANJIN
CHINA

Haihe River and Tianjin Eye.

6.1 Introduction

6.1.1 Basic facts

Tianjin (formerly Tientsin) is a metropolis on Mainland China's northern coast, with a total population of 15.5 million – making it China's fourth largest urban conglomeration after Shanghai, Beijing and Guangzhou. It is also one of the main tourism generating regions in China.

In 2015, Tianjin's GDP reached CNY 1.72 trillion (USD 248.9 billion), up 9.4% over the previous year, ranking the city fifth in China after Shanghai, Beijing, Guangzhou and Shenzhen.

China's expanding high-speed rail network, upgraded airports and ever improving network of direct flight routes are bringing many second and third-tier Chinese cities onto the tourism radar. East-coast urban centres such as Qingdao, Nanjing, Suzhou and Tianjin are emerging as hotbeds of economic development and are looking to lure travellers to venture beyond the gateway cities with impressive new urban infrastructure, luxury hotels and entertainment options – usually at more competitive prices than the established cities.

In 2015, according to the World Tourism Cities Federation (WTCF) *Tourism Cities Development*
Report, Tianjin ranked among China's leading cities: 3rd in domestic tourism revenues; 6th in domestic tourist arrivals; 8th in inbound tourism revenues; 9th in inbound tourist arrivals; and 10th in the growth of inbound arrivals.

Tianjin is one of the birthplaces of China's modern industries. The nation's first watch (Wuxing Watch), first bicycle (Tiemao Bicycle) and first television (Beijing Television) were all produced in the city. It is currently the most important industrial city in northern China. The pillar industries of Tianjin include aviation, equipment manufacturing, electronics and information technology, automobiles, petrochemicals, biopharmaceuticals, new energy and the environmental protection.

The high-tech industry is the largest pillar industry of Tianjin. Two competitive industrial clusters have been formed, including the communication equipment manufacturing industry led by Motorola and Samsung, the electronic component-manufacturing led by Rohm Semiconductor, Vishay Semiconductor, CTS, Matsushita Electronics and Samsung Electro Mechanics.

In 2013, Tianjin's foreign trade grew by 11.2% to USD 128.53 billion. The United States of America, European Union, Japan and the Republic of Korea were the major export destinations.

6.1.2 History

The walled city of Tianjin, whose name means *Port for the Emperor,* was built in 1404, but the development of Tianjin as a trading centre was prompted much earlier, during the Sui Dynasty (581–618) when the Grand Canal was built. During the Tang Dynasty (618–907), it was an important port for grain and silk being transported from south to north and, due to its unique location near Beijing, it became a military town during the Yuan Dynasty (1206–1368), when Beijing was chosen as the capital. Since then, Tianjin has always been the most important maritime gateway to Beijing and northern China.

In 1858, at the end of the first part of the Second Opium War, in which the British and French prevailed, the Treaties of Tianjin were signed, which opened Tianjin to foreign trade and made it the most important open city in North China. Between 1895 and 1900, Great Britain and France were joined by Japan, Germany and Russia, and even by countries without Chinese concessions such as Austria-Hungary, Italy and Belgium, in establishing self-contained concessions in Tianjin, each with its own prisons, schools, barracks and hospitals. These nations left many architectural reminders of their rule, notably churches and thousands of villas, which today provide an exotic flavour to Tianjin (see chapter 3).

Tianjin fell to the Japanese in 1937 and was liberated only after their surrender in 1945. Today, Tianjin is a dual-core city, with its main urban area (including the old city) located along the Hai River, which connects to the Yellow and Yangtze Rivers via the Grand Canal; and Binhai, located east of the old city, on the coast of the Bohai Sea. As of the end of 2010, around 285 Fortune 500 companies had set up base in Binhai, which is a new growth pole in China and a hub of advanced industry and financial activity. The population of Tianjin is currently around 15.5 million.

6.1.3 Infrastructure, transport and connectivity

Tianjin is the largest water transport hub in northern China, as well as the most important gateway to Beijing and northern China by road, rail and air.

Tianjin International Cruise Home Port (Tianjin Cruise Port for short), began operations in June 2010. It is the largest home port in East Asia. The cruise port handles all international cruise lines, can accommodate two large cruise ships at the same time and handle 0.5 million passengers each year. The water in the port is about 11.5 m deep, sufficient for the world's largest cruise ship.

Cruise tourism in Asia is booming at a double-digit rate of growth both in terms of cruise capacity and number of travellers. Between 2012 and 2015 the number of cruise passengers in Asia grew from 775,000 to nearly 2.1 million, according to Cruise Lines International Association's (CLIA's) Asia Cruise Trend Analysis. Nearly half of all regional passengers in 2015 were Chinese, with 986,000 departures.

Tianjin is benefiting from this trend. The number of cruise ships operating to/from Tianjin increased from 40 in 2010 to 96 in 2015, and the number of cruise passengers grew from 95,000 to nearly 500,000.

Tianjin also has a comprehensive land transport network. The Beijing-Harbin Railway, Beijing-Shandong Railway and Beijing-Shanghai Express Railway all intersect in Tianjin. In addition, four expressways and five national highways pass by Tianjin.

Modern Tianjin received a boost with the opening of a high-speed rail line from Beijing in 2008, linking the cities in only 28 minutes. Tianjin is also a direct stop on the popular Shanghai to Beijing route, taking precisely five hours from Shanghai.

Tianjin has a total of five railway stations, three being major transport hubs. The most recent to open, Tianjin West Station, is about 20 minutes' drive from the city centre, and connects directly to Metro Line 1. The operation is part of a massive urban renovation project in the north of Tianjin that will be the centre of a new residential and commercial development. Tianjin West Railway Station serves the high-speed rail network Tianjin-Shanghai and Tianjin-Qingdao.

Regarding air connectivity, the city and its region are served by Tianjin's Binhai Airport. Located 10 km from the city, it is the hub airport for Tianjin Airlines, established in 2004, and privately owned Okay

Huangyaguan Great Wall.

Airways, as well as a focus city for Air China and one of the major air cargo centres in China.

While Beijing is still dominant for international flights, Tianjin serves a wide range of domestic and short-haul international destinations. Passenger traffic, which totalled 16.9 million in 2016, grew by more than 20% annually from 2000 to 2016. In March 2017, according to the Centre for Aviation (CAPA), a total of 40 airlines served Tianjin Binhai Airport, 16 on international flights and 24 on domestic only.

6.1.4 Overview of key attractions

Although Tianjin's tourism is still predominantly business-travel related, the city has developed many impressive new attractions for leisure tourists and residents alike, thanks to serious efforts by the municipal authorities. By the end of 2015, the city counted 112 A-grade tourist attractions.

One of the main areas of interest in the city is WuDaDao (Five Great Avenues), with many European-style houses, municipal buildings and churches. Standing in contrast to that historic area are Tianjin's many modern skyscrapers, including the iconic 415 m Tianjin Radio and Television Tower. Popular shopping thoroughfares are Binjiang Dao and Guwenhua Jie (Ancient Culture

Street), an atmospheric street lined with faux Qing Dynasty architecture. The Tianjin Museum exhibits classical Chinese art and local history collections.

Most attractions are south of the Hai River, and can be viewed on boat tours or from the 120 m Tianjin Eye Ferris wheel, straddling the water. Beyond Central Tianjin, the Huangyaguan Great Wall is a restored stretch of China's famous ancient fortification, and Dule Si is a wooden Buddhist temple, sections of which date to the 10th century Liao Dynasty.

Tianjin has many varied cultural attractions. Known as the Hometown of Opera, Tianjin is home to Beijing opera, one of the most prestigious forms of Chinese art. It is also famous for crosstalk (in Chinese: *Xiangsheng),* a form of entertainment similar to stand-up comedy.

Tianjin cuisine places a strong focus on seafood, due to the city's proximity to the sea. Prominent menus include the Eight Great Bowls and the Four Great Stews.

There are many local handicrafts, all of which are popular throughout the country. Representative handicrafts are Yangliuqing Town's Chinese New Year Paintings, Zhang's Clay Figurines and Wei's Kites.

6.1.5 Tourism flows

In 2015, Tianjin recorded a total of 174 million Chinese and foreign visitors, including same-day travellers, generating some CNY 279.43 billion (USD 42.2 billion). This represented an average annual growth of 17.5% over the five years 2010–2015 (see table 6.1).

6.1.6 Source markets and seasonality

Tianjin's domestic visitors totalled 170 million in 2015, up from just 50 million ten years earlier, although less than a third of these stayed overnight. Domestic tourism revenues were just under CNY 259 billion (USD 39 billion), accounting for a massive 93% of the revenues generated by tourism overall. Tianjin attracted 3.3 million international tourists in 2015, reflecting an average annual growth rate of 14.4% in the five years from 2010. International tourism receipts in 2015, rose by 18.3% over the period, to CNY 3.3 billion (USD 498 million) (see table 6.2).

A reported 255,000 of the total, or a modest 7.8%, were Chinese compatriots from Hong Kong (China), Macao (China) and Taiwan Province of China.

Foreigners accounted for 92.2%, or just over 3.0 million, although a significant 73% of these – largely cruise ship passengers arriving from Beijing to embark on a cruise, or cruise passengers simply disembarking in the city for sightseeing tours – do not stay overnight in the city in local accommodation.

Japan, the Republic of Korea and Singapore are the city's most important inbound tourism sources. A breakdown of tourism spending shows that some 38.8% goes on long-haul transport costs, 19.6% on shopping and 11.5% on accommodation. But catering, entertainment and sightseeing together account for a reportedly modest 16%.

6.1.7 Tourism enterprises

The following table provides a quantitative analysis of some of the key aspects of tourism supply in Tianjin, compared with Beijing, Shanghai and Chongqing (see table 6.3).

According to the Tianjin Municipal Tourism Administration's *Tourism Planning 2016–2020* there are some 97 hotels in Tianjin, including 15 five-star

Table 6.1 **Tianjin's arrivals and tourism receipts**

	2005	2010	2015	Average annual growth (%)	
				2010/2005	2015/2010
Domestic tourism					
Arrivals (× 1000)	50,134	92,065	170,000	12.9	13.0
Revenues (CNY million)	54,198	115,190	258,800	16.3	17.6
Revenues (USD million)	8,175	17,377	39,142		
Inbound tourism					
Arrivals (× 1000)	740	1,660	3,260	17.5	14.4
Revenues (CNY million)	509	1,420	3,298	22.8	18.3
Revenues (USD million)	77	214	498		
Total					
Arrivals (× 1000)	50,874	93,725	173,260	13.0	13.2
Revenues (CNY million)	58,423	124,840	279,425	16.4	17.5
Revenues (USD million)	8,814	18,834	42,155		

Source: Tianjin Municipal Tourism Administration (TMTA); en.tjtour.cn.

hotels, 36 four-star hotels, 37 three-star and 9 two-star properties. This represents nearly a doubling of total capacity in the five years from 2010. Recent analysis suggest that Tianjin recorded a 33% increase in international branded hotel room supply between 2012 and 2015, with more than 10,000 rooms being added in 2015 alone.

Tianjin is home to China's oldest international luxury hotel, the Astor Tianjin. The British Victorian landmark, which celebrated its 150th anniversary in 2013 retains a good balance of heritage, creaky-floor charm and modern-day comforts. It also houses an interesting museum which shows the history of the city and the major events that took place there.

Table 6.2   **Tianjin's inbound tourist arrivals by source region and market**

Region/Country	Arrivals (× 1000)	Share (%)	Av. annual growth 2015/2010
Compatriots			
Hong Kong (China)	77.9	2.4	5.2
Macao (China)	20.0	0.6	7.2
Taiwan Province of China	156.7	4.8	8.8
Sub-total	**254.6**	**7.8**	**7.8**
Foreigners			
Japan	1,151.3	38.3	10.8
Korea, Republic of	523.9	17.4	12.7
Singapore	261.4	8.7	7.8
United States of America	206.0	6.9	4.2
Malaysia	197.2	6.6	8.6
United Kingdom	83.5	2.8	5.1
Others	581.7	17.8	not available
Sub-total	**3,005.0**	**92.2**	**not available**
Total	**3,260.0**	**100.0**	**14.4**

Table 6.3   **Tourism resources in four cities in Mainland China**[a]

	Tianjin	Beijing	Shanghai	Chongqing
A-grade tourist attractions	112	235	98	198
5A-grade tourist attractions	2	8	3	7
Starred hotels	97	527	247	232
Five-star hotels	15	64	68	27
Travel agencies	427	1,847	1,276	587
Outbound travel agencies	43	590	134	73
Agricultural and rural tourism demonstration county	3	5	3	8
Agricultural and rural tourism demonstration site	20	21	19	23
National ecological tourism demonstration zones	3	3	4	4
National MICE demonstration zones	1	1	1	1

a)   There are 17 "National tourism resort destinations in China in 2015.

Sources: Tianjin Municipal Tourism Administration (TMTA); en.tjtour.cn (2015).

6.2 Key performance areas

6.2.1 Destination management

Structure of the DMO

The Tianjin Municipal Tourism Administration (TMTA) employs more than 90 people, over 50% of whom work in administration. Performance management is the responsibility of a new central department within Tianjin City Government, with TMTA supplying data, as requested.

The TMTA's marketing budget for 2016 was CNY 70 million (USD 10.6 million), broken down as follows:

Aside from the Tianjin Municipal Tourism Administration, the main district authorities in Tianjin with a responsibility for tourism, two of which are located in Central Tianjin, are Nankai, Heping and Xiqing. Each district has its own strategic goals in regards to tourism, covering topics such as: organising festivals events, tourism promotion, online marketing campaigns, improving signage, etc.

Heping District, which is in Central Tianjin, has a long history as the centre of the metropolis in terms of culture, commerce and finance. The central business districts (CBDs), shopping centres and banks are all concentrated in Heping, which covers a total area of just under 19 km².

Tianjin currently focuses on the following tourism development goals:

- **Enhancement of the urban environment:** In line with the increasing priority accorded to tourism by both the Federal Government and the Tianjin Municipal Government over the past ten years or so – tourism is now widely seen as a driving force for several related industries – there has been significant investment in improving the urban environment as a place not only to visit, but also one in which to live and work.

- **Urban regeneration and revival of cultural heritage:**

  – The river has been cleaned up and the riverbanks transformed for Tianjin's visitors. Historical heritage buildings have been restored and there has been a big focus on reviving cultural attractions. The creation of a cultural street close to one of China's oldest temples has been a result of those developments. Traditional cuisine is being offered more widely, with cooking demonstrations organized so that visitors can learn about, and even participate in, the preparation of different dishes; and

  – Another initiative has been the upgrading of two World Heritage sites. A 100 km stretch of the 1,776 km Grand Canal, which links Beijing with Hangzhou, is being reclaimed for leisure purposes – walking, cycling, boating, etc. And a major programme of renovation has been completed on a section of the Great Wall close to Tianjin – one of the most beautiful Ming Dynasty sections.

Table 6.4 **The TMTA's marketing budget, 2016**

Item	CNY (× 1,000)	USD (× 1,000)
Tourist information: books, brochures, maps,DVDs	5,100	769
Advertising: CCTV, magazines, newspapers	33,300	5,023
Inbound tourism subsidy	4,390	662
International marketing and promotion, including participation in international travel marts	3,330	502
E-marketing and social media, plus "other"	23,880	3,602
Total budget	**70,000**	**10,558**

Source: Tianjin Municipal Tourism Administration (2016).

- **Product diversification:**

  – A big effort has also been made to diversify tourism products. Currently one of the strongest sectors is industrial tourism, which has been growing through the development of factory tours, including visits to Airbus and other aircraft and helicopter manufacturers, as well as manufacturers in industries such as watchmaking, textiles, computers, leather goods, biotechnology, etc. The total number of factory visits (to 14 factories) is estimated at 200,000 a year – with 50% from students and 50% from different delegations and community groups; and

  – Rural tourism is also being heavily promoted outside the city and a number of different niche markets are being developed and promoted, including martial arts. Tianjin has the biggest martial arts school in northern China.

- **Joint marketing efforts with Chinese and foreign partners:** Tianjin's marketing is heavily focused on enrichment of the Tianjin tourism brand through promotion of its many and varied attractions. These include city tours highlighting the classic tourist routes, but also themed tours, leisure trips to the coast for swimming, sunbathing and relaxation and different forms of cultural entertainment.

As a way of strengthening its efforts in selected markets, the Tianjin Tourism Bureau has undertaken a number of joint marketing efforts with Beijing and Hebei Provinces. In addition, it operates in close cooperation with Hong Kong (China) and Macao (China) and Taiwan Province of China, organizing joint exhibitions, common advertising and communications, as well as cultural exchanges.

With regard to the development of the Japanese markets and the markets of the Republic of Korea, there are also a number of joint initiatives underway or planned, such as promotional campaigns with other cities in East and South-East Asia. These include cruise port promotions and 'Belt and Road' initiatives.

Tourism development policy

By the end of 2020, Tianjin is aiming to become an international tourism destination, distribution centre and tourism equipment industry base, with tourism becoming one of the city's strategic backbones of the economy.

The Tianjin Municipal Tourism Bureau is currently targeting an 8% average annual growth in total tourist arrivals over the period covered by the 13th Five Year Plan, with a 10% annual increase in overall revenues from tourism. Domestic tourism is expected to outpace inbound tourism, with foreign visitors rising by a rather more modest 3% and foreign visitor spending by 4% annually.

This means that, by 2020, total arrivals should top 250 million, with tourism earnings of CNY 450 billion (USD 68 billion). Foreign tourists will account for a projected 3.7 million arrivals and expenditure of CNY 4 billion (USD 0.6 billion).

Tianjin Municipal Tourism Administration (TMTA) has identified a number of challenges facing the destination, 13 categories have been identified, most of them involving sightseeing and focused on leisure tourism.

The main problem is, that there is little communication or collaboration between the different sectors linked to these tourism products – e.g., culture, agriculture, commerce, sports and other industries. Consequently, there is little chance of developing integrated tourism products at the moment.

Accommodation facilities need to be more diversified to cater for different markets; travel agencies need to expand and enhance their activities to attract more tourist business, and the lack of night/evening entertainment needs to be rectified.

Other identified requirements include:

- Developing and offering a greater choice of cuisine, notably local specialities;

- Enriching and enhancing the city's brand image;

- Diversifying and improving local transportation services;

- Improving tourist information systems;

- Introducing new legislation to ensure optimum safety and security for tourists;

- Developing more targeted marketing through better market research into the specific needs of domestic and international tourists;

- Improving information delivery systems by expanding and diversifying social media channels used for communication – Weibo and WeChat are inadequate; and

- Based on a visitor satisfaction survey, recent results have highlighted relatively low satisfaction with transportation and air pollution.

Marketing strategy and USP

An important fragment of the promotion of Tianjin as a tourism destination is the joint cooperation between Beijing, Tianjin and Hebei has been strongly advocated by the local and Federal Government. Joint work programmes are clearly laid out in two-year action plans.

Quality improvement is one of the main goals of the 2016–2018 action plan, both through the upgrading of existing tourism products and services and the development of new facilities, products and services. Integration and innovation are also key – in order to ensure a more cohesive, attractive tourism offer.

This will involve organizing, marketing and coordinating joint activities. The respective regional/provincial governments will be guided and supported by the Federal Government and China National Tourism Administration (CNTA). The main tasks will include:

- Further development of the tourism industry in the Beijing-Tianjin-Hebei region through:

  – Construction of a transaction platform based on joint tourism resources;

– Active promotion of innovation across related industries;

– Fostering of new tourism products and services involving non-traditional industries/economic sectors;

– Accelerating the development of a modern tourism industrial system; and

– Apply this, where relevant, to rural tourism.

- Generate new tourism markets for the wider Beijing-Tianjin-Hebei region through:

  – Creation of a suitable tourism brand image for the region;

  – Promotion boutique products and routes;

  – Establishment of demonstration zones in order to form pilot projects;

  – Rapid development of information networks and Internet connectivity;

  – Elaboration of joint marketing and advertising plan/programme; and

  – Organization of frequent large-scale events in the region.

- Form a cooperative tourism network for the region, including:

  – Optimization of the transportation system among the three provinces;

  – Accelerating the construction/provision of facilities for the self-drive market;

  – Improved sharing of big data related to tourism; and

  – Increased lobbying with the Federal Government to achieve visa-free access.

- Gradually improve the tourism industry management system across the Beijing-Tianjin-Hebei region through:

  - Improved quality controls;

  - Ensuring improved standards in all areas applicable to tourism;

  - Enhancing emergency response systems with regard to safety; and

  - Making full use of the power of professional tourism associations.

The tourism administrations of the three cities/provinces jointly designed and launched a number of tourist routes/trails, including family fun tourist activities for different seasons of the year, and sporting facilities for young and health-conscious tourists, as well as folk arts presentations shopping opportunities. Among these: red tourist routes , a riding tour trail, Beijing-Hebei winter ski runs and Spring Festival tourist routes.

Other joint activities include:

- Beijing, Tianjin and Hebei participated in the Macao (China) Global Tourism Economy Forum activities, organizing a joint booth in order to promote their tourism resources and products. They are also jointly participating in the Beijing International Tourism Expo and other exhibitions;

- There are 56 new themed tour routes, including 16 from Beijing, 16 from Tianjin and 20 from Hebei. Themes range from weekend parent-child tours to photography tourism, leisure self-drive tourism, visits to ancient villages, coastal leisure tourism and a wide range of other tour options; and

- A new hand-drawn map of the Beijing-Tianjin-Hebei region is designed to strengthen cooperation and communication of information on a common Internet platform.

6.2.2 Social and cultural perspective

Cultural development strategy

Substantial investment in the built heritage has been made and is planned by the government and its respective agencies. The primary focus has been on the two existing World Heritage sites:

- **The Grand Canal:** a 100 km stretch of the Beijing to Hangzhou Canal is within the city, unused for commerce, but in process of being reclaimed for leisure – walking, cycling, boating, etc; and

- **The Great Wall:** the Huangyaguan section of the Great Wall, dating from the Ming Dynasty is the most beautiful and best built section. A major programme of renovation work was undertaken in the 1980s. The funding included public subscriptions.

There has also been substantial investment in the environment and infrastructure of the WuDaDao (Five Avenues) area, which will be the subject of a proposal to UNESCO for World Heritage Site status.

As already indicated, there has been substantial development of cultural activity that is relevant to tourism, notably the production of folk art, Theatre 'Crosstalk', provincial cultural institutions, music, dance and games in public parks.

Other relatively new sectors being targeted during the Five Year Plan period are city breaks and cruise-related tourism. There is currently no clear strategy for the development of business tourism generally. Industrial, cultural and rural tourism will continue to be key targets.

Tianjin Port.

6.3 Success stories

6.3.1 Tianjin's foreign concessions and WuDaDao

Introduction

In 1860, Tianjin was forced to open up as a trading port to the outside world. Great Britain, France and the United States of America designated the West Bank of Haihe River in Tianjin as "concessions". After the Sino Japanese War in 1894 Japan, Germany, Russia, Austria-Hungary, Italy and Belgium established self-contained concessions on the East and West Bank. The concessions in Tianjin were dismantled in the early to mid-20th century following recognition of the Republic of China by the European states, when European property owners were granted equality before Chinese officials. World War II disrupted this nascent development, when the Japanese seized the concessions of powers allied against it. Soon after the war, all foreign powers relinquished their concessions in China, including those in Tianjin.[1]

With nine foreign concession areas, Tianjin had more than any other city in China. These concessions played a major role in the physical and economic development of the city, Tianjin's modern city centre was shaped by them. While a good part of this area has been redeveloped in recent years, large parts retain much of their original character and ambience, particularly the area of the British concession, which is now known as WuDaDao or Five Great Avenues. More than 3,000 original buildings of different European architectural styles remain, of which 800 have been restored.

This distinct character and ambience is in itself highly attractive, but also differentiates it from the majority of other Chinese cities. WuDaDao is bounded by Chengdu Street in the south, Machang (Racecourse) Road in the north, Xikang Road in the west and Nanjing Road in the east (see map below). There are 22 roads and/or streets in the area, which covers a total of 1.28 km^2.

1   Adapted and extended from text supplied by Prof. Zhi.

The Astor Hotel.

Key strategies and initiatives

There is a local law to protect buildings, with protection based on any one (or more) of three criteria:

- Exceptional design or association with a major event;

- Residence of a major celebrity; and

- Traditional architectural style.

New buildings in WuDaDao are subject to guidelines and planning control. The policy is that they should harmonize with the traditional architecture of the area.

Tianjin has an excellent information and interpretation centre for WuDaDao, which attracts a large number of visitors every year, including many school groups. The centre offers audio tours. There is potential for an application to enable people to learn about the area at their leisure, and this could encompass augmented reality, but here is not sufficient demand or money for the project for the time being.

A proposal is also being prepared for submission to UNESCO for the area to become a World Heritage Site.

Tianjin Ancient Culture Street in Yangliuqing.

6.3.2 Yangliuqing Ancient Town

Introduction

Yangliuqing Ancient Town is in a western suburb of Tianjin, 30 minutes' drive from the city centre, in Xiqing District. It is within an area being developed for leisure purposes – part of a 'recreation belt' being developed along the Grand Canal, with three themes: folk culture, floral and environment.

The core attraction of the Ancient Town is the Shi Mansion – the large home of a trading merchant, once called the "No.1 Mansion in North China". The Shi family first became rich through the grain and cotton trade. They made enough money to buy land and build their own houses, subsequently opening up shops, factories and private banks to multiply their wealth. During the reign of Emperor Jia Qing, the Shi family owned thousands of hectares of land and 500 houses.

Being a grand traditional Chinese mansion, the Courtyard of the Shi Family is made up of twelve ancient-style quadrangle courtyards on both sides of a 60 m long lane and a few additional elegant pavilions, pools and gardens.

Key strategies and initiatives

The compound has now been transformed into the Yangliuqing Folk Customs Museum, displaying folk art and customs of Tianjin. The museum receives more than 300,000 visitors a year. Next to the Shi Mansion museum is an area of housing, workshops and retail shops recreated in traditional style.

Further large-scale reconstruction and improvement of Yangliuqing Ancient Town is taking place over a five-year period. Nearly CNY 10 billion (USD 1.5 billion) will be invested in new projects such as Yuanbao Island and Emperor Wharf Square. The Tianjin Municipal Tourism Bureau is targeting an increase to 10 million tourists and same-day visitors a year within five years for Yangliuqing Town.

A historical and cultural industry zone will be built on Yuanbao Island, together with 100,000 km^2 of commercial facilities. This will involve the recreation of historic streets and other original features. Ancient courtyards will be restored.

Currently, the district has very little accommodation. To attract overnight tourists there are plans to convert 64 houses into tourist accommodation and hotels.

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BOGOTA
COLOMBIA

7

Panoramic View of Bogota.

7.1 Introduction

7.1.1 Basic facts

Bogota is the largest city of Colombia and the main economic and industrial capital city of the country. It is its political, economic, administrative, industrial, artistic, cultural, creative and sports centre and stands out for its economic strength, financial maturity, attractiveness to global companies and quality of human capital. Bogota is home to more than 1,400 multinational companies and has the largest number of universities and research centres of the country.

Situated in the Eastern Cordillera of the Andes on a high plateau, it is the third-highest capital in South America (after Quito and Sucre), at an average of 2,640 m above the sea level. In fact, the current slogan for the city is Bogota: "2.600 meters closer to the stars". The Eastern Hills frame the city from south to north, the western city limit is the Bogota River.

Due to the steady economic growth and business development in the last 15 years, it has become one of the most important business poles in Latin America and registering one of the lowest unemployment and poverty rates in Colombia[1].

Bogota with its 8.1 million inhabitants attracts almost half (46.8%) of international inbound tourism to Colombia. Tourism is the second largest export industry of the country after oil. It has been continuously growing in the context of economic improvement and political pacification since 2002. MasterCard ranked the city as the 16th world fastest growing urban destinations in 2016[2] and it has been awarded with various international recognitions as a tourism destination in recent years[3].

7.1.2 Infrastructure, transport and connectivity

The airport of the city, the El Dorado International Airport, has the largest volume of cargo transported in Latin America and is third in number of passengers (31 million in 2016).[4][5] It has been a key factor for Bogota's international attractiveness with 70% of international people arriving in Colombia entering through the El Dorado International Airport. There are direct international connections with 27 different countries and 45 destinations. This represents one of the largest international connectivity rates in Latin America,[6] in the last four years it has increased by 40%. The airport has been awarded by Skytrax as the Best Airport in South America for two years in a row, 2016 and 2017.[7]

Bogota is also a hub for domestic and international bus routes. There are international services to Ecuador, Perú and Venezuela.

Despite the city's traffic congestion, cost-effective, efficient and unique transportation solutions have been implemented. Two bus systems are the main means of mass transit: the traditional system and the TransMilenio express network which has been deployed as a measure to compensate for the lack of a subway or rail system.

A section of 7th avenue that has been adapted and habilitated just for pedestrians. This is a very vibrant, lively area with several important landmarks. Finally, with 476 km (as of 2017) of segregated lanes called ciclorrutas, Bogota is the Latin American city with the most extensive network of bike paths and 8% of citizens use bikes as their main mode of transportation. Additionally, on Sundays and holidays, 116 km of streets and main avenues close from 7am to 2pm in order to facilitate biking for recreational purposes. Bogota has the goal to position itself as one of the most bike friendly cities in the world and to promote this as a tourism experience.

7.1.3   Overview of key attractions

Bogota has identified 514 attractions and resources, including 459 cultural resources, 32 natural resources and 23 event type resources. La Candelaria, is the historic and cultural centre of the city, with a high concentration of museums, universities, heritage buildings, and libraries. The Teatro Colon (Opera House) has been named by BBC Travel as one of the eight most breathtaking theatres in the World.[8]

Given the cultural orientation of the city, the Bogota Destination Management Organization, the Instituto Distrital de Turismo (IDT), considers culture as the city's main attraction. Bogota has been increasingly recognized worldwide as a hub for arts development. Currently, the five types of tourism products marketed by the IDT are:

- **Cultural Tourism:** complementarily to the cultural tangible resources of the city, Bogota offers vibrant cultural dynamics. In 2007 Bogota was awarded

World Book Capital by UNESCO being the first Latin American city to receive this recognition.[9] Bogota Book Fair is one of the most relevant in the region. Every two years Bogota holds the Iberoamerican Theather Festival, one of the largest in the world. With more than 600 music live venues, in 2012 the city was also selected as member of the UNESCO Creative Cities Network in the field of music,[10] taking into account public and private infrastructure, growth in creation and promotion of music and free music festivals such as Rock al Parque;

- **Urban Tourism:** Bogota's tourism activities include shopping, urban parks, bike paths, gastronomy, night life and social events in public spaces including 62 shopping malls, 2,500 parks ranging from small neighborhood parks to large city parks as Parque Simón Bolivar, and the already introduced 476 km bike paths;

- **Nature Tourism:** more than 70% of Bogota's surface is rural, including the Eastern Hills, Sumapaz, the world's largest continuous paramo ecosystem[11], and 15 wetlands[12] in the urban part of the city. Natural heritage resources are currently being used to develop community based tourism projects such as trekking in the Quebrada La Vieja or birdwatching in the Observatorio de Aves in the wetlands of the city;

- **Gastronomy Tourism:** there is a large number of restaurants in Bogota that serve typical and international food, making the city a world class gastronomy destination. Five of the city's restaurants are among *The World's 50 Best Restaurants* in Latin America. Complementarily, the IDT is developing the Vamos a la Plaza programme, a tourism initiative with the aim to include food marketplaces as tourism attractions, adapting and remodeling infrastructure and equipment, and offering training to vendors; and

- **MICE and business tourism:** economic growth and business development have lead Bogota to be one of the top-business capital cities in Latin America. Bogota is the 1st MICE destination in Colombia and, with 45 events registered, the 8th in Latin America according to the ICCA ranking for 2016[13].

7.1.4　Tourism flows

Bogota is the main Colombian tourism destination. In 2016, 6.4 million[14] domestic tourists and 1.2 million international tourists visited the city.[15] Due to drug trafficking, *guerillas* and general violence climate, Colombia – and Bogota – were out of the tourism scene for two decades but since 2002 the growth in international tourism is remarkable

International tourism to Bogota grew at an annual average rate of 10.7% between 2006 and 2016. Due of this evolution, foreign tourists in Bogota have multiplied by a factor of 2.5 between 2005 and 2016. In 2016, 46.8% of the foreign travellers arriving in the country reported Bogota as their main destination followed to considerable distance by Cartagena with 14.1% and Medellín with 12.8%.

According to the Observatory of Tourism data, for domestic tourists the principal motivation of tourists in Bogota is to 'visit relatives and friends'. 'Business/work' is the second most frequent reason. 'Vacation/recreation' is the main purpose of trip for international tourists in Bogota (see figure 7.1).

7.1.5　Tourism source markets and seasonality

The main inbound markets in 2016 were the United States of America (16.6%), Venezuela (13.6%) and Mexico (8.3%). The fastest growing inbound markets in the last five years have been: the Netherlands, Germany, Panama, Mexico and Chile with average annual growth rates above 15%.

During the last two years hotel occupation has been lower than 50% in December and January, and superior to 60% in February, September, October and November. Such variations are due to the seasonality of the tourist activity in the city. Only a third (34%) of international tourists and 11% of domestic tourists stays in hotels.

7.1.6　Tourism enterprises

Bogota has a total of 2,682 operating registered tourism companies in 2017. 48.6% of them are located in three of the Bogota's quarters (Chapinero, Usaquén and Teusaquillo) (see table 7.1).

According to the Colombian Ministry of Commerce, Industry and Tourism (Ministerio de Comercio, Industria y Turismo), in 2017, most guest accommodations are in hotels (84.5%), in total the city has a capacity of nearly 27,700 rooms.[16] AirBnB listings include about 6,000 additional beds (May 2017).

Thanks to tax incentives provided by the Colombian government, accommodation supply has grown dramatically during the past 15 years. The main benefit has been a revenue tax exemption during 30 years to be applied to new, renovated or extended hotel investment between 2003 and 2017 (see figure 7.2).

Table 7.1　**Bogota tourism services, 2017**

Type	Total	%
Travel agencies	1,194	44.5
Guest accommodations	579	21.6
Restaurants	405	15.1
Conference operators	116	5.1
Tourism representatives	136	5.0
Tour guides	135	4.3
Terrestrial transportation companies	52	1.9
Rent a car	31	1.3
Other	34	1.2
Total	**2,682**	**100**

Source:　Migración Colombia/MCIT. Elaboración Observatorio de Turismo, Instituto Distrital de Turismo (2017).

Figure 7.1 International tourist arrivals to Colombia and Bogota, 2005–2016 (× 1,000)
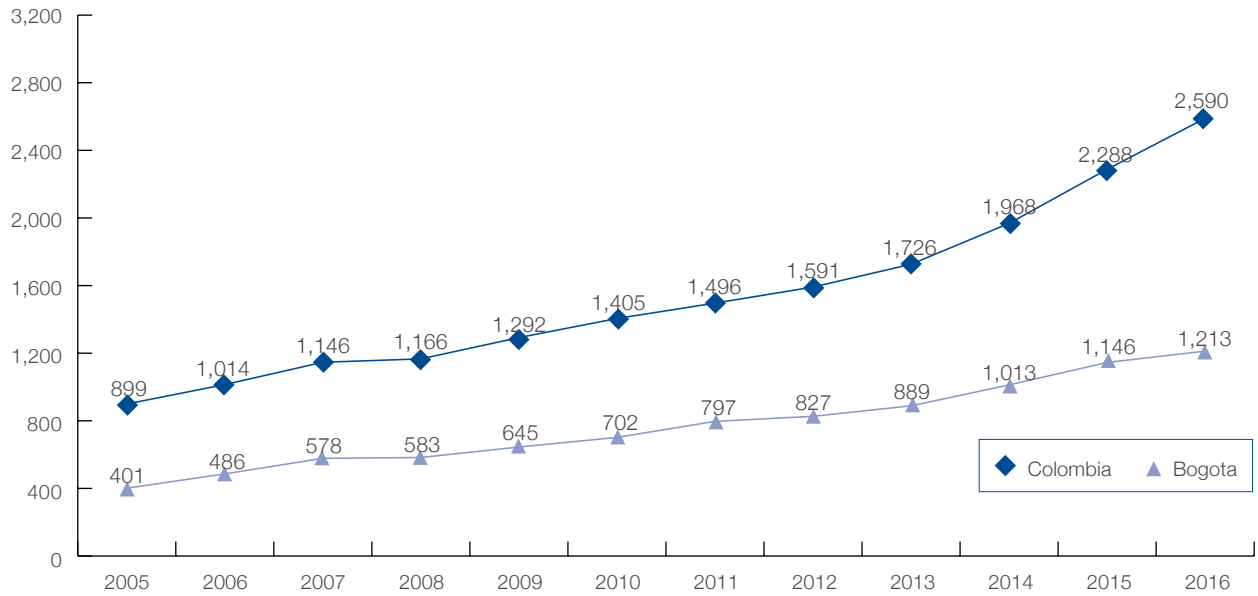
Source: Migración Colombia/MCIT. Elaboración Observatorio de Turismo, Instituto Distrital de Turismo (2016).

Figure 7.2 Guest accommodation room offer growth in Bogota, 2005–2016 (all types of accommodation)
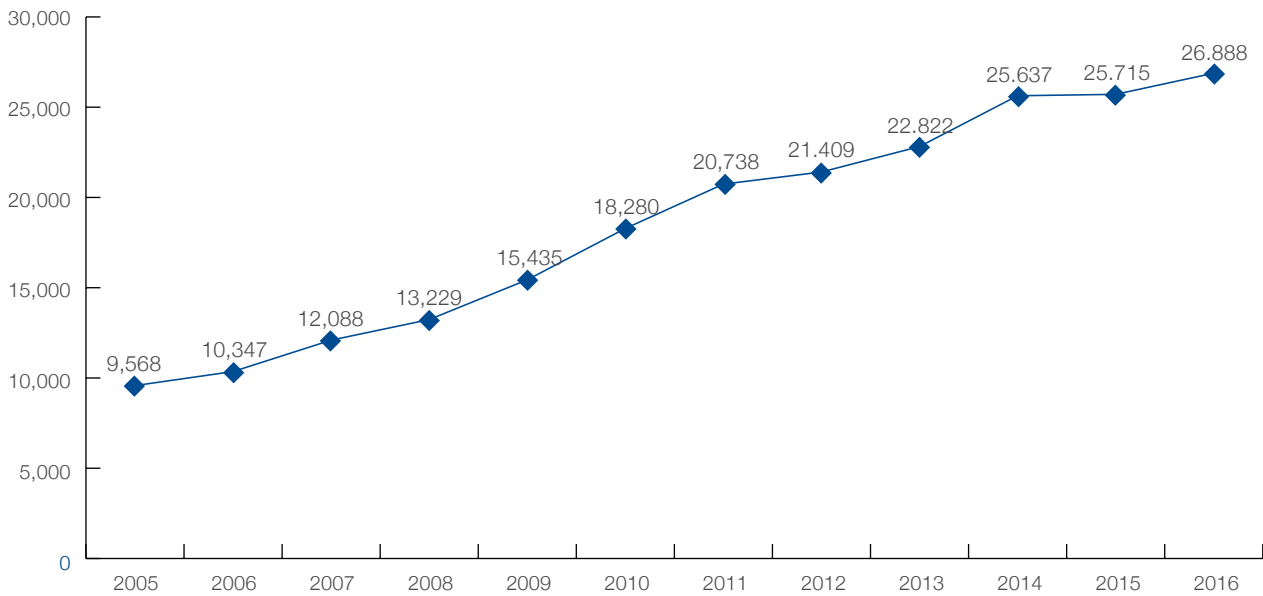
Source: Ministerio de Comercio, Industria y Turismo, Colombia (2017).

Inside the Church of Nuestra Señora del Carmen.

7.2 Key performance areas

7.2.1 Destination management

Structure of the DMO

Tourism in Bogota is managed by the Instituto Distrital de Turismo (IDT), a public tourism marketing and management organization chartered by the district government in 2007, whose core functions include destination planning and policy making, tourism regulations, tourism product development, tourism awareness dissemination, tourism capacity building, tourism marketing, visitor services and tourism monitoring. The IDT has a specific legal status, administrative and financial autonomy. The principal aim of the IDT is "to stimulate the economic development of Bogota across the promotion of the tourism activity of the city and to achieve the best conditions of competitiveness and sustainability of the destination"[17]. IDT aims to transform Bogota into the first sustainable and accessible destination of Latin America in 2026, with a clear contribution to the economic development, trust, and citizens and visitor happiness.

The IDT's activities are approved by a Board of Directors. It is constituted by the City Mayor, or his delegate which is The District Secretary of Economic Development who lead the Board, the District Secretary of Culture, Recreation and Sports, the District Secretary of Planning, the General Director of the Instituto Distrital de Turismo and two representatives from the private sector. The General Director is in charge of the development and achievement of the objectives decided by the Board of Directors.

With a staff of 30 employees and about 120 additional collaborators the IDT manages a total budget of USD 5.8 million, fully provided by the Colombian government. The organization consists of 2 main departments: Destination Management, and Marketing and Promotion. In the last 10 years the IDT has undertaken several innovative and creative initiatives to benefit the industry, visitors, the community and the city as a whole. The Destination Management section is in charge of the following:

- **Tourism product development:** IDT develops tourism products related to urban, cultural, natural, gastronomy, and MICE markets and provides planning, management, community engagement, networking, brochures, regulations, and advisement to private and public stakeholders involved in each initiative;

- **Tourism culture enhancement programmes:** IDT focusses on promoting tourism as a strategic

activity among local population, educating about the economic, social and environmental importance of tourism in the city, giving a warm welcome to visitors through high quality contact moments, disseminating the principles of the *UNWTO Global Code of Ethics for Tourism*[18] and stimulating sustainable tourism practices among locals; and

- **Tourism competitiveness:** the IDT leads joint actions with different actors in order to promote tourism development at local level.

The IDT Tourism Marketing section focuses on promoting the city's iconic attractions, as well as less explored sites, to both domestic and international markets. To do so, IDT participates in a number of trade fairs and exhibitions worldwide and in selected target markets. Tourism marketing and promotion is undertaken within the framework of the Bogota Strategic and Tourism Action Plan, 2017–2020[19].

Additionally, the IDT has nine Visitor Information Centers (VIC) situated at strategic locations across the city in order to offer visitors local information as well as to provide products such as city maps and visitor services. More than 160,000 visitors used the visitor information centres in 2016 and nearly 7,300 enjoyed the guided pedestrian routes offered by the VIC. 53% of the visitors to VICs were international tourists, 24%

of domestic origin and 23% citizens of Bogota, eager to know more about their city (see figure 7.2).

Tourism development policy

Bogota has a strong policy for the development of tourism as a tool for job creation, entrepreneurship and economic growth. The vision of the Bogota Strategic and Action Tourism Plan 2017–2020 is:

"To strengthen the identity of Bogota as tourism destination of national and global scope, offering to the tourist and to the visitor cultural creative, innovative, authentic and diverse experiences, as a knowledge city, in a heritage memorable environment and with a management oriented towards the happiness of its inhabitants and of the tourists who visit it".

At national level, the tourism plan is aligned with the Colombian Government Tourism Plan 2014–2018 *Tourism as a Tool for Peace.*[20] The main objective of this plan is to position Colombia as a sustainable multicultural, megadiverse and competitive tourism destination. The four pillars of the plan are regional development, competitive connectivity, promotion and efficient management and governance.

Figure 7.3 **Organigram of Bogota's Instituto Distrital de Turismo**
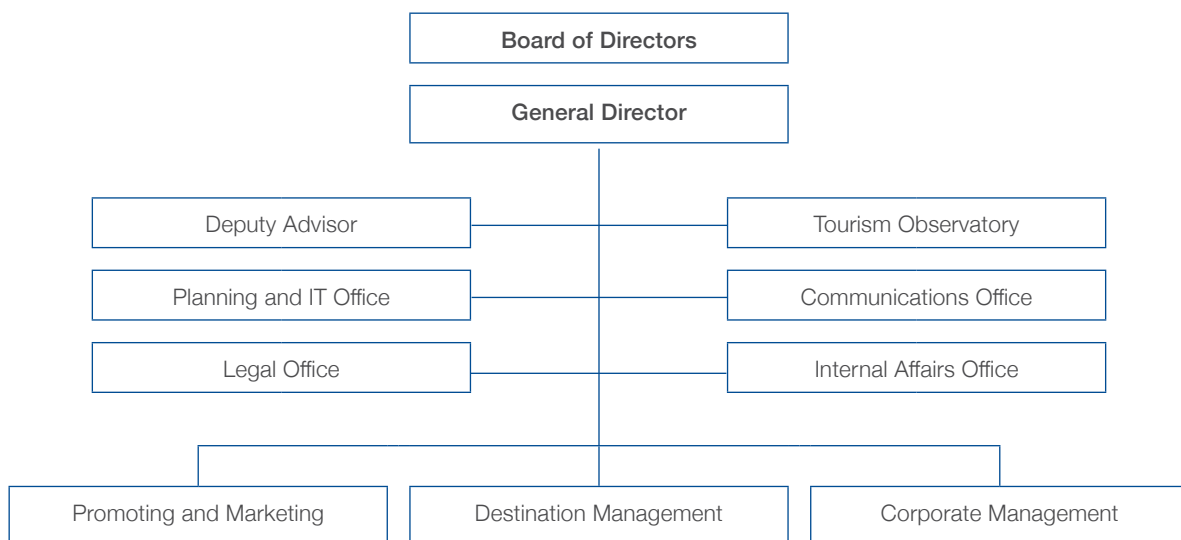
Source: Instituto Distrital de Turismo (2017).

The current Bogota Strategic and Action Tourism Plan 2017–2020 is aligned with the current Bogota District Tourism Policy 2017–2030[21]. The Plan also follows indications from the economic, social, environmental and infrastructural development plan for Bogota 2016–2020 *Bogotá mejor para todos* approved in 2016.[22]

The Bogota Strategic and Action Tourism Plan 2017–2020[23] has been designed in cooperation with the Universidad de Los Andes (one of the leading private universities in Colombia) and outlines guiding principles, strategic areas, key actions and projects for tourism development in the city in the context of the global trends, urban strategies, and opportunities and challenges that are shaping tourism activity. The IDT has had a collaborative approach to tourism policy development with inputs sought across diverse sectors, government organizations, and local community representatives.

At the city level, the plan reviews the 19 tourist interest zones (ZIT) defined by the Master Plan of Tourism in 2011 according with their density and characteristics of their tourism attractions, public space availability and tourism facilities and outlines perceptions, opportunities and challenges for the 20 neighborhoods (localidades) that conform the Bogota district at local level.

The plan defines the strategic axes (participative governance, smart tourism, authenticity, innovation and sustainability and destination positioning) and the related areas of action. A measurable objective is to increase the number of international tourism arrivals to Bogota in 2020 to 2.4 million. This means a 12% annual growth rate from 2015 on (see figure 7.4).

Marketing strategy and USP

Bogota is an emerging destination that surprises visitors with the presence of green spaces, parks, wetlands and hills and, the integration of these natural spaces within the urban area. Bogota surprises as well with the deep contrast between the historical centre, the presence of international brands for a global shopping experience and a vibrant night life with bars, discotheques and casinos. Bogota's cultural and natural landscape, tangible and intangible heritage, entertainment and leisure infrastructure give a unique character to the city attracting a growing number of domestic and international visitors. Art circuits, a creative economy (92% of creative services in Colombia are located in Bogota according to a Chamber of Commerce Report[24]), local marketplaces, the internationally recognized gastronomic areas, its strategic location in Latin America, and the leisure oriented tourism activities are convincing features of

Figure 7.4 **The Bogota Strategic and Action Tourism Plan, 2017–2020**

Strategic axes	Action areas			
Destination positioning	Destination promotion	Product marketing	Tourism information network	**Programmes and projects**
Authentic, innovative and sustainable destination	Product development (attractiveness)	Authentic and friendly atmosphere (environment)	Excellence (service)	
Smart tourism	Knowledge management	Information systems	Innovation	Competent human talent
Participative governance	National and district management	Local management	Regional management	International management
	Participative governance: public sector – private sector – community – academia			

Source: Instituto Distrital de Turismo (2017).

Bogota. That allows for promoting the destination as centre of creativity and orange economy[25], as the epicentre of the gastronomic fusion between local and international food, as the leading tourism destination in Colombia with a wide range of big events, as a vibrant business and investment city, and as a sustainable mobility city.

Furthermore, the ability of Bogota to ensure that visitors can experience the destination "as locals do" creates an emotional connection between visitors and the city, a fact that has been clearly identified by Bogota's tourism officials. This is a key factor related to authenticity and with the will of Bogotano people to create the best emotional and unique moments to visitors. The Bogota Strategic and Action Tourism Plan 2017–2020 draws the vision to consolidate the city as the great tourist creative destination of South America under the attributes of genuineness, diversity and innovation. To conclude, the permanent surprise (concerts, street culture, local interaction, among others), the multiplicity of simultaneously micro storytelling and the aptitude to offer experiences "off the beaten track" form the Unique Selling Proposition of Bogota.

Performance management tools

The IDT Observatory of Tourism has a number of tools in place for tourism performance measurement and monitoring in Bogota. Annual performance reports are generated as well as travellers profile analysis, visitor satisfaction studies, market profiles and inventories of the tourism supply have been developed.

The Visitor Satisfaction Survey includes the monitoring of different components of the tourism experience. None of the items are specifically related to a single attraction or commercial activity. In order to enhance its tourism market intelligence, the IDT will introduce new market segmentation criteria and focus more on specific attractions visited and products consumed. The use of Big Data sources is also recommended (see table 7.2).

7.2.2 Social and cultural perspective

Cultural development strategy

Often referred to as the Athens of South America, in recent years Bogota has worked heavily to position itself as leader in cultural offerings in South America. The city hosts many international cultural related events in the domain of theater, art, books and music. In 2012, it was awarded as Music Creative City by the UNESCO. Supporting this strong cultural orientation, Bogota has many cultural venues including 57 museums and collections, 62 art galleries, 33 library networks, 45 stage theatres, 75 sports and attraction parks, and over 150 national monuments of interest. Annually, USD 221 million of municipal budget are allocated to culture, recreation and sports (7.6% of the total Bogota District budget)[26].

Table 7.2   **Visitor Satisfaction in Bogota, 2015**

Component	Domestic	International	Mean
Attractions quality	8.90	8.55	8.64
Attractions variety	8.08	8.62	8.50
Tourism services	8.43	8.19	8.26
Hospitality services	7.79	9.07	8.50
Visitor information attention centres	7.08	9.35	9.01
Cleanliness	6.45	7.27	6.93
Security and safety	6.30	8.06	7.28
Mobility	4.13	6.38	5.61

Source: Observatorio de Turismo. Instituto Distrital de Turismo (2015).

Santa Clara on Mountain Monserrate.

Attractions

Many of the city's museums are renowned globally, for instance the Gold Museum, with 35,000 pieces of tumbaga gold, representing the largest collection of pre-Columbian gold in the world; the Colombian National Museum, one of the oldest in the Americas (1823) with collections in art, history, archeology and ethnography, and the Botero Museum, with 123 works of Fernando Botero and those by international artists.

Many of the most important heritage landmarks are located in La Candelaria, the historical district of the city, currently under a special destination management framework (see chapter 'success stories'). It is a showcase of colonial architecture as well as government and representative buildings such as the presidential palace, the National Capitol and the Palace of Justice.

In addition, Bogota has other iconic attractions such as the Montserrate shrine and mountain, which rises to 3,152 m and attracted 1.2 million visitors in 2016, making it one of the most visited attractions in Colombia. Two amusement parks are located in the city and the Salt Cathedral in Zipaquirá, 49 km north of Bogota, is one of the most renowned attractions of the country. It is part of a larger complex including Parque de la Sal, a museum of mining, mineralogy, geology and natural resources.

Complementarily to tangible heritage cultural supply, Bogota is also developing tourism products based in the intangible cultural richness of the city:

- The Dorado Legend: this is an ongoing product development project, trying to combine the experience of the indigenous intangible culture of the native Muisca people of the Bogota region with visits to some archeological sites and contemporary indigenous communities;

- Following Gabo's footsteps in Bogota: this is a cultural route trying to explore the traces left by Gabriel García Márquez in the city during his stay in the 1940's. It includes attractive themes such as visiting coffee shops in search of Macondo, remembering Gabo's Bogota or following the professional history of García Márquez as journalist in the city; and

- *Vamos a la Plaza de Mercado:* an initiative with the aim to preserve the traditional culture of food marketplaces, to identify it as part of the Colombian identity and to integrate it within the cultural tourism of the city.

Events

Bogota has over 50 years of experience in hosting exhibitions/fair events and currently ranks 59th in the world's MICE events location city, 14th in the Americas and 8th in Latin America according to the ICCA ranking. Since 2016 the city is member of the Best Cities Global Alliance[27] and will soon enjoy a new state of the art Convention Center "Agora" with 65,000 m^2 of space and a capacity to host events for 4,000 people.

Additionally, Bogota has over 60 traditional and non-traditional venues for hosting events in the city. The Greater Bogota Convention Bureau is the entity responsible for the promotion of Bogota and Cundinamarca to hold world-class events such as congresses, conventions and incentive trips. The Bureau works with public and private city partners and represents more than 100 members, including restaurants, hotels, airlines, travel agencies, professional event organizers and BTL agencies.

Apart from professional and business events, Bogota is well known as one of the most exciting cities in Latin America staging cultural, music and artistic events. Among them, there is the Ibero-American Theater Festival. This is one of the largest of its kind in the world, with over 450 performances across theaters and off-stage in the streets. The city is also hosting a Book Fair which is increasingly acknowledged in Latin America. Bogota is home to film festivals, such as the Bogota International Film Festival or IndieBo and of the largest free open air music festival in South America.

Since the first Rock al Parque festival in 1995, concerts have included jazz, salsa, hip hop, opera and Colombian traditional music programming international guests along with the local musicians.

According to IDT, Bogota aims to position itself as the event capital of Latin America, especially now, that the signing of peace agreements between the Central Government and guerilla groups have created an atmosphere of peace and prosperity. The interest in hosting events is increasing and the city is supporting the organization of both business and leisure events at local, national and international level.

Community attitudes and engagement

Several engagement programmes on *Cultura Turística* have been set up by the municipality and participation by residents is significant when invited to give feedback about policies, plans, actions and projects. Some innovative examples:

- The *Anfitriones de ciudad. Nuestra casa es Bogota* is a programme directed to providers of tourist services, civil servants and local community. It includes basic tourism concepts and global trends, facts and figures about tourism in Bogota and it also shares information about how to act as hosts to visitors of Bogota;

- The taxi driver capacity building programme, *Soy un Ciudadano Amarillo. Soy un anfitrión de Bogota,* is a capacity building programme for taxi drivers that includes human relation skills, tourism information, English and road traffic safety tips; and

- The *Colegios Amigos del Turismo* programme is one of the most successful tourism culture programmes developed by the IDT. The main goal is to familiarise students with the values of tourism by developing educational programmes in cooperation with primary and secondary schools. They mainly provide Bogota tourism information but also link it to social sciences, tourism development, methodological and practical tools, and information about the developments undertaken by the 29 schools participating in the programme.

Gender equality and inclusion

Inclusion has been a key point of the tourism strategy during the last ten years and a number of actions have been set up in order to ensure accessibility for all including permanent and temporary disabled people, elders, families with kids, obese people and people with small stature. The IDT strategy deals with the suppression of physical, social, economic and geographic barriers. Accessible routes in the city were set-up and a guideline manual for disabled people was published[28], applicable to hotels, travel agencies, tour guides, transportation firms, restaurants, and event venues.

Data on gender distribution of employees in the tourism sector in Bogota is only available for hotel and accommodation companies. According to the Observatory of Tourism 2017, 44% of jobs are occupied by men, and 56% by women.

Safety and security

Safety and security are issues of great importance in Bogota. Not only in connection with tourism development but also as part of the city's vision as an engine for peace in a period of post-conflict in Colombia. Public safety measures have been bolstered and a Safety and Security Tourism Plan (PIST) was launched in 2011, including urban crime against visitors but also health, environmental and consumption safety issues[29].

The PIST is an innovative framework with the main objective to strengthen the safety conditions of the touristic zones in the city. It includes a number of strategies in order to enhance both objective and subjective (perceived) security and safety related to the Security and Safety Information, Bogota's positioning as safe destination, inter-institutional coordination and stakeholders co-responsibility. The plan also includes programmes about information systems development, security and safety networks, monitoring, risk and emergency plans and health recommendations, among others. It has special focus in the prevention of commercial sexual exploitation of children. Finally, the programme has developed educational certificates addressed to tour guides, police, civil servants, entrepreneurs, and personnel in hotels.

Authenticity

Authenticity is precisely one of the differentiating factors of Bogota. It can be found in Usaquén and his Sunday market flea, in the *ciclovía* and the *ciclorrutas* where visitors can find people from all social classes enjoying urban spaces. One of the challenges and opportunities of the city is, in fact, to promote all these spaces and activities, initially planned for locals, also as tourism experience. This vision can be an opportunity to face the growing global trend of "traveling like a local" or visiting places "off the beaten track". A range

of Zones of Tourist Interest have been identified in the past and a number of new touristic products (including environmental and rural offerings) have been created in different areas of the city. Some initiatives like *Vamos a la Plaza de Mercado* are also clearly oriented to relate the tourism experience with the local way of life.

Bogota's tourism possibilities include street culture, music, indigenous and colonial heritage, community activities, environmental unique ecosystems and multicultural gastronomy. In fact, the capital city of Colombia can be well known and appreciated by providing a range of opportunities to dive into local culture through immersive tourism products but also through the ability of sharing common spaces, activities and experiences with the resident population and being involved with local communities/families in the current post conflict context of the Colombian politics and economy.

7.2.3 Environmental perspective

Sustainable tourism strategy

Bogota is on the forefront of sustainable policy implementation in Latin America. The IDT formulated the District Tourism Policy30 in 2008, incorporating sustainability as a founding principle of its strategy.

The medium-long term District Tourism Policy vision proposed for the period 2017–2038 incorporates the strategic aim to position Bogota as an "authentic, innovative and sustainable destination" and, as a consequence, the IDT supports tourism service providers with personalized consultancy for the implementation of the NTS-TS sustainability certification requirements[31]. The IDT considers sustainability as a key point for the improvement of the quality and competitiveness of tourism in Bogota.

Nowadays, Bogota has 269 tourism service providers certified in tourist quality, of which 152 have been certified across the fulfillment of the requirements established in the NTS-TS. The certification incorporates the following key areas: (i) sustainability management, (ii) environmental requirements, (iii) sociocultural requirements and (iv) economic requirements.

Church in la Candelaria.

7.3 Success stories

7.3.1 La Candelaria – certification as a sustainable destination

Introduction

In February 2017, with the participation of the Faculty of Tourism and Hotel Business Administration of the Universidad Externado, Bogota's IDT, the Colombia Ministry of Commerce, Industry and Tourism and FONTUR, a project to implement the Sectoral Technical Standard (NTS-TS 001-01 "Tourist Destinations in Colombia – Sustainable Tourism Area. Sustainability Requirements")[32] in La Candelaria, the most iconic area of Bogota, was launched. The process will spread over a period of 16 months. The expected outcome of the project is the establishment of a model for sustainable development involving environmental, economic, social and cultural aspects with the participation and engagement of the different actors of the destination such as tourism firms, local government and the community.

The Colombian NTS-TS 001-1 for tourism destinations specifies requirements of management, as well as those related to the environmental, sociocultural and economic sustainability, applicable to a tourist destination or to a tourist area inside a tourist destination.

It is an instrument that promotes the adoption of an approach based on product procedures, allowing the destination or tourist area permanently demonstrate that it is doing as requirements establish.

Objectives

As stated previously, La Candelaria is the most iconic tourism area of the city of Bogota as well as the most visited locality. It concentrates about the 50% of the tourism attractions of the city and about 950 tourism service providers. Tourism is and should continue be a key driver of economic, social and personal development but risks associated to the progressive potential *touristification* of the place such as gentrification, loss of authenticity, growth of informal economic activities or human exploitation should be avoided.

Environmental impacts, especially those related to the consumption of resources, the management of waste and the deterioration of the urban landscape should be minimized.

To this end, the sustainability certification of the area has been understood as the best opportunity to both ensure that tourism is the best engine to continuously develop the area and increase its cultural, heritage and

Colorful Facades in la Candelaria.

creative value as well as to promote sustainability as a fundamental condition for tourism in the city.

Key strategies and initiatives

To achieve the certification as sustainable destination, a participatory process has been launched in La Candelaria. This process includes the organization of a number of workshops with local stakeholders from the tourism and hospitality sectors but also from educational, cultural and public services institutions and organizations as well as from the community in order to provide insights to the technical advisors about environmental, sociocultural and economic problems in the area, potential criteria and actions to solve them and procedures to include them in the process of certification.

The main issues under discussion are:

- **Environmental:** sustainable use and management of natural resources, preservation of essential ecological processes and use of tourism to preserve the biodiversity;

- **Sociocultural:** cultural authenticity preservation, use of tourism as a tool for the cultural heritage conservation and prevention of social risks associated to it; and

- **Economic:** ensure fair and equitable economic activities for local people and support entrepreneurship and local value chains.

Botanical Gardens.

7.3.2 Developing sustainable natural, rural and community based tourism projects

Introduction

The IDT is promoting and participating in tourism development initiatives that, taking advantage of the uniqueness of the rural and environmental resources existing within the city administrative boundaries, use landscapes, traditional rural activities and practices, intangible culture and contemporary community life to develop natural, rural and community based tourism projects.

The IDT has even created practical toolkits for the involved agents such as the *Protocolos de Operación Turística en Atractivos Naturales de Bogota* and *Manual de Buenas Prácticas en Turismo Rural Comunitario.*

Objectives

One of the most important Colombian tourist products is nature. This is due to the quantity, uniqueness and diversity of Colombian natural resources. It is usually acknowledged that in this type of tourism the principal motivation is the observation and appraisal of the biodiversity. Nevertheless this can be also achieved together with the enjoyment of the traditional culture of the local populations living around natural areas and doing rural activities. So, natural attractions can be important elements for the social, cultural, environmental and economic development of rural zones around them. This can be applied to cities with attractive rural and natural areas in its surroundings as it is the case of Bogota. The IDT identifies the following strengths and opportunities for Bogota in this domain:

- The Bogota district area is mostly rural (70%);

- 34 resources/tourists attractions have been identified in this domain;

- Bogota counts more than 4,500 parks within the city, the hills and the Botanic Garden Jardín Botánico José Celestino Mutis;

- Bogota has a diverse natural heritage. Water is constitutive of this diversity with more than 190 gullies (quebradas), 15 wetlands and the Sumapaz paramo, the largest in the world; and

- Bogota is one of the world's capital cities with largest number of bird species.

- There are additional natural areas of special interest in the region surrounding Bogota such as the

Hiking trail to Montserrate.

Parque Nacional Natural Chingaza, Suesca rocks, Tominé, the Guatavita lagoon, the Sabrinski desert, Neusa, Fúquene lagoon, the Sumapaz paramo and Chicaque park, among others.

Key strategies and initiatives

The process of nature product development lead by the IDT is based on the following procedures: planning and design work with local communities involved, adequacy of relevant attraction, signposting, market research and analysis, definition of a service guideline (guided tours, travel agents, local operators), branding, product test. Two examples already in place are the District ecological park of the Humedal Santa María del Lago and the Quebrada Las Delicias itinerary.

Interestingly, in cases such as the Quebrada La Vieja path, the project has been useful in order to strengthen the community appropriation of the public and natural space, to develop a management model to be applied in other initiatives such as the San Francisco river Quebrada Roosevelt, to reinforce the community capacity building and, obviously, to improve the adequacy of the place for visitors, both residents and tourists.

When product development includes community rural activities, the process of design lead by the IDT includes the following phases:

- Participative planning: work with local and rural communities in order to involve them in the product operation;

- Design of the tourist product: attractions identification, carrying capacity estimation, signposting, creation of the interpretative scripts, enrollment of product providers; and

- Promotion, marketing and commercialization: Nowadays, two routes (La Requilina and El Tunjuelo) are already in operation with local operators local, travel agencies commercialization, web page and promotional brochures.

In the case of La Requilina, the project involves thirteen rural properties, ten agro-tourism local interpreters, route signposting, transportation, local gastronomy and souvenirs. In the case of the El Tunjuelo, agro-tourism route, the number of rural properties involved is nine. The project includes three natural paths and eight agro-tourism local interpreters as well as route signposting, transportation, local gastronomy and souvenirs.

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10 The Creative Cities Network is currently formed by 116 Members from 54 countries covering seven creative fields: Crafts & Folk Art, Design, Film, Gastronomy, Literature, Music and Media Arts, http://en.unesco.org.

11 *A paramo* (moorlands) is a variety of high mountain alpine tundra ecosystem very special and fragile rich in flora and fauna. This ecosystem works as regulator for hydrological resources and as a "factory of water". In the case of Bogota, it provides water for around 15 million people, for the capital district and the neighboring region.

12 According to the Ramsar Convention on Wetlands, www.ramsar.org "Wetlands are vital for human survival. They are among the world's most productive environments; cradles of biological diversity that provide the water and productivity upon which countless species of plants and animals depend for survival."

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COPENHAGEN
DENMARK

8

Rosenborg castle and park.

8.1 Introduction to Copenhagen

8.1.1 Basic facts

Copenhagen is the capital of the Kingdom of Denmark. It is situated on the eastern coast of the island of Zealand; another small portion of the city is located on Amager. The city has a population of almost 764,000, of whom around 600,000 live in the Municipality. The larger capital region has a population of 1.7 million, while the Copenhagen metropolitan area has just over 2 million inhabitants.[1]

According to the Stakeholder Survey and Citizen Assessment Survey 2016 the clear majority (96%) of residents of Greater Copenhagen would be happy to see the number of visitors increase.

Since the turn of the 21st century, Copenhagen has seen strong urban and cultural development, facilitated by investment in its institutions and infrastructure. The city is the cultural, economic and governmental centre of Denmark. It is one of the major financial centres of northern Europe with the Copenhagen Stock Exchange. Copenhagen's economy has seen rapid developments in the service sector, especially through initiatives in information technology, pharmaceuticals and clean technology.

The capital's region:

- Generates around 40% of Denmark's GDP;

- Attracts around 85% of foreign investment; and

- Creates around 75% of all new jobs in Denmark.

Promoting a healthy environment and good health for its citizens is an extremely important issue for Copenhagen's municipal authorities. Central to its sustainability mission is its "Long Live Copenhagen" scheme in which it has the goal of increasing the life expectancy of citizens, improving quality of life through better standards of health and encouraging more productive lives and equal opportunities.

Copenhagen was appointed European Green Capital of 2014 and has one of the world's most ambitious climate policies – with a goal of being the first carbon neutral capital by 2025. In Copenhagen green and responsible meetings are almost impossible not to stage. The city of Copenhagen and Copenhagen CVB was ranked 2nd in the first-ever sustainability ranking for event destinations worldwide, the Global Destination Sustainability Index in 2016[2].

8.1.2 Infrastructure, transport and connectivity

Copenhagen is one of the most bicycle-friendly cities in the world. It has 400 km of cycle lanes, Cycle Super Highways and Green Cycle Routes, cyclist friendly traffic lights and bikes with GPS to find your way around. Bicycles outnumber inhabitants and it is estimated that 36% of commuters cycle to work and study places each day.

The Copenhagen Metro launched in 2002 serves central Copenhagen while the Copenhagen S-train network connects central Copenhagen to the airport and its outlying boroughs. Serving roughly 2 million passengers a month. The city is well served with roadways and waterways.

Copenhagen Airport, Kastrup, is the largest airport in the country. In 2016, it handled 29 million passengers of which 22% were transfer passengers. The total number of arriving and departing flights was 266,000 serving 159 routes.[3]

Copenhagen is also a significant cruise ship port handling over half a million passengers in 2016 with 87% accounted for in the peak month May to August.[4]

8.1.3 Overview of key attractions

The cityscape is characterized by parks, promenades and waterfronts. Copenhagen's landmarks such as the Tivoli Gardens, the statue of the Little Mermaid, the Amalienborg and Christiansborg palaces, Rosenborg Castle Gardens, Frederik's Church, many museums, restaurants and nightclubs are significant tourist attractions.

The Tivoli Gardens is an amusement park and pleasure garden. It opened in 1843, making it the second oldest amusement park in the world. Tivoli Gardens also serves as a venue for various performing arts and as an active part of the cultural scene.

The new Danish cuisine – part of the new Nordic cuisine movement – has gathered international attention as an inspiring, high quality gourmet cuisine with several acclaimed restaurants. The most popular restaurants for this cuisine are primarily located in the Copenhagen area. Apart from the new Danish cuisine, Denmark has an increasing number of high quality gourmet restaurants attracting international attention, 15 restaurants in the Copenhagen area have been awarded Michelin stars.

8.1.4 Tourism flow

Tourist arrival figures are not available for Denmark or its regions. The movement of tourist numbers are measured and expressed in bednights in hotels, holiday resorts, camping sites, youth hostels, marinas and holiday villages. Of these hotels and holiday resorts are the main providers of bed spaces.

In the five years 2012 to 2016, international bednights in Copenhagen grew by 26% slightly ahead of the 19% for Denmark. Domestic bednights grew by 23% in Copenhagen, more than double the 11% growth for Denmark (see figure 8.1).

8.1.5 Tourism source markets and seasonality

In 2016 bednights from the United Kingdom, the United States of America, Germany and the Netherlands grew by around 10% and Italy, Spain and Belgium grew by mid to high twenties while its neighbours: Sweden, Norway and Finland each saw a percentage drop of around 5%. The main source markets by bednights for Copenhagen – capital region are (see figure 8.2).:

In 2016 room occupancy rates in hotels and holiday resorts varied from 93% in August to 55% in January, with the peak months June to September recording occupancy rates of 90% or above (see tabla 8.1).

Figure 8.1 **International tourist bednights, 2007–2016 (× 1,000)**
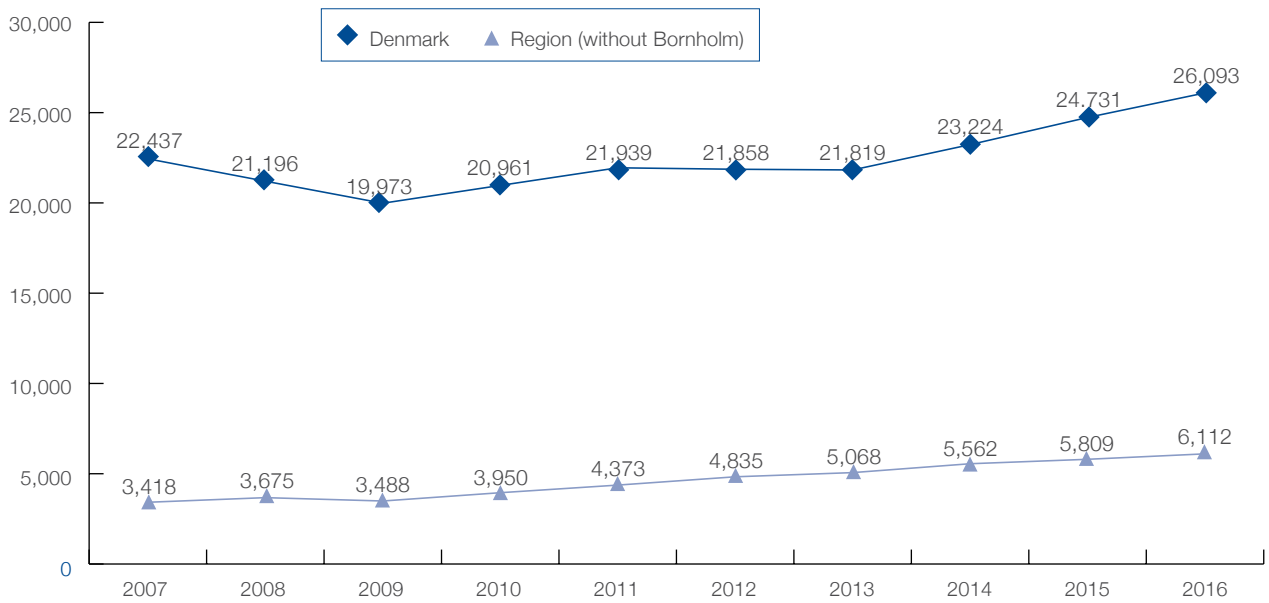
Source: Statistics Denmark (2016).

Figure 8.2 **Main source markets by bednights (%)**
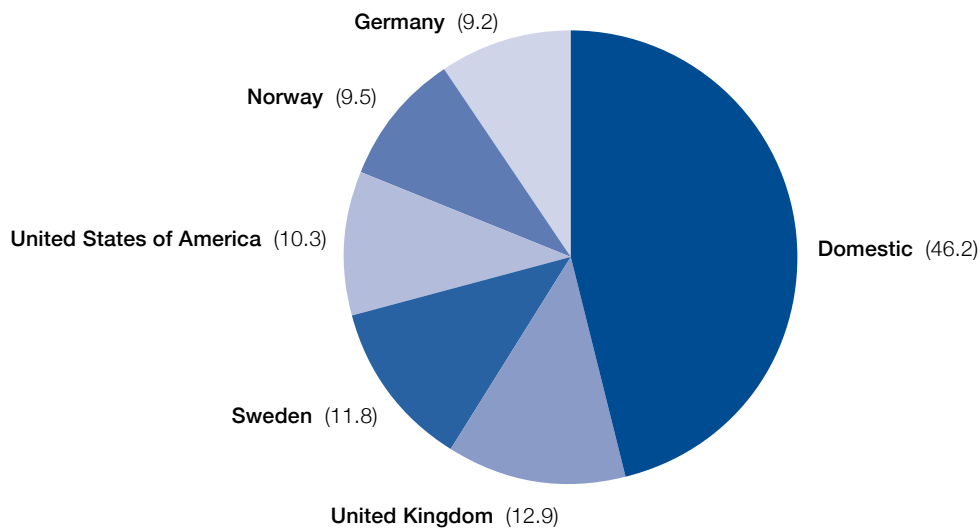
Source: Statistics Denmark (2016).

Table 8.1 **Monthly room percentage occupancy**

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
55	63	67	78	87	90	91	93	90	82	79	68

Source: Statistics Denmark (2016).

Tivoli Gardens.

8.1.6 Economic impact

Danish tourism revenue in 2014 was EUR 12 billion with the capital region generating 40% or EUR 5 billion. Foreign tourists spent 24% more than domestic tourists and foreign day visitors spent 27% more than domestic day visitors. Tourists from Italy/France (EUR 256), Norway (EUR 253) and China (EUR 242) were the top daily spenders. The low daily spend by tourists from the United States of America (EUR 192) is surprising.[5]

Tourism supports just under 65,000 jobs in accommodation, food services, arts, entertainment and recreation in Copenhagen. This does not take account of the tourism supported jobs in transport and other services.

8.1.7 Tourism enterprises

Copenhagen has 1,557 accommodation units including hotels and similar establishments with 93,000 bed-spaces for visitors. And over 12,000 restaurants (see tabla 8.2).

Table 8.2   **Number of tourism enterprises**

Type of enterprise	Number
Accommodation units for visitors including hotels and similar establishments	1,557
Hotels and similar establishments	532
Guest rooms in hotels and similar establishments	44,200
Bed-spaces in hotels and similar establishments	93,100
Zoos, aquariums and botanic gardens	4
Restaurants	12,385
Museums	130

Source: Wonderful Copenhagen (2016).

Skyline of Copenhagen.

8.2 Key performance areas

8.2.1 Destination management

Structure of the DMO

Three tourism development agencies – Danish Coastal and Nature Tourism, Danish Business and Conferencing Tourism and Danish City Tourism – were established under the first Danish law for tourism. Their responsibilities are to generate growth in their particular sector, based on their own strategies, under the umbrella of the national tourism strategy. Wonderful Copenhagen represents Copenhagen's interests in the areas of city tourism and Danish and business tourism.

Wonderful Copenhagen is the official tourism promotion and development organization for The capital region of Denmark. The capital region consists of the municipalities of Copenhagen and Frederiksberg and the regional municipality of Bornholm. In Danish the name is Region Hovedstaden, which is one of five regions in Denmark.

Wonderful Copenhagen promotes and develops both business and leisure tourism in and to the capital region on a non-profit basis. Wonderful Copenhagen has a Board of Directors, six representing the public

sector and six the private sector. It is funded from the capital region budget and by membership, projects and sales.

It has four divisions (see figure 8.3.):

- **Marketing/Communication:** promoting the destination through marketing campaigns, PR and travel trade activities. Marketing outside Denmark is conducted, by agreement, in tandem with Visit Denmark, the national tourism marketing organization;

- **Cruise:** as Cruise Copenhagen Network and Cruise Baltic it markets and develops Copenhagen and the Baltic area as a cruise destination through the two networks;

- **Development:** develops new markets, air routes, knowledge, events, strategy and partnerships. It assists industry participants through training, assistance in creating their marketing actions and activities; and

- **Conventions:** operating as the Copenhagen Convention Bureau it promotes Copenhagen as a conventions, meetings and sport events destination. It also works with "Meet Denmark" a network of four larger cities/regions and the Ministry of Business

that cooperate with public and private stakeholders and prioritize three areas for conferences, meetings, conventions, incentives, sports and events:

– Green Growth;

– Life Science; and

– Information Technology.

Other tourism authorities relevant for Copenhagen tourism include:

- **The Ministry of Business and Growth:** This ministry holds the tourism portfolio setting national policy for the sector. The annual state investment in tourism growth is around EUR 85 million per year.

- **The Danish National Tourism Forum:** The Danish National Tourism Forum's role is to lead and coordinate the public promotion of Danish Tourism. The primary responsibility of the National Tourism Forum is to develop national strategies for Danish tourism, which is to determine the central

priorities and goals for the industry. It oversees the implementation of policy and strategy by the implementing agencies.

- **The Danish Tourism Advisory Board:** The main purpose of this board is to advise the National Tourism Forum and contribute to drafting the national tourism strategy. It also helps coordinate the national strategy and sector initiatives issued by individual ministries. The Advisory Board comprises a chairman, 17 members and two observers, all appointed by the Ministry of Business and Growth. The 17 members represent a wide range of tourism interests to ensure a professional and competent board.

- **Copenhagen goodwill ambassadors:** Founded in 1996 to assist in the promotion of Danish economic, social and cultural interests around the world. It has a membership of over 60 "Global Danes" – business leaders, entrepreneurs, innovators, cultural leaders, branding experts and public opinion formers, living and working in more than 25 countries worldwide. They come together once a year with government

Figure 8.3   **Organigram of national and local tourism organizations**
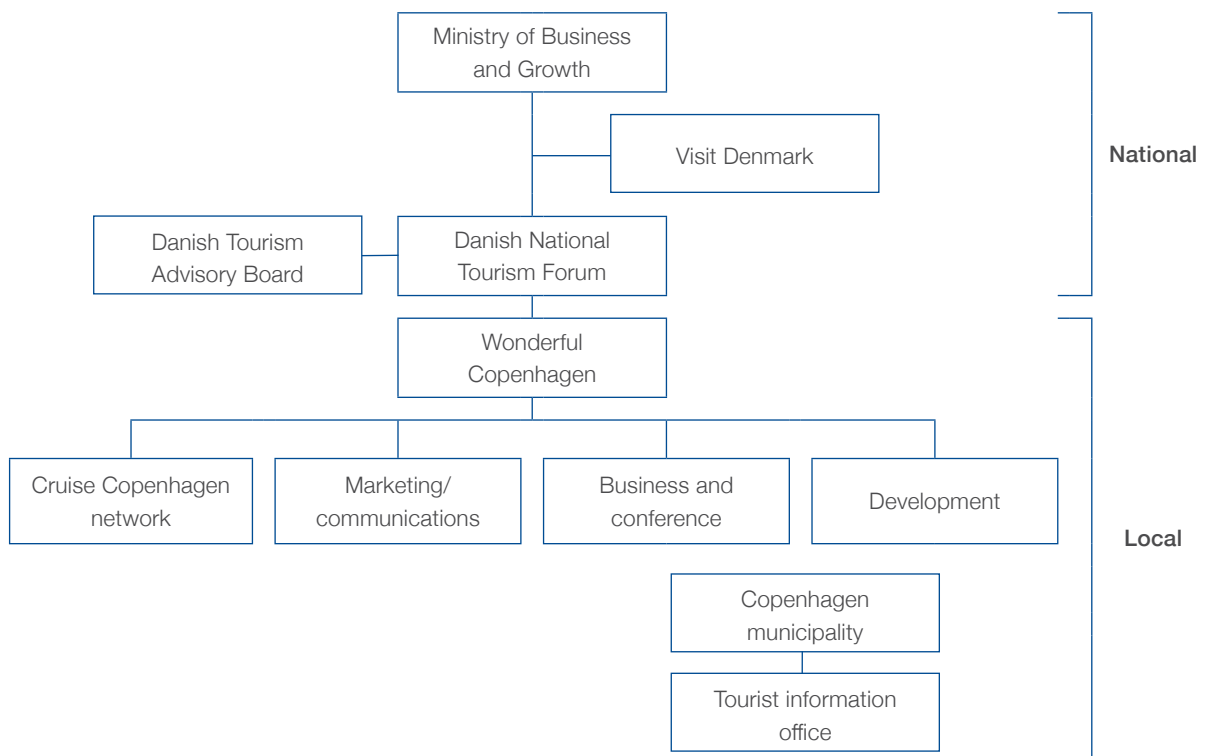
Source: Wonderful Copenhagen (2017).

representatives, Danish business, cultural people and decision makers to be briefed on international initiatives, challenges and successes of Copenhagen. Together with external partners and participants, the Goodwill Ambassadors provide their input and knowledge and open doors to improve Copenhagen and Denmark's international competitiveness and to identify the potential for development.

■ **Copenhagen Municipality: Tourist Information Office:** The Municipality through its Culture and Internationalisation Division provides services to tourists in its Tourist Information Office (TIO) situated in the heart of the city opposite the Tivoli Gardens. It is funded by the municipality and income from display space offered to industry. Feedback from visitors and tourists is shared with the industry and other stakeholders.

Tourism development policy

In 2011 and 2012, Denmark saw a decline in the number of international bednights. Reasons identified included shorter holidays, competition, low value for money compared to other destinations and Denmark's low profile in in the marketplace. Denmark was losing market share. In 2014 the Parliament agreed a growth plan for tourism and the completion of a national tourism strategy. To address the value for money issue and new markets stimulation, quality tourism, city and business, coastal and nature tourism must be developed. New targets and objectives were set and a new strategy was to be produced which would govern the activities of Visit Denmark and Wonderful Copenhagen.

Following this Copenhagen developed a *Business and Growth Policy 2015–2020* and *Wonderful Copenhagen – The New Strategy* for the city and its tourism development.

Business and growth policy 2015–2020

To attract new residents and tourists Copenhagen must maintain its status as a liveable city and must be on the top-three of Europe's best cities. The

city's green environmental profile and willingness to implement solutions to global challenges will benefit everybody as will Copenhagen's trademark policy that growth and welfare go together. The policy is built on a series of priority initiatives to make the city more attractive to businesses. These include:

■ Sustainable city development and a liveable city with enhanced mobility, continue as a green creative and smart city;

■ Increased digitization of city services and enhanced service culture;

■ Support youth training and education and help businesses find suitably qualified employees;

■ Ensure a sustainable job market with more placement opportunities, socio economic businesses and use the city's purchase power to further social responsibility;

■ Generate innovation partnerships between business, knowledge institutions and the city to support growth in existing businesses; and

■ Strengthen Copenhagen's international attractiveness, international access and attraction to international talents.

Ambitious growth targets were set and include an annual growth of 5% in tourist arrivals as well as a 5% annual growth in passenger numbers at Copenhagen airport.

Wonderful Copenhagen: the new strategy

At the end of 2016 Wonderful Copenhagen launched a ground breaking new strategy to bring it to 2020 and beyond, entitled *An End of Tourism as We Know It, Towards A New Beginning of Localhood* which puts people (residents and visitors) at the centre of its future tourism.

The strategy for the future for the capital region tourism sees the residents, the industry and the visitors as one. It is recognizing that successful tourism can have a negative impact on the resident's quality of life unless

they are involved in inputting to decision-making and share the experiences with the visitors. Future tourism must be of benefit to both the local residents and the visitors.

The strategy describes todays traveller as "the temporary local seeking not the perfect still picture to take home, but the emotional connection to an instantly shared experience based on interests, relations and authenticity."

> "We embark upon an era in which the advocacy of our locals is crucial to delivering the destination experience in demand. An era in which that advocacy, in turn, depends on the value added by our visitors."
>
> CEO Wonderful Copenhagen (2017)

Eight key movements were identified for changing the direction for tourism including:

- The experience of localhood – todays traveller wants experiences and local involvement;

- Locals are the destination;

- Branding is all about relations;

- From marketing to enabling – developing and spotlighting the right kind of experiences, people and stories;

- A traveller are all kinds of human – each with own culture, motivations and way of relating;

- Global urban travellers – increasing urban dwelling will increase pressures on urban destinations;

- Digital is yesterday's question: new data is todays. Digital big data can provide depictions of visitor behaviour, trends and potential; and

- Agility to change and fail fast – DMO's KPIs need to adapt and extend to broader values.

The following is a synopsis of the vision set out in the strategy:

> "To co-create this future of growth, where the right kind of growth benefits more people and more businesses, our vision is a destination, where tourism is considered an inclusive, comprehensive challenge and an open opportunity shared by many – across borders and businesses. Where our destination invites more people – here and abroad – to take part and be part of our destination. In short, our vision is… Localhood for everyone".
>
> Wonderful Copenhagen (2017)

Five strategic coordinates are outlined to keep the destination on track (see figure 8.4):

1. **Shareability is king:** to enable travellers, partners and influencers to create shareable moments;

2. **Once attracted, twice valued:** a strategy to encourage repeat visitation;

3. **Tomorrow's business today:** attracting new visitors from growing markets;

4. **Co-innovation at heart:** opportunities for the industry to work together for the benefit of all; and

5. **People-based growth:** making tourism a win-win scenario for residents and visitors. "Visitor growth in itself is not a goal. Increasing the value of visitors for all parties is.

2020 marks of success include:

- DKK 49 + billion in socioeconomic revenue;

- 77% of visitors have the intention to recommend Copenhagen; and

- + 80% of citizens support visitor growth.

Marketing strategy and USP

The city brand is based on five stories highlighting the city as a place for:

- Architecture and design with its distinct architecture old and new and Denmark and the city being a centre for good design. Design is of special attraction for Asian visitors;

- Sustainability, environment, energy etc.;

- Good food, promotion of organic food and many starred restaurants;

- Tolerance; and

- Big city, small scale. While it is a big city it is very manageable for tourists to get around and enjoy its attractions and feel involved.

The local people and visitors are centre to the marketing of Copenhagen and of course the feeling of "Big City Small Space" comes across in its promotions using the web and social media – Twitter, Facebook, YouTube, Instagram etc. Visitors are prompted to do like the locals do as suggested by locals – areas to visit, hidden gems, favourite places to eat, socialize and even grocery shop, including supermarkets.

To enable visitors share time and food with locals "Meet the Danes" is a unique concept with locals signed up to host visitors for home cooked dinner, learning about each other and each other's lifestyle, culture and families. The host, the price, payment and other arrangements are selected and confirmed online.

The city's ease of moving around is highlighted. With the trains, trams, walking and cycling with their own cycle lanes and dedicated traffic lights as options.

Figure 8.4   **Vision: localhood for everyone. Mission: enable our destination to be shared by more**

Shareability is king	- Optimise community embracement of brand essence.	- Develop 365-day brand strategy; - Qualify selection of influencers; and - Discontinue City Break Network.
Once attracted, twice valued	- Identify and remove barriers; - Target high conversion visitors; and - Boost loyalty.	- Lost time study; - Repeat visitor communication strategy; and - Advance smart city initiatives.
Tomorrows business today	- Continue to attract new business; - Further increase air connectivity; - Insist on long-term responsibility; and - Focus on markets with greatest potential.	- Grow Chinese cruise and incentive markets; - High potential segments; and - Prioritize new growth markets.
Coordination at heart	- Launch a co-innovation platform; - Crowdsource ideas from many parties; and - Cultivate a culture of shared innovation and fast failures.	- Introduce astronaut initiative; and - Create a corps of trendsetters.
People based growth	- Interaction between visitors and locals; - Stakeholder in people based growth; - Shareholder moments between locals and visitors; and - Achieve match between urban and countryside.	- Annual visitor and citizen assessment, and - Advance positive contribution of tourism to society.

Source: Wonderful Copenhagen (2017).

Typical Bike.

Denmark's and Copenhagen's clean air, friendly, informal atmosphere is ideal for taking in the sights and major place of interest.

At the TIO, visitors often seek advice on "how to be better green tourists". To meet this, the Municipality is producing a guide for visitors. be better green tourists, respecting the city and explaining the city's activities and actions to conserve energy, have a clean environment and respect nature with suggestions for tourists on how to contribute to and be part of the effort.

8.2.2 Environmental perspective

Sustainable tourism strategy

Copenhagen is acknowledged as a green city with a focus on sustainability and is known in the meetings industry as the Capital of Sustainable Meetings. Sustainability and quality of life are also focal points in Wonderful Copenhagen's marketing policy. Especially since it is something tourists take note of and feel when visiting. Whether it is the clean air, clean water, smart technological solutions or responsible businesses.

Copenhagen was appointed European Green Capital of 2014. It plans to become the world's first completely CO_2 neutral capital by 2025. The municipality works with a holistic sustainability concept, where environment and climate are not isolated but viewed in relation to social and economic sustainability, both locally and globally, regarding future generations.

Today, a majority of the hotels and conference venues in Copenhagen excel in green labelling and implement sustainable initiatives of different kinds. The restaurants focus on minimizing food waste and use local produce. All this contributes to strengthening the overall reduction of CO_2 omission and leaves a less harmful imprint on the environment.

Additional facts on Copenhagen's sustainability approach:

- 71% of all the city's hotel rooms hold an official eco-certification;

- Organic food makes up 17% of the total food sale in Copenhagen, which is the highest in Denmark;

- 75% of the food consumption in the City of Copenhagen's public institutions is organic;

- Only 29% of the households in Copenhagen own a car;

- There are more bikes than inhabitants in Copenhagen;

- Each day people cycle 1.2 million km in Copenhagen;

- 36% of the commuters going to work or school in Copenhagen use their bicycles. For people living in Copenhagen, it is 55%;

- 25% of all families with two kids in Copenhagen own a cargo bike or a bicycle trailer;

- All taxis in Copenhagen have racks for carrying two bikes; and

- In Copenhagen, you can bring your bike on S-trains for free.

In 2015, the UN adopted 17 ambitious global goals that establish the framework for the global development efforts towards 2030. Wonderful Copenhagen aims to contribute to this global agenda. Many of the goals are directly and indirectly linked to Copenhagen as a city and to tourism in the broader sense: to promote sustainable and renewable economic growth, full and productive employment as well as decent work opportunities for all.

The capital region of Denmark and the City of Copenhagen are ambitious in regard to sustainability. Copenhagen is known as a city, which has made great progress in regard to innovation and sustainable initiatives in both research and technology. The clean water in the city's harbour, the effective infrastructure

and world-leading public transportation system as well as the many cyclists are just some of the environmental initiatives that characterize our destination and that have inspired other destinations around the world. The ambition in the capital region of Denmark's growth and development strategy for Greater Copenhagen is to be a green and innovative metropolis with high growth rates and quality of life.

The City of Copenhagen plans to become the world's first completely CO_2 neutral capital by 2025. The municipality works with a holistic sustainability concept, where environment and climate are not isolated but viewed in relation to social and economic sustainability, both locally and globally, in regard to future generations. Wonderful Copenhagen wants to support this UN agenda.

Mobility

Copenhagen was ranked "World's Most Walkable City" by Walk 21 in 2013. Its compact city centre makes walking between venues, hotels and shopping areas a matter of minutes. The city's rush hour differs from most other cities in that it is not the roads but the bicycle lanes which are crowded. Bikes for hire are now available with assisted electric power and GPS. The existing modes of transport and the planned improvements indicate a further welcome reduction in CO_2 emissions and a healthier population. Those include introducing fossil-free fuels for buses and other public transport, and increasing the amount of cycle superhighways and other cycling infrastructure.

Public transport accounting for just 20% of all modes of transport would appear low until account is taken of just 33% using private motor cars.

Glass Cabana Guldsmeden Hotel 66.

8.3 Success stories

8.3.1 Guldsmeden Hotel 66 Copenhagen

Introduction

Guldsmeden Hotel 66 Copenhagen is one of a group of nine hotels, five in Copenhagen and one each in Oslo, Reykjavik, Berlin and Aarhus with a total of 750 bedrooms. Three of the hotels are franchise and six owned by the group. The first hotel was opened in Guldsmedegade (hence the name) in Aarhus in 1999. From the beginning, luxurious simplicity, happy and unpretentious atmosphere and above all uncompromising sustainability have been the guiding principles.

Hotel 66 is in an old building in central Copenhagen opened in 2002 as the first Guldsmeden hotel in Copenhagen. It has 74 bedrooms. It is Green Globe Certified which sets some very high sustainability standards for every aspect of the daily operation with regular inspections. Fulfilling their requirements is demanding but they have been very helpful with advice.

Key strategies and initiatives

- **Food and drinks:** all food and drinks are 99% organic, seasonal and sourced locally. The food has been awarded the Ø-label which is regulated by the Danish and Norwegian Ministries of Food and Agriculture. The hotel aims to minimize food waste with the slogan for guests "Take all you can eat. Eat all you can take" and all food waste in the kitchen is measured each day. To use bread that is stale it is toasted and they hold that it is more suitable for toasting than fresh bread. Their yogurts are home made with local ingredients – including honey and fruit.

- **Flowers:** fresh cut flowers are not used. Instead its potted plants are beng watered with gathered rainwater;

- **Energy:** they rely on green energy for which they pay their supplier extra. A percentage of which the supplier passes on to increasing the production of green energy. Lighting in public areas is movement sensitive and guests are urged to conserve energy by turning off lights and heating when not needed;

Glass Cabana Guldsmeden Hotel 66.

- **Guest t oiletries:** soaps, shampoos, creams and cleaning materials are being produced organically and plastics are avoided. For instance, handout toothbrushes are made from bamboo and the toothpaste comes in tablet form in paper wrapping. The tablets are chewed to become a paste. These are all produced by a sister company. Utensils in the bathrooms are recycled plastic;

- **Marketing and reservations:** advertising is not one of their marketing tools. They depend on editorial publicity, their website and social media. They have 10,000 followers on Facebook and 3,000 on Instagram. They created a bookings site "I Love Eco Hotels" for financial and informing reasons as the OTAs do not explain their operation. There is a loyalty programme for bookings on their own site; and

- **Social involvement:** the company supports disadvantaged children and anti-human trafficking with contributions from their booking site and bicycle hire income.

8.3.2 Crown Plaza Copenhagen Towers

Introduction

The Crown Plaza Copenhagen Towers, a five-star hotel is situated in a suburb of the city adjacent to the Bella Center convention hall. The Crown Plaza is part of the IHG group. In building the hotel, one of the objectives was to make it the greenest hotel in the world. In the construction of the hotel, building rubble, old tires and old delft were all used as a conservation exercise.

Key strategies and initiatives

- **Food and drinks:** organic food is used as much as possible, sourced locally and in season. Food and beverage miles are monitored, local suppliers are preferred as is transport by ship preferred to trucks. The hotel has its own piggery. Their feeding is supplemented by food waste from the hotel. On average, the hotel uses 25 pigs per week. For beef they purchase the whole animal. For both the pork and beef the butchering is done in the hotel ensuring that all parts of the animals are used in the kitchen. For conferences and meetings natural water is provided on the tables unless the client requests bottled water;

- **Energy:**

  - Solar panels on the outside of the building supply 12% of its electricity, the balance comes from wind for which they pay a premium. On a national basis 58% of the electricity supply is from wind or solar;

  - Ground water from underground wells is the source for air conditioning in summer coming up cold, returned to the wells heated, to contribute to heating the hotel in winter. If necessary in very low temperatures the biomass produced district energy system is tapped;

  - All lighting and heating/air-conditioning is IT monitored and controlled in public areas, meeting rooms etc. If the guest is not in the bedroom the monitor ensures energy is off or reduced;

  - The Crown Plaza Towers uses 80% less energy than the average for the hotels in the group; and

  - The hotel 1,400 Km^2 atrium with its indoor forest of 60 trees and 4,500 shrubs contributes to the indoor climate for the ground floor of the hotel. It also brings out the soul of the hotel.

- **Cleaning:** all cleaning is chemical free. They use a nano-technology invented process. Guests are encouraged to forgo bedroom cleaning every day by earning a DKK 75 voucher which can be used in the hotel;

- **Social involvement:** the hotel management focuses helping marginalized groups such as refugees. In 2016, they employed 30 refugees who were taught languages went through skills training and upgrading supported by a mentoring programme. 12 of the 30 are still in the hotel, the others have moved on to jobs elsewhere. In 2017, 40 have been taken on; and

- Another focus is on skills development for local youths through internships involving skills training and vocabulary improvement.

Entrance hall Crown Plaza.

Chapter 8 Endnotes

1   Statistics Denmark (2016).
2   GDS-Index (2016), *Global Destination Sustainability Index* (online), available at: http://gds-index.com.
3   Copenhagen Airport.
4   Statistics Denmark.
5   Statistics Denmark.

9

BERLIN
GERMANY

Bode-Museum on the Museum Island.

9.1 Introduction

9.1.1 Basic facts

Berlin is the capital city of Germany and with a population of more than 3.6 million people also the country's largest city. Located on the banks of the rivers Spree and Havel in the heart of the Berlin/ Brandenburg Metropolitan Region Berlin is one of Germany's three city-states, i.e. both a state and a municipality. Economically Berlin still lags behind other major German cities such as Frankfurt, Munich and Hamburg, but its performance has improved significantly in recent years with growth rates exceeding both the national average as well as those of other urban regions.[1]

In 2016 the nominal GDP of the city-state Berlin totalled EUR 129.5 billion compared to EUR 124.2 in 2015, an increase of about 4.3%.[2] For years, Berlin has been Germany's leading centre for start-up businesses and one of the main centres for start-up companies in Europe in terms of investment volume and venture capital invested. Important economic sectors in Berlin include life sciences, transportation, information and communication technologies, media and music, advertising and design, biotechnology, environmental services, construction, e-commerce, retail, as well as tourism.

In addition to being considered one of Germany's economically most dynamic cities, Berlin is also recognised as one of the most prolific centres of higher education and research in the world and regularly ranked as one of the country's top places for quality of life. Berlin is a very green city – around one third of its 892 km^2 surface area is composed of forests, parks, gardens, rivers and lakes – and renowned worldwide as one of Europe's leading cultural metropolises. Furthermore, Berlin is well known as a young, and diverse city; a city that has emerged from its violent and conflictive history of the twentieth century and embraces creativity, tolerance and constant change.

People from more than 190 different countries have made the city their home, lending the city a cosmopolitan feel and lifestyle, and more than 40% of the city's population is younger than 35 years.[3]

9.1.2 Infrastructure, transport and connectivity

Berlin is well connected nationally and internationally through rail and air traffic and boasts an elaborate and effective public transportation infrastructure. Currently Berlin has two international airports: Tegel (TXL), Schönefeld (SXF) and Berlin Brandenburg International Airport (BER) – which is expected to handle all flights to and from Berlin from 2019 onwards. Combined, the city's two airports handled around 33 million passengers in 2016, making Berlin Germany's third-largest airport location.[4]

In terms of its connectivity by rail, the city benefited from the multi-billion restructuring of its entire inter- and intra-urban rail network in the 1990s and early 2000s as well as significant nationwide investments, especially in high-speed rail. Completed in 2006, its new Central Station is one of the most heavily used railway stations nationwide and considered one of the city's most spectacular architectural projects realized since Berlin's reunification. It welcomes an estimated 300.000 travellers and visitors each day. As regards intra-urban mobility, both residents and visitors benefit from a well-developed and efficient public transportation system as well as an excellent bike infrastructure that is continuously expanded and improved.

9.1.3 Overview of key attractions

Rich in culture, history and architecture, the city offers a dizzying array of attractions and sights. Some of its most popular attractions include the Berlin Wall, Checkpoint Charlie, the Berlin TV Tower, the Brandenburg Gate, the Reichstag, Potsdamer Platz, and Museum Island, to name just a few. The city's famed nightlife, artistic scenes, rich culinary landscape and diverse shopping and recreational facilities further contribute to its appeal while a an estimated 1,500 events to choose from on a daily basis – also draw guests from near and afar.

Berlin's dynamically evolving accommodation offerings are meanwhile an attraction in their own right: hotels in all price and comfort ranges offer great value for money and the city has developed into a leading breeding and testing ground for creative and innovative accommodation that goes beyond the conventional hotel experience.

Berlin has received several accolades for its appeal as an exciting tourism destination in recent years: In 2009, *Time Magazine* hailed the city as "Europe's Capital of Cool"[5] while *Forbes' Travel Guide's 12 Top Destinations of 2017* described the city as "an impossible-to-ignore destination for global travellers".[6]

9.1.4 Tourism flows

Tourism in Germany's capital has grown considerably in recent decades. Visitor in licensed lodging operations alone have more than quadrupled since the early 1990s to a record-breaking 12.7 million annual visitors and more than 31.1 million overnight stays in 2016, making Berlin Europe's third most popular urban tourism destination after Paris and London.[7]

In addition to this, the visiting friends and relatives (VFR) market is widely recognised to play an important role in Berlin: in 2014, the latest year for which data is available, it accounted for 33.2 million overnight stays. Day trippers make up an even larger share of visitors. In 2016 Berlin welcomed 109 million – 3.1% more than in 2015.

9.1.5 Tourism source markets and seasonality

Domestic tourists make up the majority of overnight tourists but the number of international visitors has steadily increased over the years. In 2016 international visitors made up almost 40% of those staying in official accommodation and accounted for more than 45% of all overnight stays in licensed lodging operations. As per the latest data (2016) from *visitBerlin,* particularly large numbers of visitors came from the United Kingdom, the United States of America and Spain, followed by Italy, the Netherlands, France, Denmark, Switzerland, Israel and Sweden.

Whilst the majority of overnight visitors continue to come for leisure purposes it is especially the business tourism segment that currently contributes to the continuous growth of the overall tourism market.

Since 2001, particularly Berlin's meetings and conventions market has developed very dynamically Since 2004, Berlin has been in the top-five of the most important cities for association conventions and currently ranks fourth in the statistics of the International Congress and Convention Association (ICCA) after Paris, Vienna and Barcelona. The city is particularly popular with medical and scientific conventions as well as IT events.[8] In 2016, the city hosted 137,500 MICE events which were attended by approximately 11.6 million participants and generated an estimated 7.7 million hotel stays. Compared to 2001, the latest year for which figures are available, this represents an increase of around 51% in terms of events, 176% in terms of participants, and 239% in terms of overnight stays.[9]

Due to its diverse demand base, Berlin experiences contrary to many other (urban) destinations only relatively minor seasonal variations in demand. The highest demand for hotel rooms occurs in the months from June to October but Berlin has firmly established itself as an all-year travel destination (see figure 9.1).

9.1.6 Economic impact

Given tourism's growing significance, the analysis of tourism flows and their economic impact has become increasingly comprehensive and detailed in recent years.

Recent figures confirm that tourism has developed into a key factor in Berlin's economy. In 2016, Berlin's tourism sector generated gross sales of EUR 11.6 billion producing tax revenues, EUR 1.0 billion through VAT and income tax alone. EUR 5.5 billion of the total gross sales were generated by the hotel and restaurant industry, EUR 3.7 billion by retail and EUR 2.3 billion by services.

Unsurprisingly, tourism is a major driver of employment, stabilizing existing jobs and generating new jobs across a range of sectors. In absolute terms, tourism has had an employment effect of about 235.000 (full-time) jobs in 2016, while the sector's contribution to the city's GDP was estimated to amount to 6.7%.[10]

9.1.7 Tourism enterprises

Tourism not only sustains a total of 773 lodging operations (as of 2016)[11] but is also of vital importance to various other types of businesses such as restaurants, pubs, clubs, event venues and cultural facilities.

Since 2003 overnight stays in licensed lodging operations have increased by 174% and the market shows no signs of slowing down anytime soon. Instead it is estimated that another 3.900 rooms will be added to the current supply from 2017 to 2020 which is all the more impressive against the backdrop of the recent rise of the sharing economy.

Radically altering how people prefer to stay while travelling, the latter has seen its share of the overall accommodation market vastly increase in recent years. According to a study by the Hotelschool The Hague, the market share of Airbnb alone amounts currently to 8.5% of the total of the accommodation market; an estimated 1.7 million overnight stays were booked with Airbnb in 2016, 68% more than in the year before.[12] (see table 9.1).

Table 9.1   **Number and type of hotels and guest houses and number of beds, December 2016**

Type of accommodation businesses	Number of businesses	Number of beds
Less than 29 beds	130	2,565
30 – 99 beds	270	15,742
100 – 249 beds	180	27,822
250 – 499 beds	132	45,928
500 or more	61	47,634
Total	**773**	**139,691**

Source: SenWEB (2017a).

Figure 9.1   **Occupancy rate (beds) in official accommodation establishment, 2016 (%)**
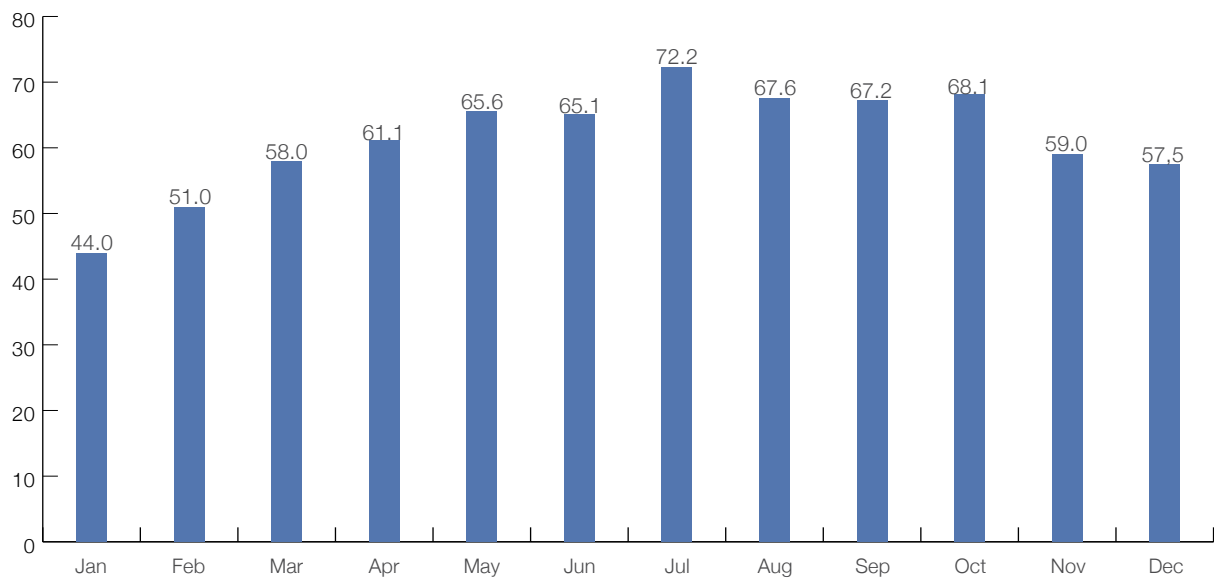
Source: Amt für Statistik Berlin-Brandenburg (2017).

Old Berlin square with luxury shops.

9.2 Key performance areas

9.2.1 Destination management

Structure of the DMO

Tourism in Berlin is managed by the Berlin Senate, the executive body responsible for making and implementing policies in the city-state, in partnership with *visitBerlin,* Berlin's official destination management organization (DMO). In addition, the Berlin's twelve semi-autonomous boroughs are also to a varying extent involved in tourism management and marketing – the responsibility usually rests with their offices of economic development.

On the city-state level, responsibility for tourism within the Senate rests with the Senate Department for Economics, Energy and Public Enterprises. Within it, there is no division or senior official responsible exclusively for tourism. Instead, tourism is subsumed within a wider department unit whose responsibilities also includes policy areas such as business support services, services, handcraft, and commerce. Berlin follows a collaborative governance model, in which the city-state plays a coordinating and enabling role.

Set up under the name Berlin Tourismus Marketing GmbH (BTM), *visitBerlin* was established as a public-private partnership (PPP) in 1993 to promote the city as a major tourism destination and congress location.[13] The company shareholders are the non-profit organization *visitBerlin* Partnerhotels e.V., the Land of Berlin, the Investitionsbank Berlin, and three limited companies: the Flughafen Berlin Brandenburg GmbH (airport), the Messe Berlin GmbH (exhibition company) and TMB Tourismus Marketing Brandenburg GmbH – the DMO of Brandenburg, the federal state surrounding Berlin (see figure 9.2).

The establishment of *visitBerlin* was the result of wider changes in Berlin's local governance arena and the perceived need to reorganize and strengthen the city's tourism marketing activities following a slump in visitor numbers in the early 1990s when the immediate excitement following the fall of the Berlin Wall ebbed off. *visitBerlin* replaced two public sector organizations, the *Fremdenverkehrsamt* and the *Informationszentrum* Berlin and, as Berlin's DMO, is vested with a wide range of responsibilities:

- Planning, implementing and monitoring marketing strategies and campaigns;

- Functioning as a travel agency offering hotel accommodation and tickets, and issuing the Berlin WelcomeCard, Berlin's official sightseeing pass;

- Operating the Berlin Tourist Info Centers, the Berlin Service Center, as well as Berlin's official online tourism platform visitBerlin.de; and

- Managing stakeholder and partner relations.

In addition, it is also active in the meetings and conventions market with its Berlin Convention Office (BCO) which acquires conferences, fairs and congresses for Berlin, provides a variety of support services to congress and tourism partners and acts as an active information broker for the city's travel industry.

As a PPP, *visitBerlin* receives funding by the Berlin Senate. However, the majority of its funding is today self-generated, e.g., through membership services, booking services, as well as product and ticket sales. In 2015 its budget amounted to EUR 20.6 million (compared to EUR 14.7 million in 2010) of which 56% were self-generated income/revenue (compared to 43.8% in 2010).[14] The work of *visitBerlin* and its currently 198 employees is overseen by a supervisory board which approves (or vetoes) all of its major decisions and evaluates its performance.

Tourism development policy

Since 2004, political priorities, strategies and delivery mechanisms in relation to tourism are outlined in a so-called tourism concept. This framework document is developed in close collaboration with *visitBerlin*, and is meant to facilitate coordination between stakeholders from public, private and non-governmental stakeholders and ensure an integrated and coordinated management approach. After years of delay – the most recent concept stems from 2011 – a new tourism concept was announced in early 2017 and is expected to be in place by the end of the year.

Strategies for more sustainable tourism growth are meanwhile laid down in the city's core tourism strategy – the *Tourismuskonzept*. Entitled *Tourismuskonzept Berlin Handlungsrahmen 2011+*, its most recent version is mainly concerned with environmental sustainability, e.g., with initiatives like the Berlin Green Meetings platform which was established in 2009 to promote Berlin as a *green* MICE destination. More recently it has become increasingly recognized however that cultural and social aspects also have to be considered alongside to achieve any success towards sustainability. The city's new tourism concept, which was at the time of writing being prepared, is widely expected to reflect this. Since coming into power in 2016, Berlin's current government has vowed to put tourism in Berlin on a more sustainable path and be more proactive in helping to maximize the positive effects of tourism while minimizing negative externalities such as those resulting from excessive concentrations of touristic activity in specific neighbourhoods.[15]

Figure 9.2   *visitBerlin* shareholders (%)
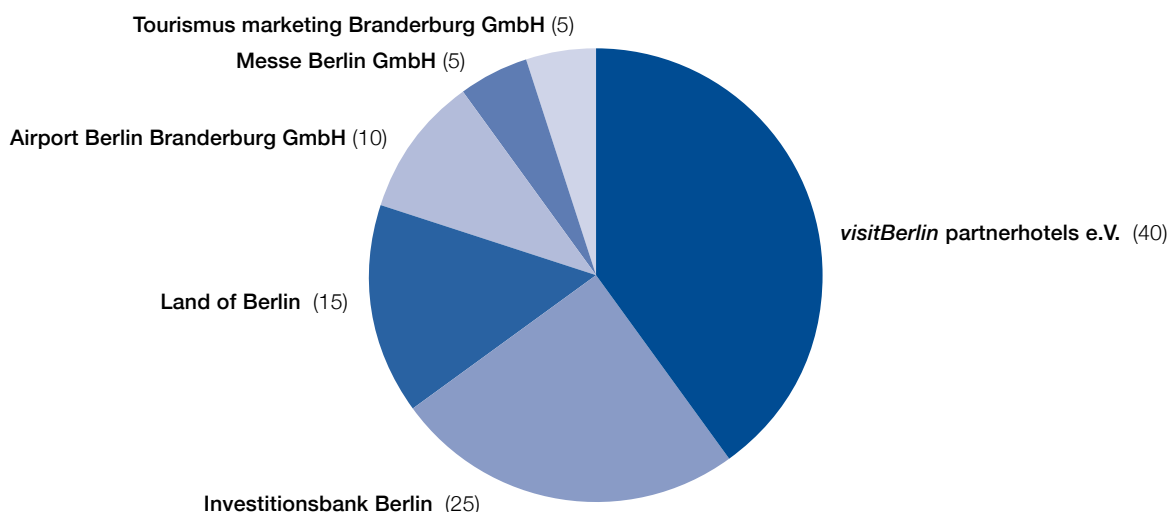
Source: *Visit Berlin* (2017).

Berlin 365/24 campaign.

Marketing strategy and USP

Regularly ranked as one of Europe's most successful destination management organizations, *visitBerlin*, in terms of leisure tourism, employs a differentiated marketing approach: it is active in more than fifty different source markets and affords both the maintenance and expansion of existing markets and the development of new markets high priority. *visitBerlin* recognizes that different audiences require different campaigns and emphasis but stresses Berlin's broad range of resources and attractions as well as its distinct history and identity as a former walled turned world city as the city's central USP. The organization aims, in its own words, "to capture the special aura of our city […] as a place of freedom, tolerance, openness and creativity, a place inspiring people across the globe."[16] ts most recent international campaign "BERLIN 365/24" is reflective of this. It was introduced in 2016 to promote and further Berlin's image as a "happening city, every day of the year, any time of day or night" that offers "more of the world in one place than anywhere else."[17]

Examples of complementing themed marketing campaigns to develop and maintain associated target markets include (but are not limited to):

- Accessible Berlin (www.visitBerlin.de/de/barrierefrei);

- LGBT tourism for Berlin (www.gay.visitBerlin.de);

- Families welcome (www.familie.visitBerlin.de); and

- Biking in Berlin (www.fahrrad.visitBerlin.de).

As regards its marketing techniques, *visitBerlin* utilizes both established and innovative approaches and methods. An example of the former are the so-called pop-up stores. As temporary "brand ambassadors" and "advertising spaces" for Berlin as well as venues for networking events and similar functions, they were first introduced in five key European markets – the United Kingdom, France, the Netherlands, Austria and Sweden – in 2015.

In terms of business tourism, *visitBerlin*'s BCO is credited for having played a crucial role in the recent growth of Berlin's MICE market discussed earlier. Since its establishment in 2001, it has brought more than a thousand European and worldwide conventions to the city by providing expert support for organizing congresses, conferences, meetings and incentives in Berlin (www.convention.visitBerlin.de).

Likewise, *visitBerlin* has been actively involved in the promotion of Berlin as a health tourism destination. Albeit only a medium-to-small segment of the total tourism volume, health-related travel has witnessed a steady growth in recent decades and has been identified as an important growth market. This being the case, *visitBerlin* has partnered up with renowned hospitals and clinics as well as other relevant local and extra-local players to capitalize on the excellent reputation of for state-of-the-art medical care. In partnership with the Senate Department for Economics, Energy and Public Enterprises as well as the city's Economic Development Corporation Berlin Partner, it has set up an Internet portal that

provides information on health care tourism in Berlin and moreover regularly advertises Berlin as a health tourism destination at relevant international trade fairs such as Arab Health in Dubai.

All marketing activities undergo regular reviews, allowing for adjustments as needed, and strong emphasis is placed on coordination and collaboration amongst relevant stakeholders such as the Berlin Senate, the city's Economic Development Corporation (Berlin Partner), Berlin's Chamber of Commerce (IHK) or Berlin's Hotel and Restaurant Association (DEHOGA Berlin).

A collaborative approach to destination management

To ensure the achievement of its mandate to successfully promote Berlin as a destination, *visitBerlin* pursues a collaborative approach to destination management.

Close working relationships exist for example with the TMB Tourismus-Marketing Brandenburg GmbH to promote the capital region Berlin-Brandenburg and strengthen the region's national and international competitiveness as a destination. First formalised in 1998, the two DMO's collaboration is illustrated amongst other things by joint appearances at the International Tourism Exchange (ITB) Berlin as well as the decision to establish a joint welcome centre which will serve as the "gate to the capital region" at the new airport BER.

In addition, *visitBerlin* regularly liaises and cooperates with relevant extra-regional partners and stakeholders. This includes in particular the German National Tourist Board which promotes Germany as a travel destination on behalf of the German federal government as well as the non-profit membership organization European Cities Marketing (ECM) which promotes and links the interests of tourist boards, convention bureaux, and city marketing organizations of more than 100 major cities in 36 countries across Europe. ECM's mission also reflects the way *visitBerlin* as an active ECM member approaches its business: it embraces the idea to enhance competitiveness through cooperation and collaboration.

Performance measurement tools

Berlin's tourism concept includes a set of strategic goals and associated performance measures. These goals are periodically refined, often because targets have been met. In addition, the DMO measures its performance by way of annual plans that set targets and as well reports that review performance against those targets. For the destination, detailed annual and quarterly statistical reports on key indicators are compiled by *visitBerlin* with data provided by the Berlin-Brandenburg Agency for Statistics. In addition, *visitBerlin* and other stakeholders regularly commission market research and draw upon data provided by the European Cities Marketing (ECM) organization and the tourism marketing information system TourMIS[18] to inform and evaluate their work.

Visitor satisfaction is recognised to be a critical factor behind the success of a destination and Berlin. The city's DMO does not perform research itself, but draws on various sources to gauge the backgrounds, experiences, and views of Berlin visitors. This includes the *Quality Monitor German Tourism Industry Survey* which measures visitors' intention to return to various destinations across Germany – including Berlin – and recommend them to others.[19]

Some market research is being commissioned specifically for visitBerlin such as the 2015 study *Berlin visitors in focus – a market research analysis for visitBerlin*.[20] Drawing interviews with more than 1,800 tourists (both international and domestic), it provides in-depth insights into visitors' perceptions, behaviour, experiences and viewpoints and also assesses visitors' overall satisfaction with the destination Berlin as well as their assessment of different destination attributes.

As regards the former, the most recent study from 2015 reveals a generally positive picture: on a scale from of 1–6 with 1 being "very satisfied" Berlin scored 1.9 among international and 2.0 among domestic tourists and an overwhelming majority of visitors stated that they would recommend Berlin as a destination to others. As regards the assessment of different destination attributes, the city's "varied city districts/squares", its public transport system as well as its sights and diverse population/cultures receive high scores while cleanliness and safety concerns are identified as areas in need of improvement.

9.2.2 Environmental perspective

Sustainable tourism strategy

Environmental protection is a key concern of policy makers in Berlin and the city's environmental governance is widely considered to be well developed and effective. Berlin is an active member of a number of sustainability groups, including Climate Alliance, Covenant of Mayors, ICLEI, Metropolis, and the World Mayors Council on Climate Change. Moreover, the city was ranked eighth among major cities in the Siemens-sponsored "Green City Index", which evaluates cities according to their performance in selected domains, e.g., energy and CO_2, transport, water, air quality, land use and buildings, waste, sanitation and environmental governance.[21] In all of these areas significant and, by international standards, successful efforts have been made in recent decades to improve the city's environmental performance.

The city's green credentials are exemplified by its efforts in the area of climate protection: Berlin calls one of the internationally most renowned clusters of solar energy research and development institutions its home.[22] In addition, almost three hundred combined heat and power stations produce environmentally friendly heat and electricity.

Berlin's central *green zone* for traffic requires drivers to have a special environmental sticker or badge to confirm their cars comply with tightened emission standards to enter the city's centre while comprehensive efforts are also made to encourage the use of public transport and bicycles.[23]

Representatives of the tourism sector recognize that their trade too has an impact on the environment and consequently has a role to play in improving the city's environmental performance and especially in the area of the meetings and conventions market a lot of ambitious initiatives exist. The above-mentioned Green Meetings platform by the Berlin Convention Office (BCO) is, as the German Convention Bureau notes, only one among "many innovations that are currently shaping Berlin's congress and meetings landscape" and driven not least by pioneering individual initiatives.[24]

An example of the later is the environmental forum at the Church of the Resurrection in Berlin. It has been committed to environmental sustainability ever since its foundation in 2000 and to this day serves as a role model for many other venues in Berlin and beyond. Another model project dedicated to the topic of climate protection is the EUREF Campus in the Berlin district of Schöneberg.[25] An historic industrial site that was turned into an innovation campus dedicated to a low-carbon future, it simultaneously serves as a popular environmentally-friendly and state-of-the-art venue for all sorts of meetings and events.

Somewhat surprising in light of the high status afforded to environmental protection in the German capital is meanwhile that data pertaining to the environmental impacts and performance of tourism is relatively scarce. While there is no denial that it is excessively difficult to disentangle the impacts of tourism in urban environments from other influences, more attention aimed at understanding the nature, extent and causes of tourism's environmental impacts also could prove beneficial to adopt effective management measures to further improve tourism's environmental performance.

Public green spaces

Berlin offers around 2,500 parks within the city and 42% of the total area are preserved areas, waterways, parks, or reserved for agricultural use.[26] Official data suggests that there are more than 437,900 street trees – 80 per km of city street (stock density) – in Berlin.[27]

Mobility

As of 2016, Berlin inhabitants and visitors can enjoy 1,680 km purpose-built bike paths and pavement markings (lanes).[28] Private motorized transport accounts for 30% of transportation mode, 30% pedestrians, 13% bicycle traffic, and 27% for public transport (as of 2013)[29]. The city offers various bike and car sharing options to choose from.

A workshop in session.

9.3 Success stories

9.3.1 MEET+CHANGE

MEET+CHANGE is a BCO initiative that aims to support social and cultural institutions in Berlin by promoting the use of their facilities for corporate workshops and events. It was introduced on the occasion of the 2015 Global Social Business Summit and has, reportedly, been well received by BCO's customers and clients. Support for social development is seen as an important step to make a positive difference to Berlin's people and communities and MEET+CHANGE set to be expanded in coming years to strengthen Berlin's profile as a sustainable and socially responsible MICE destination and, in the words of *visitBerlin*, make "a positive and lasting difference over the long term."[30]

Berliner U-Bahn in Friedrichshain-Kreuzberg.

9.3.2 Fair.kiez

Innovative schemes have also been launched on the local level. One example is the project "fair.kiez"[31] which was launched in 2015 by the district council of Friedrichshain-Kreuzberg in cooperation with industry partners such as *visitBerlin* to tackle noise and other nuisance issues connected to tourism and promote fair, responsible and sustainable tourism practices. It also is set to be expanded in coming years. Recognising that residents' acceptance of tourism development is central for the sustainability of tourism and its long-term success, *visitBerlin* has in addition in recent years turned to inward marketing as a means to maintain and enhance the populace's acceptance of tourism and established an office with an earmarked budget of EUR 200,000 for efforts directed at local residents. The latter include, amongst other things, a website (www.du-hier-in.berlin) to enable residents to provide feedback, comments or inputs concerning tourism in Berlin and as well as citizen workshops to develop ideas to improve tourism in Berlin.

Furthermore, *visitBerlin* has identified the promotion of accessible tourism as an important component of inclusive sustainable (tourism) development. The organization collaborates closely with public and private sector stakeholders to make the city's touristic offers more accessible and a variety of services are offered for visitors with disabilities. Extensive information is available on a *website specifically* designed for people with disabilities[32] and a free application called *accessBerlin* was launched on the occasion of the ITB Berlin Convention in March 2017.

Brandenburg Gate at sunset.

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UNWTO / WTCF • City Tourism Performance Research

TURIN
ITALY

10

Turin's Baroque style on San Carlo Square.

10.1 Introduction

10.1.1 Basic facts

The city of Turin is situated in the north-west of Italy, close to the French border, in the region of Piedmont. It is surrounded by the Alps in the north and west, and by hills in the south. It lies on the River Po, the longest river in Italy. The natural scenery, as viewed from most places in Turin, is spectacular.

10.1.2 History

Turin was founded by the Romans more than 2,000 years ago as an army camp. Roman walls and one of the main portals to the city are still standing. The distinctive grid map of Turin derives from the layout of that initial Roman settlement.

In 1861, Turin became the first capital of Italy. Most of the city centre was developed under the Savoy family in the 17th and 18th centuries in baroque style, which gives Turin a unique architectural heritage.

When the Savoy King moved the capital of Italy to Rome, Turin had to reinvent itself as an industrial centre. The car industry, led by FIAT, became the propeller of the city's economy until the 1970s. FIAT's success facilitated the growth of many enterprises along the supply chain – from design to components – and FIAT itself diversified into aeronautics and robotics. Other industries and service providers (e.g., telecommunications, office equipment) flourished.

The population of Turin reached a maximum of 1.2 million people in the early 1970s. When the oil crisis of the 1970s hit the car industry, FIAT responded by downsizing its production lines in Turin. The effect on employment and on the city's economy was dramatic. The decline continued progressively over a period of 20 years. Jobs were lost along the whole supply chain and factories closed. Urban areas that had been built in the 1950s and 1960s to host workers fell rapidly into dilapidation. Even the city centre deteriorated. Pollution had greyed all the buildings and damaged landmarks; some historical shops, restaurants and venues closed, and very few people would be found walking around late at night.

While other cities in Italy were attracting an increasing number of tourists from within Italy and overseas, Turin did not seek to position itself as a tourism destination, despite its history, heritage and natural endowment.

The turning point for Turin was the election in 1993 of Professor Valentino Castellani, a politically independent mayor. His formidable administration

introduced a new vision for the city and an innovative, community-centred, approach to its realization. This involved many stakeholders from the private and public sector, including the University, Polytechnic and grass roots organizations. It also introduced thorough data collection and strategic planning, and sought resources from the European Union, the central government, the private sector and foundations.

At the core of the vision and plans were culture, heritage conservation, research, innovation, diversification, community development, social inclusion and sustainability, as well as building on traditional and existing resources[1]. Turin did not reject its industrial (and car industry) tradition, rather seeking to transform disused factories into multi-purpose centres. One of the taglines promoting the transformation was *la penetrazione della città dentro l'industria* (the city enters the factories).

During his first term in office, Professor Castellani implemented an Urban Masterplan to regenerate and renovate the city centre and run-down peripheral areas. The city introduced its First Strategic Plan and successfully bid for the 2006 Winter Olympics. This process led to a series of investments and actions which completely transformed Turin. Key elements included the renovation of selected urban areas, reutilization of disused factories, renewal of museums and landmarks, the creation of pedestrian areas in the city centre, and the improvement of public transport, and investment in education, research and innovation.

Previously deteriorating urban areas now host hubs for research and innovation. A diversified industrial base is growing, encompassing new sectors such as aerospace, telecommunications and sustainable energy, while traditional industries, such as industrial design and food (chocolate, ice cream, coffee and other traditional products) are innovating while retaining their strong traditions.

The focus on culture and heritage meant heavy investment in the renovation of historical landmarks (the royal residences) and museums. The Royal Residence of La Venaria Reale had been long abandoned; now, it and the Egyptian Museum are Turin's top-attractions in terms of visitor numbers. Both the Egyptian Museum and the Automobile Museum have been dramatically

improved and recognized as centres of culture and research, not just tourist attractions. The Mole Antonelliana has been renovated to host the Museum of Cinema, including a viewing tower in its spire.

Turin also hosts internationally renowned events and festivals, with themes ranging from food to art, books, movies, music and sport. Turin had been host of an international motor show from 1900 to 2000; 15 years later, the show returned with a new outdoors formula which has proved very successful. Since 1988, Turin has been home to Italy's most important book fair (Salone Internazionale del Libro). Other successful events, including the international fairs organized and promoted by Slow Food (Terra Madre Salone del Gusto) have been held in Turin since the 1990s, and all have contributed significantly to the image of the city and attract visitors from all over the world. Turin is now not only a compelling tourism destination, but also a vibrant and liveable city.

10.1.3 Infrastructure, transport and connectivity

Location is a challenge for Turin in attracting tourism. Road and rail links with other European countries and with the rest of Italy are still relatively poor. There are excellent motorways leading north to two of the longest tunnels in Europe (Mont Blanc and Fréjus) and a high-speed train to Paris (although the high-speed line through the Alps to Lyon has been delayed for years by local protesters – the high speed trains use traditional lines on this section). The airport, although modernized for the Winter Olympics of 2006, is still only the 13th airport in Italy by annual passenger numbers.[2] Fast train or road connections almost invariably pass through Milan rather than Turin, leaving Turin at a competitive disadvantage.

Valentino Castle.

10.1.4 Overview of key attractions

Culture and heritage

A primary focus of the transformation of Turin has been on culture and heritage. Several museums and galleries have undergone recent renovation and expansion. Some have a research and conservation function, in addition to entertainment and education. The principal cultural and heritage attractions of Turin are:

- The royal residences, more than 20 palaces and churches in and around Turin which belonged to the Savoy family. The entire system of royal residences, called the Royal Museums, is designated by UNESCO as a World Heritage site;

- The Egyptian Museum, the second largest Egyptian collection in the world after the museum in Cairo;

- The National Cinema Museum, a vast collection, interactive, experiential and educational in its presentation, in the Mole Antonelliana;

- The National Automobile Museum, a large collection presented within a historical, social, artistic and technical context, interactive and spectacular; and

- GAM – the Gallery of Modern and Contemporary Art, a large permanent collection and several temporary exhibitions;

Turin is also famous for the Holy Shroud, which is kept in the Cathedral of St John the Baptist; however, the Holy Shroud is displayed on only a few occasions, at the discretion of the Pope. The latest display took place from April to June 2015, for 67 days, and attracted over 2 million visitors.

Food

Turin has a long-standing tradition of quality and innovation in the production of food and drink. It has created many unique products, including chocolates, pastries, ice cream, coffee and Vermouth. The first solid chocolate was produced in Turin in the early 1820s by Caffarel, and the first chocolate-covered ice cream on a stick was invented by Pepino in 1939. The confectionery factory that in 1857 produced the prime minister's favourite candies, is celebrating its 160th anniversary.

Events

Turin hosts several international festivals and events. The most important are:

- Turin has two national league teams: Juventus and Torino. Juventus Football Club is well known internationally and has supporters across the globe; both its new stadium and the Juventus Museum attract visitors from all over the world. Main matches draw many thousands of supporters into Turin;

- Terra Madre Salone del Gusto, organized biannually by Slow Food, which has members in 180 countries – 1 million estimated visitors in 2016;

- Salone dell'Auto (Automobile Show), held in the Park of Valentino, with 700,000 estimated visitors in 2017;

- CioccolaTo: a celebration of Italian and international chocolate, with a focus on local producers, attracting 340,000 visitors in 2015; and

- Salone Internazionale del Libro: a festival of literature, attracting more than 165,000 visitors in 2017.

Outdoor activities in the Province of Turin

A wide range of recreational activities is accessible from the city, including:

- Ski resorts, of which the most important are Bardonecchia Ski and ViaLattea (Sestriere, Sauze d'Oulx, Cesana Torinese, Claviere and Pragelato); and

- Biking and trekking itineraries, including La via Francigena, the ancient route which in medieval times connected Canterbury to Rome via France.

10.1.5 Tourism flow

The graphs below shows that there was very modest growth in arrivals and nights between 1996 and 2004, but then an increase in 2005 and 2006, generated before, during and after the Winter Olympics. Tourism fell back the following year (2007), but thereafter showed a much higher rate of year-on-year growth than before the Olympics, continuing right through the recession to the present time (see figure 10.1).

Figure 10.1 **Arrivals and bednights in the Turin Metropolitan Area**[a], **1996–2016 (× 1,000)**
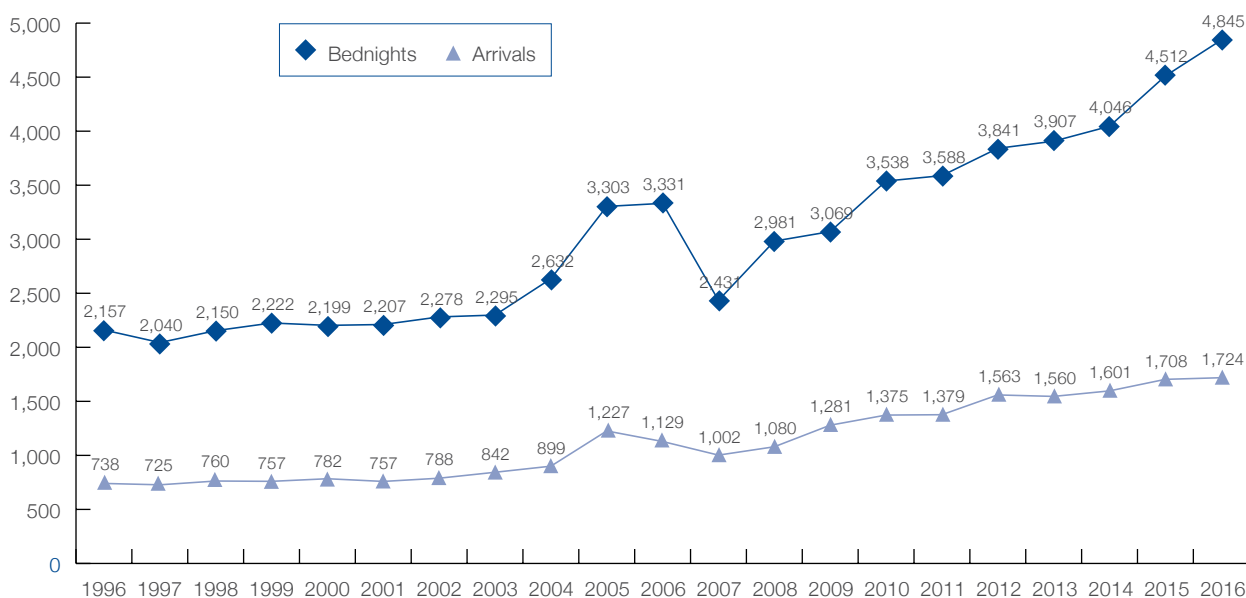
a) The city and its neighbouring municipalities.

Source: Osservatorio Turistico Regionale (n.d.).

Data on daily and monthly occupancy patterns tend to suggest that, in the market mix, business tourism is still predominant, which is not surprising given the strength of manufacturing within the city region's economy. The strength of business tourism is a great asset to the city, generating high-yield visits, autumn, winter and spring, at times when leisure visits are low. The meetings, incentives, conferences and exhibitions (MICE) business may well have significant potential for further growth, given the scale and diversity of economic activity in the city region and the scale of the universities in the city.

Broad estimates of meetings and conference activity in Turin in 2015 point to nearly 12,000 events (with about 15,000 conference days) in the Turin Metropolitan area, with nearly 1 million delegates and 1.3 million delegate days.[3]

10.1.6 Tourism source markets and seasonality

Turin's dominant international markets is France, generating just over 150,000 nights in 2016 – almost twice as many visitor nights as any other country. Spain, Germany, the United States of America and China each generated 70-80,000 nights; and the United Kingdom, Romania, Switzerland/Liechtenstein each between 50,000 and 60,000. All other markets were substantially smaller (see table 10.1).

In 2016, average length of stay was 2.8 days. Of the key international markets, the Chinese had by far the longest stays, with an average between 7 and 8 nights. Visitors from Spain, the United States of America and Romania had an average length of stay between 3 and 4 nights.

Accommodation capacity (in terms of rooms and beds) almost doubled between 2000 and 2016, from 17,800 beds to 32,200 available beds. Average annual bed occupancy also increased, indicating that bednights more than doubled (see table 10.2).

Data from 2012 to 2016 for hotels[4] points to a general increase in occupancy rates (from 58% to 65%). As shown in figure 10.2, peak season is April–May and September–November; low season is August and January. During important football matches, occupancy rates a exceed 90% (see figure 10.2).

10.1.7 Economic impact

Turin is the third Italian city destination in terms of revenue from tourism, which totalled an estimated EUR 1.7 billion in 2010[5]. This spending generated more than 50,000 jobs (9% of the total employed population in Turin)[6]. An estimated 61% of workers employed in the tourist industry are women, 34% younger than 30 years[7].

TTP has estimated the economic impact of Terra Madre Salone del Gusto, which is the event with the largest number of visitors (one million) held in Turin as generating an increase in the local GDP between EUR 7 and 11 million.[8]

The average daily expenditure was estimated at around EUR 109 per person in 2010–2011[9].

Table 10.1 Arrivals and bednights for key international markets, 2016

|	Arrivals	Bednights
France	76,533	153,728
Spain	27,526	82,638
Germany	33,063	74,446
United States of America	23,607	71,141
China	8,615	68,208
United Kingdom	24,625	57,017
Romania	15,433	54,068
Switzerland and Liechtenstein	26,482	53,708
Russian Federation	13,767	33,311
Belgium	11,777	27,840
Netherlands	11,191	26,633

Source: Osservatorio Turistico Regionale (n.d.).

Table 10.2 Accommodation capacity and occupancy rates in the Turin Metropolitan Area[a]

	2000	2005	2010	2015	2016
Accommodation units	368	520	693	903	920
Rooms	9,735	11,550	14,448	16,918	17,346
Beds	17,811	21,472	27,381	31,634	32,208
Bednights (× 1000)	2,199	3,303	3,538	4,512	4,845
Bed occupancy rate (%)	34.3	42.7	35.9	39.6	41.8

a)   The city and its neighbouring municipalities.

Source: Osservatorio Turistico Regionale (n.d.).

Figure 10.2 Hotel monthly occupancy rates, 2016 (%)
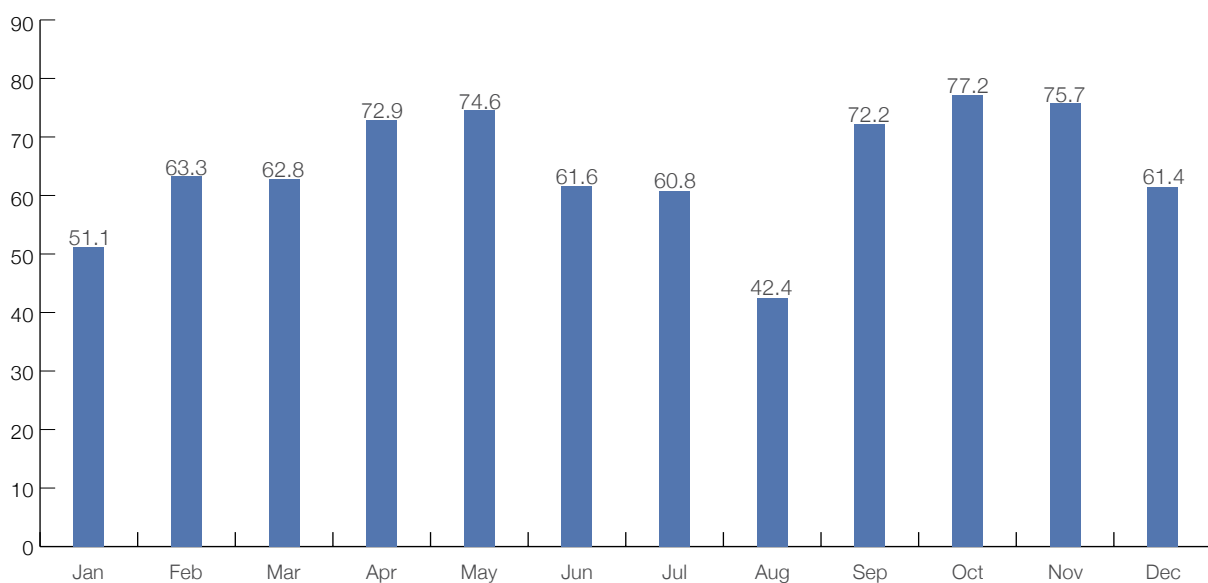
Source: Osservatorio Alberghiero di Camera di commercio di Torino e Turismo Torino e Provincia – elaborazioni RES-STR Global.

Saint Michael's Abbey of the Val di Susa (Region of Piedmont).

10.2 Key performance areas

10.2.1 Destination management

Structure of the DMO

In 1996 a regional law established a regional agency for the development of tourism, Sviluppo Piemonte Turismo (SPT), and twelve local agencies *(Agenzie di Accoglienza e Promozione Turistica Locale – ATL).* In 2016, a new law merged SPT with the Institute for Marketing of Agriculture (IMA) and Food Products of Piedmont. The current regional destination marketing organization (DMO) structure includes Piemonte Marketing, and nine local DMOs (see figure 10.3).

Piemonte Marketing makes plans at regional level, promotes tourism in Piedmont, promotes 'made in Piedmont' products, and acts in the interests of, and coordinates the work of, the local DMOs. It can give guidelines to the ATLs but it does not have any direct control over them.

In 2009, the region of Piedmont (Piemonte) adopted a Regional Strategy for the Promotion of Tourism,[10] establishing some general guidelines for the DMOs. One of the main objectives was to market specific local products under the overall Brand Piedmont. Actions outlined in the plan include:

- Establishment of PR networks in international and domestic target markets;

- Direct marketing at sector fairs and workshops;

- Joint marketing and sales with travel and transport companies;

- Use of web and social networks; and

- Follow-up actions including monitoring and customer satisfaction surveys.

Data collection and monitoring of tourism in Piedmont is undertaken at both local and regional levels and is ultimately the responsibility of the Osservatorio Regionale, which is an office of the regional council.

Turismo Torino e Provincia (TTP)

Turismo Torino e Provincia (TTP) has been operating since 1997 and is the ATL for the Turin Metropolitan Area. It is a non-profit public-private consortium, with a majority public shareholding. Its main partners are the city of Turin, the region of Piedmont, the Città Metropolitana and the Chamber of Commerce. The region and the local municipalities together own 96% of shares. The other 4% are owned by the Chamber

of Commerce and individual tourism companies, including GTT (transport), Sadem (buses), Sitaf (motorway) and Sagat (airport). TTP is considered the tourism operating arm of those partners and its activities focus on marketing and communications for the Turin Metropolitan Area. In 2010, TTP incorporated the Turin Convention Bureau and its functions to facilitate coordination, enable synergies and achieve economies of scale.

TTP's goal is to organize "all the actions for promoting Turin and its province, welcoming and providing information to tourists coming for leisure purposes or relating to MICE". "TTP creates tourism products and services that meet the needs of tourists, conference participants and organizers of events, facilitating and extending people's stay in the territory and increasing the tourist flows and the number of events"[11]. TTP's main responsibilities are to:

- Engage with the city council and with tourist and cultural attractions, private businesses and public organizations;

- Develop and produce information for marketing and for visitors;

- Promote Turin to the domestic and international press, to intermediaries in the leisure tourism and MICE sectors, and to end-users;

- Welcome tourists at the tourism bureau and through information points;

- Prepare and present bids for the city to host major conferences; and

- Undertake performance measurement, monitoring and tourist profiling.

TTP has 80 employees at its headquarters and the information points. To stimulate the development of new tourism products, TTP invites private operators and public institutions to submit ideas for brainstorming, following TTP feedback. When the products are available, TTP assists in advertising and promotion. TTP has developed partnerships with airlines and rail operators, tour operators and tourism associations. It also works with other local DMOs and has recently established cooperation with the DMO of the neighbouring area of Langhe and Roero.

Tourism development policy

During Professor Castellani's second term as mayor, following the 1997 election and the successful bid for the Winter Olympics of 2006, the city administration prepared the First Strategic Plan (2000–2006), inspired by the success of strategic planning for the city of Barcelona. The preparation of the plan took two years and involved all relevant stakeholders, including the private sector, public institutions, private foundations, the university, the polytechnics and non-governmental grass-roots organizations. A new vision for the city emerged and, although subject to some objections, it was adopted.

Figure 10.3 **Strucutre of the destination management organization (DMO) network in Piemonte**
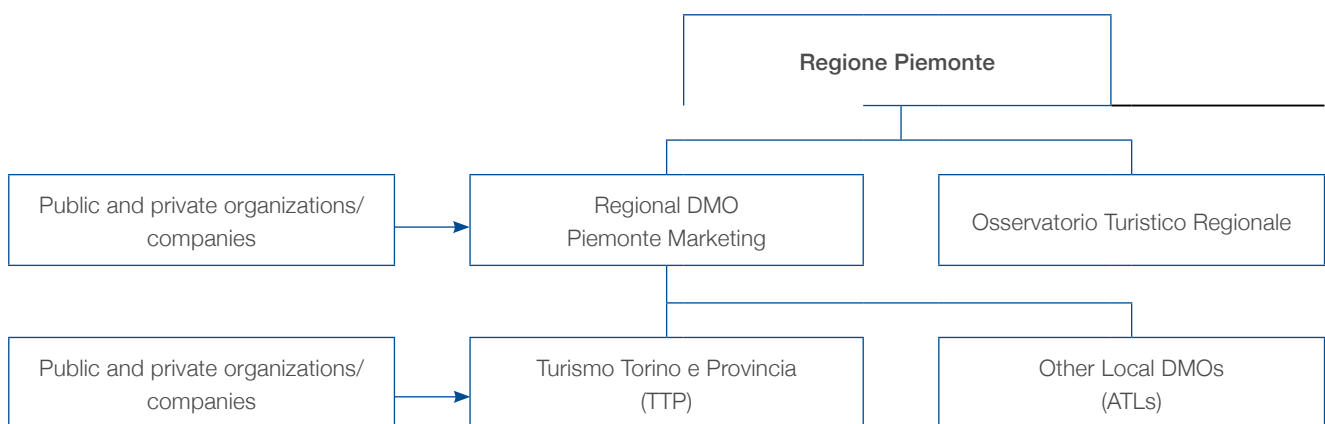
Source: Team Tourism Consulting (2017).

The plan identified knowledge as the most valuable resource for the future and placed an important focus on research, communication, education and training. The strategic guidelines for the plan included:

- Improved international and domestic air, road and rail connections;

- International cooperation;

- A governance system for the wider metropolitan area;

- Research and training;

- Development of new businesses and new jobs;

- Promotion of Turin as city of culture, tourism, trade and sport; and

- Improvement in the quality of living in the city.

The Second Strategic Plan maintained the direction of the first plan and sought to capitalise on the earlier achievements and on the investment in the Winter Olympics. By this time, Turin was already perceived as a changed city, but clearly there was more to do, with a focus on innovation and technology and the challenges of immigration, health and social inclusion. Tourism and the promotion of the city became a primary focus. During the course of the Second Strategic Plan, Turin was hit by the economic crisis of 2009. The crisis caused loss of jobs and resources. "The vision lost momentum, because emergency became the focus" (Prof. Castellani). The two administrations after Castellani's continued to pursue the direction of the Strategic Plan, but with reduced resources.

The Third Strategic Plan was completed in 2015, involving 230 consultees representing many different communities and interests. Turismo Torino e Provincia (TTP) was an active player in the discussions and design of the plan.

The plan's vision for 2025 is of Turin as a "city of opportunities, vibrant, inclusive, promoting economic growth, international, open to initiatives and promoter of change and innovation for the city and for the whole country."[12] It takes a systemic approach which links

various factors promoting development, including business and economic growth, the efficiency of public services, the value of culture, creativity and tourism, quality of life, social inclusion, green infrastructure and sustainability. At present, Turin is awaiting revisions to and final approval of the 2015–2025 Strategic Plan from the newly-elected city council.

Overall, many major initiatives have been undertaken over the past 20 years that have had significant direct or indirect relevance to tourism:

- Development and enhancement of the key museums, royal residences and other attractions;

- Cleaning and renovation of historical areas;

- Creation of pedestrian-only areas in the city centre;

- Renovation of peripheral areas, with investment from national and EU sources;

- Creation of new university and polytechnic campuses with geographical connection to research and innovation centres;

- Construction of the metro line and completion of the railway by-pass;

- Restructuring of industrial sites as multi-purposed centres with a focus on creating space for incubators, research and training centres, and exhibition and congress areas;

- Creation of extremely successful research centres and incubators for start-ups in the areas of ICT, renewable energy, health and design;

- Smart City Master Plan, SMILE – Smart Mobility, Inclusion, Life & Health, and Energy, prepared by the city council in 2013[13]; and

- Improved public transport, as well as car- and bike-sharing initiatives.

The city council policies on culture, education and training have created an ideal environment for the tourism industry to flourish.

National Museum of Cinema.

10.2.2 Marketing strategy and USP

The council's focus on innovation and research, including the creation of seven innovation hubs with national and international exposure, has fostered cooperation between university, polytechnic and research centres on the one hand, and the city council and the tourism industry on the other. This has contributed to enhancing the image of Turin as a city of culture and innovation.

The TTP website is intended as the primary source of information on the Turin Metropolitan Area and presents TTP's developed products, tourist attractions and events in Turin. Products developed by TTP include:

- Three visitor cards: Torino Piemonte Card, which gives free admission to the most important museums and exhibitions and discounts to other cultural sites, events, outdoors activities and guided tours; the Royal Card, focused on the Royal Museums products; and the Torino+Piemonte Contemporary card that gives free admission to contemporary art museums and exhibitions;

- Specific itineraries and products targeting the royal residences experience (the itinerary Reali Sensi, Crown of Delights and the Royal e-bike tour, as well as the food experience Merende Reali);

- Outdoors itineraries;

- Enogastronomic[14] itineraries;

- "Made in Torino", a programme offering guided tours of factories which are landmarks of industrial success and excellence for Turin – sectors represented range from confectionery to chocolate, beverages, ceramics, cars and design. Some of the businesses have been operating for more than 150 years; and

- City Sightseeing Torino with three different routes.

The selling points which differentiate Turin from other cities in Italy and in Europe:

- Its unique heritage and architecture, particularly the 'baroque city' and the royal residences;

- Its museums that have outstanding appeal, notably the Egyptian Museum, the National Automobile Museum and the National Museum of Cinema;

- Enogastronomy – food traditions and products with a long-standing tradition of excellence, as well as the events organized by Slow Food;

- Its industrial heritage, as manifested through the National Automobile Museum and the factories of Made in Torino and Exclusive Brand Torino; and

- Its many hubs for innovation, research, technology and creativity, as an asset for development of the MICE markets.

10.2.3 Social and cultural perspective

Cultural development strategy

In the Strategic Plan 2015–2025, culture, creativity and tourism are viewed as important links in driving further enhancements for the city.

Culture is viewed as a system which includes preservation, conservation and celebration of the city's heritage, and is a stimulus for education, research and innovation. The city has invested in events with high cultural contents, which provide a meeting place for the local and international communities.

Museums, royal residences and art galleries are not only attractions for visitors but also, centres of culture, education, research, training, and places for sharing of knowledge and ideas with other cities. Thus Turin, through its research centres, universities and other cultural organizations, has become engaged in evolving and expanding international communities, encouraging a small but valuable form of niche tourism which has wide-ranging benefit to the city.

Attractions

The main museums are viewed not just as attractions celebrating the past, but also as centres for research, culture and education. Major changes have been made to optimize the use of space and modernize the display settings and methodology. The main museums are also active participants in international networks, with exchanges and cooperation with other international museums, universities and research institutions, within Italy as well as overseas.

The royal residences, a network of over 20 residences and churches of the Dukes of Savoy, have been recognized as exceptional heritage to Turin and offer a unique experience to both visitors and local residents. The most prominent residences (such as La Venaria Reale and the royal museums) also offer a variety of events and exhibitions.

Two major site transformation and reutilization projects are due to be completed by 2017:

- Officine Grandi Riparazioni (OGR): one of the most important examples of 19th century industrial architecture in Turin, used until the early 1990s for the maintenance of railway vehicles, will become an innovation hub and a cultural and art centre, providing space for start-ups, events, exhibitions, performing arts and more (project financed by CRT foundation); and

- Lavazza's new building La Nuvola, with museum and design centre. This project includes the construction of Lavazza's new office building, the establishment of an international school of design, the creation of public parking and gardens, the restoration of an old church and the renovation of a 19th century power station, which will host an interactive museum and a restaurant, as well as exhibition and substantial meetings/conference spaces.

Events

A large part of TTP's work is devoted to promoting the city for meetings, incentive tours, conventions and exhibitions. TTP assists with the bidding, organization, advertising, coordination and welcoming of participants. In 2016, TTP Convention Bureau organized 14 events, won in national and/or international bidding, with a total of 30,820 participants and 93,000 in attendance; TTP estimates the economic impact of its 2016 congress activity between EUR 23 and 32 million[15].

The main venue is at Lingotto, in the former Fiat factory building, where there are two different entities:

- Centro Congressi Lingotto, which was designed by Renzo Piano. It blends history, art and culture,

providing a superb combination of the past and modernity. It has 12 rooms, the largest with a capacity of 2,090 m^2, and an exhibition area of 1,070 m^2; and

- Lingotto Fiere, is an exhibition centre holding an average of 50 events per year, including trade fairs, consumer exhibitions, concerts, corporate and communication events, and medical-scientific conferences/conventions. Its has a covered area of 58,000 m^2, an outdoor area of more than 62,000 m^2, three pavilions from 7,600 to 18,000 m^2, and 17 congress rooms with up to 600 seats. In addition, it includes Torino Oval (20,000 m^2), a venue built for the 20th Winter Olympic Games, Torino 2006, for speed-skating events.

The city has many other smaller meetings facilities, such as Torino Incontra, Unione Industriale Conference Centre, the Polytechnic and the larger hotels. An imminent addition to the city's meetings venues is the above mentioned new space within Lavazza's new complex La Nuvola. It involves the renovation of an historic power plant building, which will become an event space able to accommodate 1,000 people, and conference rooms to accommodate 240.

10.2.4 Technology and new business models

The smart city

The development of innovation and technological hubs has brought into Turin new companies and visitors. It has also brought new technologies (especially in ICT), which can be used in the tourism sector. New start-ups are expected to emerge and provide services and products to the tourism industry.

The region of Piedmont has plans to invest[16] in:

- Open data and "big data" for the tourism sector, seeking opportunities for greater monitoring, measuring and forecasting capabilities;

- Digitalization for businesses and organizations operating in the tourism sector (public and private), including digitalization of existing resources and development of new contents and formats; and

- Investment in services for digital innovation, including portals and smart phone applications to access services in mobility (booking, ticketing, online payment, information and cultural contents).

Peer economy

Several start-ups in the sharing economy sector are choosing to establish themselves in Turin, because of the opportunities offered by the technology and innovation hubs. In fact, Turin has the potential to become the Italian capital of the sharing economy. Turin's sharing economy offers already include:

- Car sharing (three companies plus Blablacar);

- Bicycle sharing;

- Apartment sharing (in 2016, 17% of tourists used Airbnb and HomeAway[17]); and

- Office sharing and co-working (Toolbox).

As new start-ups enter the market, more products will be available to both visitors and residents, facilitating mobility, finding information, sharing office and accommodation spaces and reducing costs.

The sharing economy will also help with developing sustainable tourism. Residents are already using smart mobility, but more should be done to make services more accessible to tourists. Currently, tourists can purchase four-hour and eight-hour bike sharing passes at TTP's information offices.

Regulations affecting the sharing economy are designed and issued by Regione Piemonte. The Regional Council is currently working on regulations for shared accommodation, partly in answer to growing concerns voiced by the traditional accommodation industry.

Italian San Daniele ham at Salone del Gusto.

10.3 Success stories

10.3.1 Slow Food

Introduction

Slow Food is a non-governmental organization and international movement, focusing on quality, fairness and sustainability of food production, processing and consumption. Slow Food's mission is to create "a world in which all people can access and enjoy food that is good for them, good for those who grow it and good for the planet."[18]

Slow Food's "approach is based on a concept of food that is defined by three interconnected principles: good, clean and fair.

- Good: quality, flavoursome and healthy food;

- Clean: production that does not harm the environment; and

- Fair: accessible prices for consumers and fair conditions and pay for producers."

Slow Food was founded by a group of friends in 1986 in Bra, a small town in the province of Cuneo, Piedmont, 50 km from Turin. Slow Food's first major event was the 1996 Salone del Gusto (Taste Fair).

In 1996, Turin was neither the food nor the wine capital of Piedmont. Turin was selected by the organizers primarily because of the positive effects of the culture-focused policies of the city council. From that event onwards, Slow Food formed a strong partnership with the city council, TTP, the region of Piedmont, the Chamber of Commerce and other major stakeholders. In 2004, the spin-off organization Terra Madre was established. While the Salone del Gusto has a more commercial and educational purpose, Terra Madre is more political, focusing on small communities.

Key strategies and initiatives

- **Terra Madre and Salone del Gusto events:** The first Salone del Gusto was held in 1996, indoors in Lingotto. It was on a relatively small scale, but very successful. Inspired by the event and the philosophy of the Slow Food movement, new restaurants were opened. At the end of 2014, it was decided to move the Salone del Gusto into the city centre, outdoors, giving more exposure to the event and the opportunity to attendees to visit the city. In 2016, Salone del Gusto and Terra Madre became one joint event, which attracted around 1 million visitors, more than half of whom were international.

  Slow Food, through its events, has been helping to promote Turin to a global audience, as a distinctive centre for gastronomy and a city of culture. The next edition in 2018 will expand the educational aspects with guided tours of the fair and guided tastings of selected producers in the mountain areas surrounding Turin.

- *Maestri del Gusto* **certification:** Another project fostered by Slow Food is Maestri del Gusto (Masters of Taste of Turin and its province). Launched in 2002 by the Torino Chamber of Commerce and Slow Food, the project addresses small and medium-sized food businesses in Turin province, including farms, artisan factories and shops, and establishes strict assessment standards for goodness, cleanness and fairness.

  Food businesses that aspire to be recognized as Masters of Taste have to pass a scrupulous selection process. Certified Masters of Taste are listed in a book, which will be soon available in digital form. Selected businesses are also engaged in a programme of promotional events, including tasting itineraries, fairs and exhibitions. The number of Masters has increased from the initial 50 to the current 182, representing 26 categories.

- **Eataly:** Eataly, a private company, is a spin-off of Slow Food and Salone del Gusto. After visiting the Salone, Oscar Farinetti, Eataly's founder, thought of creating a space where people could have the same experience every day and, on the advice of Slow Food, chose to start his venture in Turin. Eataly is now an international company with food malls and shops in major cities around the world, promoting the Slow Food philosophy as well as the city of Turin and the products of Piedmont.

Outcome and impact

The Slow Food movement is contributing to position Turin on the map of gastronomy centres, not only by choosing the city for the organization of their major events, but especially by inspiring the city's restaurateurs and food producers with its principles.

Slow Food has an on-line community of 1 million people, 100,000 subscribing members, and 1,500 chapters (called *convivia*) in 160 countries around the world. Projects have been undertaken by Slow Food members and volunteers across the globe, reaching local communities even in war zones such as Syria, Afghanistan and Libya and giving voice to indigenous communities of Africa, America and Asia. Slow Food projects have wide media and press coverage and exposure.

Eataly Shop and Restaurant at Lingotto.

Turin_Pepino Gelati Café.

10.3.2 Turin's family businesses

Introduction

Private family businesses are very often the backbone of the economy of Italian cities. Gelati Pepino has a long history and a historical cafe in the city centre. Guido Gobino is a Master Chocolatier, who has conquered many of the finest palates in Europe, Asia and America. Lavazza is an internationally renowned coffee blends and equipment producer.

Key strategies and initiatives

1. Gelati Pepino

Gelati Pepino is a company which has been producing high-quality ice cream in Turin since 1884, when Domenico Pepino, an artisan ice cream maker from Naples, moved to Turin. His ice cream parlour, Vera Gelateria Artigiana, which quickly became known as a delicacy favoured by the royal family and upper class.

In 1916, Domenico Pepino sold the brand and manufacturing secrets to Giuseppe Feletti, a well-known chocolate manufacturer, and his son-in-law Giuseppe Cavagnino who expanded production while retaining the original recipe and the quality of ingredients. In 1939, they created and patented the "Pinguino", the first chocolate-covered ice cream on a stick made in Europe. They also sought ways to ship their products, before freezer trucks were invented, by using dry ice: the advertising tagline of the time was "Gelato Pepino goes everywhere".

Gelati Pepino has been in the Cavagnino family for five generations. The Pinguino is still produced with the same traditional recipes and selection of quality ingredients.

The flagship location for Gelati Pepino is the historic Gelateria Pepino in Piazza Carignano, just one street across from the Egyptian Museum, in the baroque centre of Turin. The restaurant has established itself not only for the sale of artisan ice cream, but also for dining, cocktails, breakfast and catering.

During more than a century of operation, the company has established itself as an international ambassador not just of excellent quality Italian ice cream, but also of the city of Turin.

Lavazza La Nuvola.

2. Lavazza

Lavazza has been producing coffee blends for over 130 years. The first shop was opened in Turin by Luigi Lavazza in 1885. The first factory was established in 1927. In the 1980s it expanded internationally, first in France, then in other European countries and overseas, making not just coffee but also coffee makers for offices and homes. In 2015, they even produced the first ever coffee maker for the International Space Station.

Lavazza is a company that believes in tradition and sustainability, with a passion for culture, art, photography and design. The Foundation Giuseppe Lavazza sponsors projects for improving the living conditions of people in coffee-producing countries and is sponsor and partner for major sports, art and photography events in Turin and other cities.

In the early 2000s, when Lavazza's headquarters needed new premises, they chose a new site in consultation with the city council on the basis of the following criteria:[19]

- Sustainability – reutilization of disused industrial area;

- Closeness to the city centre and the previous premises; and

- The opportunity to upgrade the whole urban area.

The project *La Nuvola* (The Cloud) includes office buildings, public parking, gardens, a new street (with trees and free Wi-Fi connection) and the re-purposing of a complex of buildings pertaining to a disused power station, built originally in 1897, which will host a museum, a Slow Food restaurant, a conference venue and exhibition space. The project also includes a design school for 500 students, 30% of which are expected to be international students. The interactive Museum will include a replica of the first Lavazza shop and a history of the family and coffee processing. The museum is expected to attract 45,000–70,000 visitors per year. The project will be completed by the end of 2017.

Salone del Gusto 2010.

Outcome and impact

Pepino is among the founding members of Exclusive Brands Torino, a business network "for the development and promotion of a selection of local high-quality brands and products on international markets". Exclusive Brands Torino comprises 17 firms across various sectors, including food, design, fashion, jewellery, publishing, wine and liqueurs, "all sharing a selected clientele and strong international tendencies, distinguished for the quality of their products and services, all of which fall into the luxury range, and are particularly outstanding for their creativity, innovation, and research"[20]. This is a superb example of a group of entrepreneurs coming together to undertake a joint branding campaign which will not only benefit their business, but also increase the awareness and enhance the image of the city of Turin as a city of excellence, quality goods and services.

Lavazza also participates in the Made in Torino tour – the excellent programme organized by Turismo Torino e Provincia (TTP) in cooperation with the Chamber of Commerce. Launched in 2005, this programme is the first industrial tourism initiative in Italy. For a few months each year, a selected group of artisan factories and historical factories of Turin open their doors to guided tour groups, and visitors have the opportunity to learn about the history of the business, observe the 'making' of the product and, for food, taste a small sample straight off the processing line.

The latest edition had 39 participating businesses from a wide spectrum of sectors, including food (chocolate, confectionery, bread, pasta, pastries, cold meats and dairy products), beverages (coffee, wine and liqueurs), publishing, jewellery, ceramics, textiles, musical instruments, a puppet maker, cars and even aerospace.

The programme has been a success with all tours sold out within days of appearing on the TTP website.

Royal Hunting Palace in Stupinigi, a former residence of the Royal House of Savoy.

Chapter 10 Endnotes

1   This is documented in a study conducted by the London School of Economics. Anne Power et al. (2010), "Phoenix cities: the fall and rise of great industrial cities", which looked at the key factors for the regeneration of crisis-hit industrial cities across Europe.

2   ENAC (2016), *Dati di Traffico* (2016).

3   Osservatorio Italialiano dei Congressi e degli Eventi (2016), *Il Mercato dei Congressi e degli Eventi a Torino nel 2015,* ASERI-Universita' Cattolica, Milano.

4   The data in this paragraph relate only to hotels and are from RES-STR Global (2017), Comparto Alberghiero: Trend evolutivi del Mercato, Camera di Commercio di Torino and Turismo Torino e Provincia.

5   This number is based on the most recent available estimates for tourist expenditures for the Region of Piedmont, which totalled EUR 3.5 in 2010, Regione Piemonte (2011b), In the same year, arrivals and bednights in Turin Province were respectively 47% and 48% of total arrivals and bednights in Piedmont, Regione Piemonte (2011a).

6   Ente Bilaterale Lavoro Turismo (2017), *L'Occupazione nell'Ambito Turistico nella Citta' Metropolitana di Torino,* Torino.

7   Ente Bilaterale Lavoro Turismo (2017), *L'Occupazione nell'Ambito Turistico nella Citta' Metropolitana di Torino,* Torino.

8   Osservatorio Turistico di Turismo Torino e Provincia (2017), *Report 2016. Analisi Mercati,* Trend e Indagini Qualitative, Turismo Torino e Provincia, Torino.

9   Piemonte Turismo e Ricadute Economiche, Regione Piemonte (2013), using data provided by The Centre Omero of the University of Turin.

10 Regione Piemonte (2009), *Strategie Regionali della Promozione Turistica,* Torino.

11 TTP (n.d.), *About Us* (online), available at: www.turismotorino.org (15-06-2017).

12 Torino Strategica (2015), *Torino Metropoli 2025, Terzo Piano Strategico della Citta' Metropolitana,* Torino Internazionale.

13 "The City of Turin initiated, in 2013, a strategic smart city planning process and a roadmap was elaborated through a participatory planning process. Torino Wireless, the City's technical partner, coordinated and organised workgroups that involved 350 people (voluntarily and free of charge) from about 65 institutions (companies, universities, research centres, associations and public entities). The workgroups addressed the city's five main areas of development: Mobility, Inclusion, Life and Health, Energy, and integration. The outcome was Turin's smart city masterplan, called SMILE (acronym for Smart Mobility, Inclusion, Life & Health, Energy): it presents the assets of the city, a national and international best-practices analysis and 45 project ideas on the vertical topics, including governance and smart city sustainability models".

    Source: https://eu-smartcities.eu (15-06-2017), Unfortunately, recent political developments have resulted in the cancellation of SMILE and the closure of Torino Smart City Foundation by the end of 2017.

14 For a discussion about the meaning of enogastronomy, see Viganò, G. (n.d.), 'Enogastronomy: a path towards the discovery of the local culture' (online), available at: www.esade.edu/cedit2003/pdfs/viganogiovanni.pdf (15-06-2017).

15 Turismo Torino e Provincia (2017).

16 Regione Piemonte – Agenda digitale Piemonte (2015), *Il Digitale per il Turismo e La Cultura.*

17 Osservatorio Turistico Turismo Torino e Provincia (2017).

18 www.slowfood.com (15-06-2017).

19 Lavazza (n.d.), 'La Nuvola' project (online), available at: http://nuvola.lavazza.it/ (15-06-2017).

20 www.exclusivebrandstorino.it/ (15-06-2017).

SAPPORO
JAPAN

11

Temple over Sapporo.

11.1 Introduction

11.1.1 Basic facts

Sapporo is the capital city of the Hokkaido prefecture in Japan, as well as the country's fifth most populous municipality, with a population of 1.96 million within the area of 1,121 km^2. It was founded as a base of Hokkaido Development Commissioner in 1869 with the aim of cultivating the Ezo land where the Ainu traditionally had resided. Since the municipal system was introduced in 1922, the City of Sapporo has expanded its area and population through repeated mergers with neighbouring towns and villages.

The city is located in one of the snowiest places on earth with an annual snowfall of about six metres. The mountainous surrounding of the city, the long and snowy winter, the high quality of snow and the easy accessibility through the international airport make the city a well-known international ski destination. There are five ski resorts with a total of 7 million annual skier arrivals and Sapporo is the gateway to the area famous for its world class powder skiing.

On the other hand, the Jozankei Onsen area located 30 km from the city centre, is one of the most famous hot spring destinations in the country. It is also part of the Shikotsu-Toya National Park, the active volcanic landscape and the caldera lakes which attract both domestic and international visitors there.

Sapporo as a destination consists of two main areas: the urban area around Sapporo terminal station and Jozankei Onsen in the southern part of the city.

Apart from the national park around Jozankei Onsen area, Sapporo offers vast areas of urban parks. Besides Moerenuma Park, recognized as a tourist attraction, the city is rich in green spaces. Being a 2 million plus city, it is ranked 3rd place in urban park surface area per capita among all ordinance-designated cities in Japan.[1]

Due to the abundant and diversified resources and adequate infrastructure, Sapporo has successfully bid to host the 1972 Winter Olympics, the first Winter Olympics in Asia. Until today, visitors are able to encounter lots of sports facilities as the legacy of the Olympics. The city is now planning to run as candidate city for 2026 again.

11.1.2 Infrastructure, transport and connectivity

Its highly-developed transport infrastructure is one of the city's competitive advantages as a destination. The number of daily passengers of the Sapporo terminal station exceeds 95,000, and approximately 900 trains arrive at the station every day. In 2030, Hokkaido Shinkansen Bullet Train will be extended to Sapporo, and will increase accessibility from Tokyo by reducing the travel time to just five hours.

The subway system of the city consists of three lines and provides accessible and efficient transportation service to both citizens and visitors. The streetcar (tram), which is also considered a landmark feature of this advanced, compact and environmental friendly city, circulates downtown and is an additional convenient travel option. The tram and numerous buses offer high quality and reliable service throughout the year, even in the cold winter season with six metres of snowfall.

Furthermore, Sapporo is well connected via its two existing airports, Okadama and New Chitose. The former is located in the northeastern part of the city, and it is only for domestic flights. The latter, New Chitose Airport, around 50 km south of Sapporo, is known as the gateway to the north of Japan due to its capacity.

A daily average of 177 domestic and 16 international flights make this airport the sixth busiest in Japan. In 2015, New Chitose registered more than 20 million passengers at the airport.[2] However, the number of passengers and landings at Okadama Airport are on a downward trend. Especially after the All Nippon Airlines withdrew from the airport in 2010, this trend has been pronounced. As a result, the City of Sapporo is promoting the use of Okadama Airport which has a relatively high accessibility. Both intent to coexist through their functional differentiation: Okadama Airport for the propeller aircraft, and New Chitose for the jet aircraft.

11.1.3 Overview of key attractions

The City of Sapporo has a variety of tourism resources and it is further diversifying its tourism product portfolio. The following attractions are the most representative ones:

- Sapporo Clock Tower, the most important cultural heritage and a symbol of the city, originally built as a military drill hall of the Sapporo Agricultural College;

- Former Hokkaido Government Office, an American neobaroque style structure with red bricks, constructed in 1888;

- Sapporo TV Tower, standing at the east end of the Odori park, the centre of the town overlooking this town;

- Jozankei Onsen, a 150-years historical hot spring destination located southern part of the centre;

- Hitsujigaoka Observation Hill, the representative tourist spot of the city located on the top of the hill at a vast green area where national agricultural testing sites, restaurants and souvenir shops accumulated; and

- Underground walkway, a 1.5 km underground passageway is distinctive feature and response to the city's climate and utilized as a varied space such as shopping malls and art galleries.

As mentioned above, the rich greenery is also one of the attractions of the city. People forget to be in a 2-million city when visiting parks and green space as follows:

- Moerenuma Park, designed by Isamu Noguchi, a famous sculptor, and is intended to be the base of the Circular Greenbelt Concept of Sapporo;

- Odori Park, cutting across the city centre, offers the opportunity to enjoy seasonal event such as summer beer garden and snow festival; and

- Mountain Moiwa, a 531 m high mountain for a spot to enjoy stunning view of the city.

Odori Park with TV Tower.

In addition, including venues as the legacy of 1972 Olympic, the city offers several sports facilities:

- Okurayama Ski Jump Stadium, one of the emblematic sites of the legacy of 1972 Olympic game;

- Ski resorts, a popular tourist attraction in the winter season located less than 60 minutes from the centre; and

- Sapporo Dome, all-weather stadium that accommodates more than 50,000 people and is home to two Professional sports teams, Hokkaido Nippon-Ham Fighters and Consadole Sapporo.

Events play and important role in Sapporo's destination management. The main events held in the Odori Park in the centre of the city are as follows:

- Sapporo Snow Festival, with numerous snow monuments, is one of the biggest festivals in Japan and attracts more than 2.6 million people during two weeks;

- YOSAKOI Soran Festival, a dancing event, has developed into a major international event with over 30,000 dancers from all over the world;

- Sapporo Summer Festival, which allows enjoying the short summer and became popular for its big beer garden in recent years; and

- The Sapporo White Illumination was the first illumination event in Japan (1981), and is one of Japan's three major illuminations, with some 520,000 light bulbs.

Lastly, Sapporo is also known for its food, especially in Japan, and is one of the most popular gastronomic destinations. It is the sacred place of *sushi* and *ramen* which both became Japan's most famous dishes internationally, and other dishes that are well-known for its high quality made out of ingredients such as dairy products, vegetables and seafood. The following dish and places are particularly notable:

- The Sapporo beer, drunk and sold worldwide, is locally brewed. Visitors can learn about the production process in the city's beer museum and during brewery tours;

- Hokkaido is known for many manufacturers of high-quality sweets, and their flagship stores are concentrated in Sapporo;

- Shiroi Koibito Park, a theme park run by Ishiya, a local chocolate company, is a family spot featuring samples and exhibits of chocolate and cookies; it includes a train ride and garden area; and

- Central Wholesale Market, called the "refrigerator of Hokkaido", offers the freshest fish and is particularly known and popular for its high quality crab.

11.1.4 Tourism flows

In 2015, the city received total of 13.6 million visitors including day trippers and overnight guests (see figure 11.1). The number of overnight visitors from abroad has seen a steady increase compared to a slight decline in the number of domestic overnight visitors. The significance of international tourists for the tourism sector in Sapporo is increasing. In December 2015, the inbound market accounts for approximately half of all the market of the hotel industry in Sapporo.

11.1.5 Tourism source markets and seasonality

As explained before, the tourism trends in Sapporo seem to have been stable for the last five years at first glance; however, data of the different source markets have indicated a drastic change.

Looking at the structure of the inbound market of Sapporo which is rapidly growing, it is found that four main East Asian markets – China, Taiwan Province of China, the Republic of Korea and Hong Kong (China) – stand for 75% of the total. As it is the case for other Japanese destinations, Sapporo depends on the East Asian market on the inbound tourism. Due to its very rapid and steady growth, China ranks first since 2015. Meanwhile, demand from South East Asia has also increased in recent years, and the City of Sapporo pays more attention to this emerging markets.

On the other hand, Sapporo is relatively weak when it comes to the more matured non-Asian markets. Even the United States of America, the largest of the non-Asian markets, has a share of only 2.3% (see figure 11.2).

Figure 11.1 **Number of visitors to Sapporo, 2011–2015 (million)**
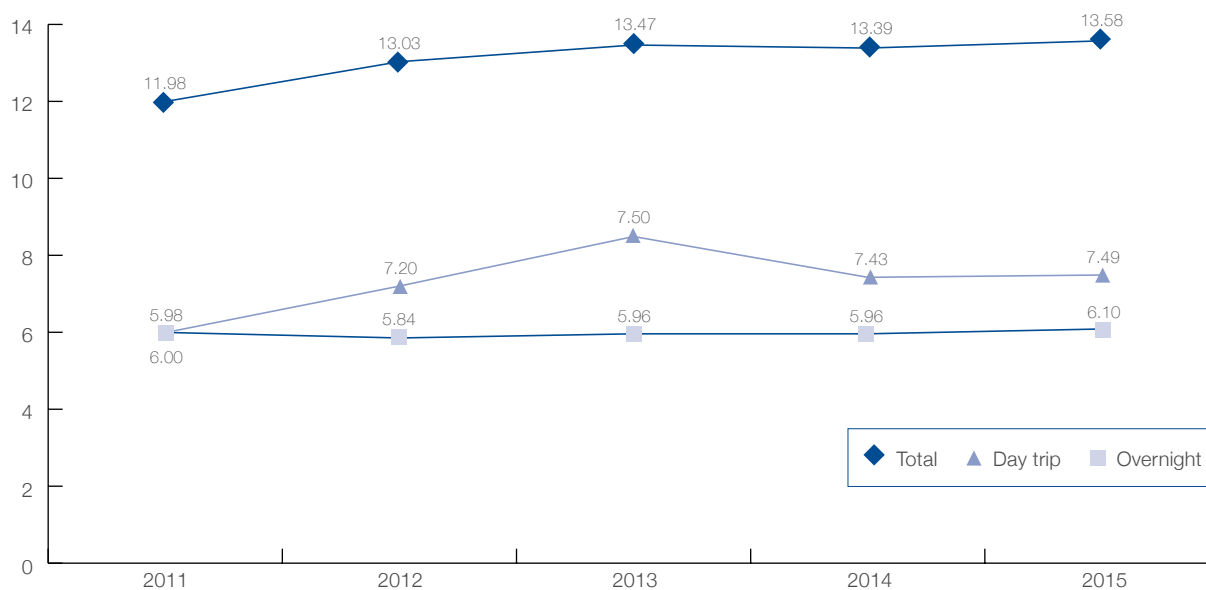
Note: Totals may vary due to rounding.

Source: Osservatorio Turistico Regionale (n.d.).

The accommodation demand from foreign visitors has been growing over the past 4 years and many hotels are able to maintain high occupancy rates, especially in summer season. Based on the increased demand, the number of accommodations in the city is slightly rising.

However, in the Jozankei Onsen area, which is recognized as a hub for tourist, the number of accommodation facilities have declined slightly over recent years due to a decrease in group travellers. Based on this, Sapporo intends to further develop activity programmes which aim at encouraging visitors to enjoy the abundant outdoor recreational opportunities (see figure 11.3).

11.1.6 Economic impact

According to the latest survey on Tourism Consumption of the City of Sapporo in 2011, tourism is estimated to bring EUR 2.84 billion on only direct consumption of visitors.[3] Furthermore, tourism generates 3.8% of GDP and 4.1% of total employment of the city.

11.1.7 Tourism enterprises

Sapporo has a total of 11,405 tourism related enterprises. The food and beverage sector accounts for the majority with 9,777 establishments, and almost half of these establishments are accumulated in Susukino, which is one of the most popular and well-known entertainment districts in Japan. Furthermore, the area between Odori Park and Susukino, the Tanukikoji shopping arcade, attracts tourists with lots of small restaurants and sundries. All of these spots located on the south side of Sapporo station form the touristic quarter of the city (see figure 11.3).

Table 11.1   **Number of establishments of tourism related enterprises, 2014**

| City	Number of Establishments
Accommodation	391
Hotel and ryokan	225
Other	166
Food and beverage	**9,777**
Restaurant	9,166
Take-away/catering	611
Transport	**1048**
Railway	530
Road	43
Air transportation	475
Travel agency	**12**
Entertainment	**177**
Total	**11,405**

Source: City of Sapporo (2016a).

Figure 11.2 **Number of foreign overnight visitors by nationality, fiscal year 2016 (%)**

Others (7.5)

United States of America (2.3)

Singapore (3.9)

Malaysia (4.1)

Thailand (7.1)

China (24.2)

Hong Kong, China (10.1)

Taiwan Province of China (21.5)

Republic of Korea (19.3)
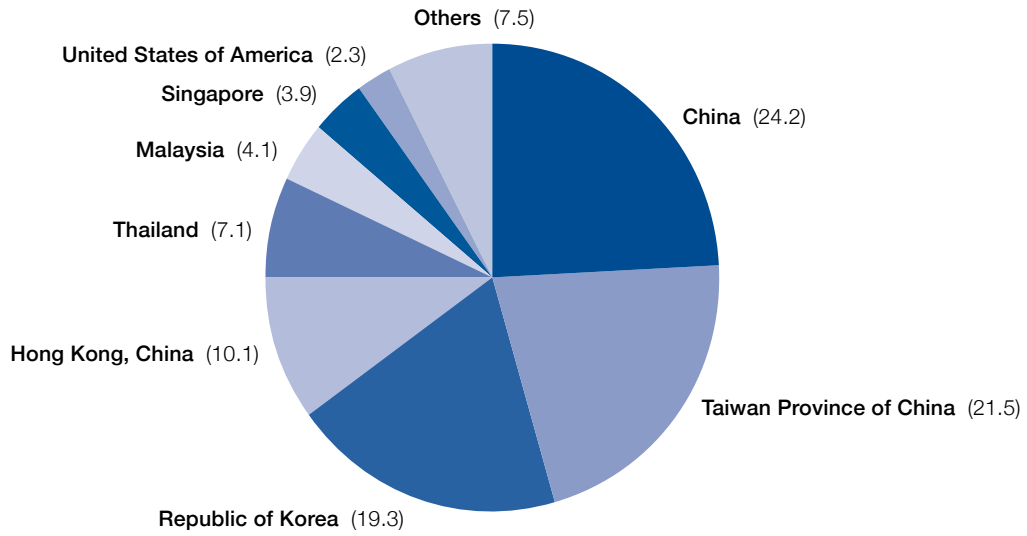
Note: The annual data is based on Japanese fiscal year (April to March).

Source: City of Sapporo (2016b).

Figure 11.3 **Occupancy rate at the city area (%)**

◆ International hotel   ▲ Other accommodations
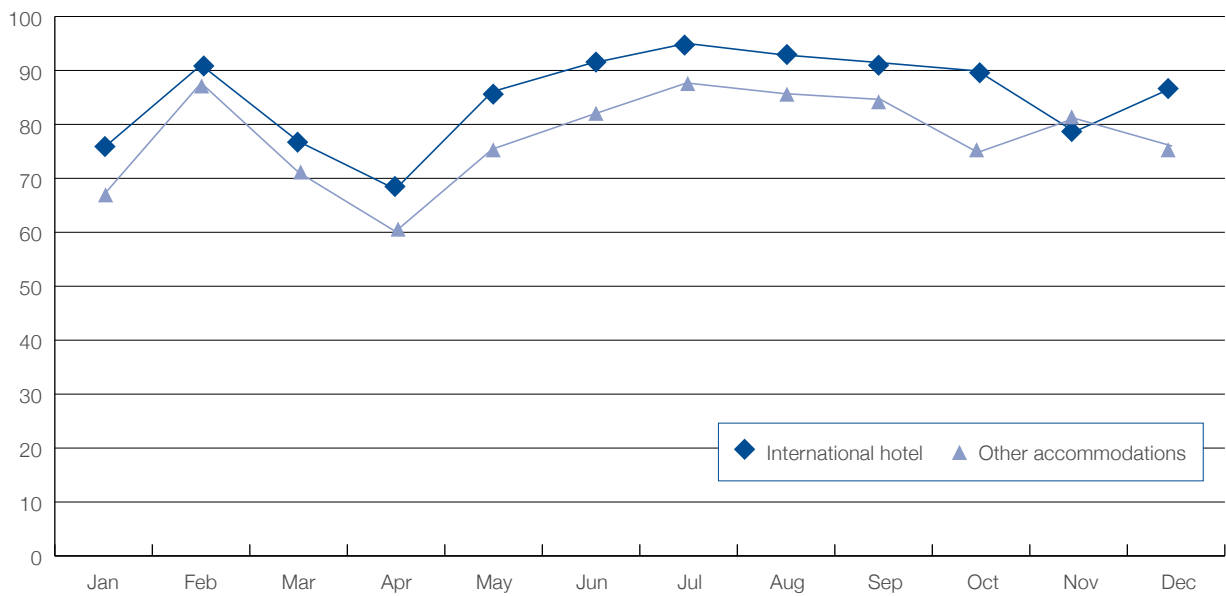
Note: This table does not include public-administrated accommodation facilities.

Source: City of Sapporo (2016b).

Sapporo in autumn.

11.2 Key performance areas

11.2.1 Destination management

Structure of the DMO

At the national level, Japan Tourism Agency is implementing various tourism policies through the Hokkaido District Transport Bureau. Japan National Tourism Organization focuses on promotional activities through overseas offices, travel exhibitions and websites. At the prefectural level, the Bureau of Tourism of the Hokkaido Government is in charge of policy making, and at the same time, it operates public private partnership project through Hokkaido Tourism Organization, the DMO of the prefecture of Hokkaido.

At the city level, the entity, managing the biggest budget, is the Tourism & MICE Promotion Department of the city. It is in charge of policy making as an administrative department, and promotional activities, tourism resource development and MICE promotion are also among its responsibilities.

Although the budget is smaller in comparison to the budget allocated for tourism by the City of Sapporo, the role of the Sapporo Tourism Association (STA) is extremely important in destination management of

Sapporo. STA is the only organization which both the public and private sector are committed to. The City of Sapporo provides EUR 0.49 million as a subsidy to support events coordinated by STA, and private enterprises pay a membership fee. In addition, the City of Sapporo and Hokkaido government pay a contract fee to the Hokkaido Sapporo Tourist Information Center Management Council, which is governed by STA, for outsourcing the management of the main tourist information centre located in the terminal station. As a result, the management of the tourist information centre involves four entities that differ in character and administrative level, and STA is a core player (see figure 11.4).

STA itself has gained EUR 2.33 million in the fiscal year 2016 from entrance fees, merchandising sales and tenant fees, in Hitsujigaoka Observation Hill which is the most popular tourist spot of the city. Thus, STA operates its own business to secure the fiscal stability, business strategy and its continuity. Though STA indirectly receives financial assistance from the City, the direct subsidy to the body of the association was only 15.6% in 2016 which is low compared to similar entities in other cities such as Tokyo, Nagoya Osaka and Kyoto where it exceeds 60%. The existence of such kind of association is very common in Japan; however, STA is unique due to its financial structure.

In what MICE is concerned, the department supports promotional activities and coordination through the Sapporo International Communication Plaza. The Mayor of the city is the chairman of this body and the majority of the budget is covered by subsidies from the city budget. The annual budget is around EUR 0.84 million and is spent on promotion for international exchange and support for foreign residents; however, around 80% of the project expenses are dedicated to MICE promotion.

The city itself also has a volunteer guide system with approximately 200 official guides. The beginning of this system was the training system for volunteer guides started in 1986. From 1994, the city has maintained it providing free guiding service at tourist information centres.

Sapporo Chamber of Commerce and Industry conducts the certification of the city guides once a year. Currently, it offers two types of guiding: services

Figure 11.4 **Destination management structure**
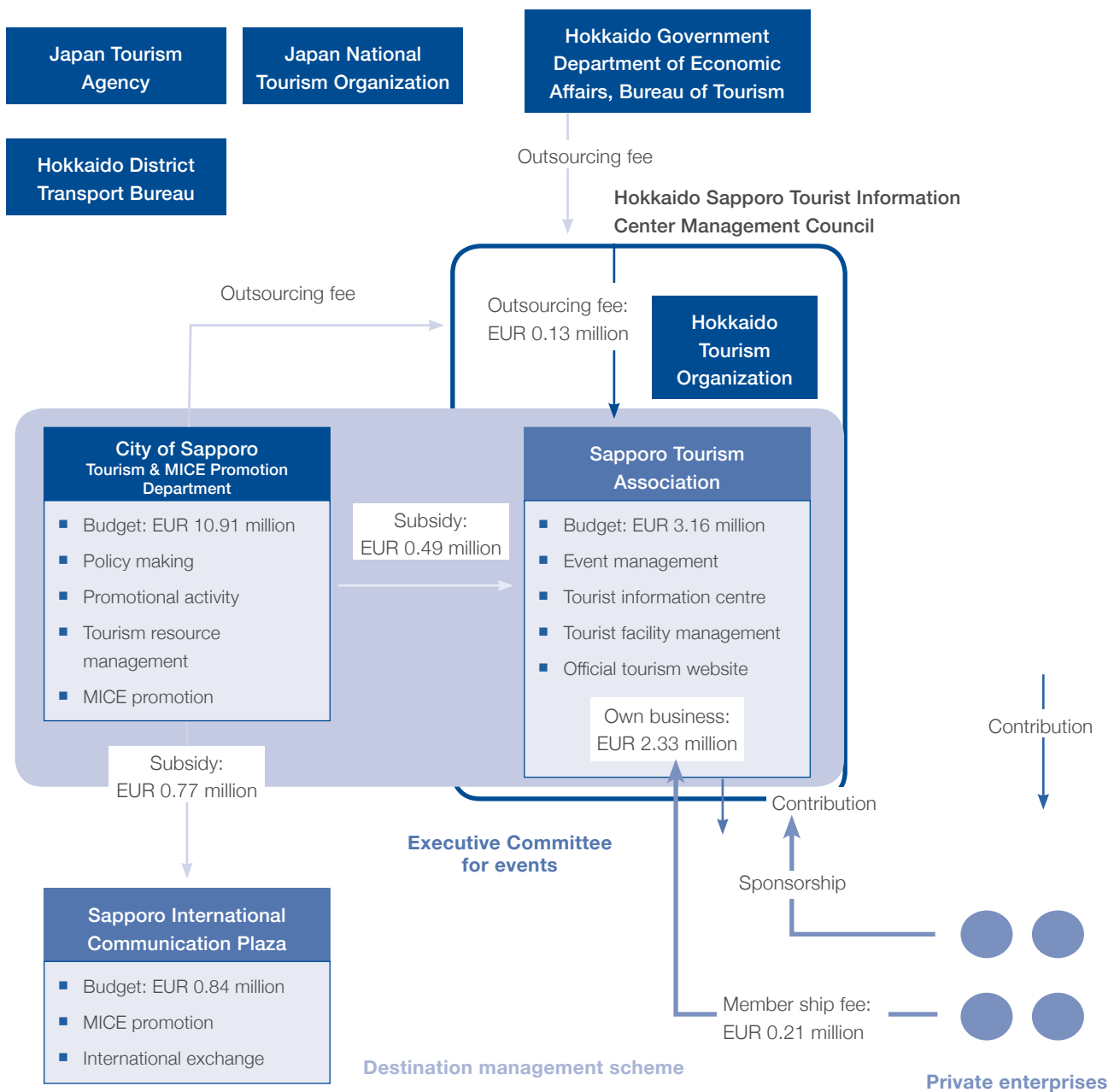
Source: City of Sapporo (2016).

corresponding to requests from travel agents and free guidance at tourist spots in the city. According to the organization, they intend to develop a nighttime guiding service and to improve the guiding in foreign languages.

Sapporo is not only a 2-million-city, but it is the administrative capital of Hokkaido. In that sense, it is pointed out that Sapporo's specific feature in relation to destination management is its multi-layered framework not only in the horizontal direction with public and private sectors in the city, but also in the vertical direction with the country and the prefecture. In such a complicated structural framework, STA plays an extremely important function. It can be said that it is an example of multi-layered and multifaceted destination management scheme, and it is totally different from DMO scheme by integration and concentration shown in various countries around the world. Although the Sapporo Tourism Association (STA) has not applied to become a Japanese style DMO, a new innovative concept promoted nationwide as a national policy by Japan Tourism Agency (JTA) has proven to be covering the function of a DMO to a great extent.

Tourism development policy

Sapporo indicates its destination management policy in the *Sapporo Tourism City Development Plan* formulated in 2014 and positioned under two political visions: (i) the Strategic Vision for City Development and (ii) the Industrial Development Vision.

The goal of the Strategic Vision for City Development is to improve the attractiveness, vitality, quality of life and conceptual image – which it aims to realize. It was defined in the following: "the world admired city which creates Hokkaido's future" and "the symbiotic city with diversity and spiritual richness". Based on this, the vision includes 8 basic strategies and 25 concrete policies.

Tourism is one of the most frequently appearing keywords in this vision:

- Tourism as a driving force to lead the industry advancement by utilizing local resources and to enhance competitiveness as a city;

- Sapporo must create new forms of city tourism with a variety of resources and maximize its economic impact;

- Tourism links local industry and creative industry through tourism;

- Enhance the collaboration with other municipalities in Hokkaido;

- Tourism is a core of city promotion;

- Improvement of public transportation is important from the destination competitiveness as well as city development;

- Integration and sophistication of urban functions contribute to tourism; and

- Promotion of agro-tourism is effective for conservation of agricultural land.

On the other hand, the Industrial Development Vision focuses on the more economic perspective of tourism in Sapporo and tourism is clearly emphasized as one of the priority areas with food, environment (energy), health and welfare/medical, and information technology and creative industry.

In addition, the following are identified as the basic strategies of tourism area.

- Basic Policy 1: development of more local and more unique tourism resources;

- Basic Policy 2: promotion by utilizing various media; improvement of facilities and services for foreign visitors; and

- Basic Policy 3: MICE promotion by utilizing the rich tourism resources and its urban function.

In addition, the city has formulated a concept of destination management. This ten-year plan from fiscal year 2013–2022 shows the goal of destination management: the collaborative tourism development by public private academic partnership (see figure 11.5).

Figure 11.5 **Framework of destination management related policies and strategies, 2000–2017**

January, 2000

Long-term Comprehensive Plan

October, 2013

Strategic Vision for City Development (–2022)

March, 2011

Industrial Development Vision

January, 2017

Industrial Development Vision (revised) (–2022)

January, 2012

City Promotion Strategy

March, 2014

Global Strategic Plan (–2022)

March, 2014

Sapporo Tourism City Development Plan (–2022)

March, 2015

Initiative for Tourism Development of Jozankei Area (–2022)

April 2015

Comprehensive Strategy on MICE Promotion (–2019)

2000   2011   2012   2013   2014   2015   2016   2017

Source: City of Sapporo (2016).

According to this plan, the City concludes the current situation of tourism in Sapporo as following:

- Due to the declining population in Hokkaido, the intra-prefectural tourism market will shrink more and more and it is necessary to develop new market;

- Since the growth of the inbound market in the future is expected to come mainly from East Asia, the city will collaborate with JTA and Hokkaido Government for effective promotional activities;

- To avoid economic and political risks, the target market must be diversified and defines that Europe, the United States of America, Australia and the Russian Federation will be the next target;

- The MICE segment is vital to make the tourism sector more stable and competitive, so the city will enforce the political support for hosting MICE events and improving venues;

- Increase awareness of events other than the already well-known ones, so that the city will be recognized as an all-year-around event destination;

- Increase the number of direct international flight and improve accessibility to/from Sapporo to enable the city to enhance its function as a hub;

- In order to increase the economic effect of tourism, it is necessary to expand the number of visitors and extend the duration of stay in the city;

- At the same time, it is necessary for citizens themselves to discover tourism resources and promote its attractiveness for maintaining domestic demand;

- For the efficient and continuous growth as a destination, improvement of satisfaction level and repeat visitation rate are indispensable; and

- Contribution by citizens to the diversification of tourism resources leads to responding to the demand from visitors and it will strengthen the competitiveness as a destination.

Based on this understanding, Sapporo developed the basic policy of destination management as "finding Sapporo style tourism".

The Sapporo Style is defined as three basic principles and includes:

- Locals become key actors by discovering, learning and enjoying Sapporo;

- More information leads to more emotion of visitors; and

- Providing visitor opportunities to touch the tips to enjoy Sapporo.

Public Private Academic Partnership

Sapporo is the main city of Hokkaido, and many headquarters of enterprises are located in this city. Businesses are strongly rooted in the region and they are very committed and actively collaborate with public sector entities, in particular in recent years. For example, *porocle,* a cycle sharing system in Sapporo, has been operating since 2008 as a corporate social responsibility project by Docon Co., Ltd, a general construction consultant company based in Sapporo. Also, the North Pacific Bank, LTD. and Sea and Nissenren S-CORT Co. Ltd, a local credit card company, have been participating in the development of city guide map for foreign individual travellers (FIT) through the Society for Promotion of Creative Tourism from 2015.

Also known as one of the seven former imperial universities established by Meiji government, Hokkaido University exerts a certain presence in policy making, and other universities and public and private institutions do as well. The existence of Academia greatly contributes to the innovation of Sapporo as a tourist city.

For example, the Society for Promotion of Creative

Tourism is also a unique public private academic initiative in Sapporo. It has been founded with the objective of providing research and allows individual collaborators such as students, professors, officers of the municipal administration and employees of various private enterprises to contribute and join the Society as a researcher. This approach enables participants to engage to tourism policy of the city from academic perspective and leads to development of landmark and strategic tourist spots and new business model in the city.

Marketing strategy and USP

Considering the consolidated and challenging seasonality pattern, events and festivals have an extremely important role in Sapporo's development strategy. It is a very common approach to hold short-period events to increase the number of tourists in a specific season, however, in the case of Sapporo, the city tries to fill the calendar with events throughout the year. The existence of Odori Park, created by the grid-like urban plan that imitated Kyoto, and its size of the economy as a 2-million city, enable Sapporo to follow such strategy.

The fact that the events are always being held in the city centre connects them to the city's entertainment and dynamics. This image is being promoted by media and the visitors act as multipliers in word of mouth promotion. At the same time, the fact that citizens maintain the initiatives and ownership of events, leads to create the image of rich urban life.

As mentioned before, the concept of destination management is "finding Sapporo style tourism" and the key function of the events is not attracting many tourists, but creating the image of a livable city with abundant attractions shaping the appeal of city life and urban characteristics in Sapporo, the national park and the hot spring area. All stakeholders involved in destination management consider the lifestyle as the greatest attraction in the destination's marketing and positioning.

In recent years, Sapporo promotes its night-time appearance as a new tourist attraction; however, it does not mean exclusively creating attractions for

Susukino District.

tourists. The citizen themselves enjoy the "light of the town" on a daily basis, and they now open a part of it to tourists.

Performance measurement tools

In Sapporo, a survey on tourist satisfaction is conducted on an annual basis. The city adopts two different methods for each market: (i) online research for Japanese tourist and (ii) face-to-face interview for foreign tourists. The result is utilized as a reference for deciding on priorities of the tourism policy for the next fiscal year.

For international visitors, except for the Wi-Fi, the satisfaction level of all the subjects reaches almost 95%. Contrary, the satisfaction level of domestic tourists tends to decline slightly.

According to the survey, the repeat visitation rate of foreign visitors has grown in the past five years. The rate, which was only 30% in 2012, increased to 41% in 2016. More than 70% of domestic tourists have visited Sapporo more than one time. As many Japanese companies have branch offices in Sapporo, the demand of business travel is relatively high and leading to a high repeat visitation rate. In addition, Hokkaido's share in educational school trips contributes to this number.

11.2.2 Technology and new business model

Peer economy

With the declaration of Eco Capital Sapporo in 2008,[4] the city had implemented various measures and strategies to mitigate the environmental impact of urban city life for many years. The improvement of productivity and the efficiency of civil life is an important issue for Sapporo and the promotion of peer-to-peer economy is an essential component of the cities policies.

However, due to the regulations by the Government, car sharing services such as Uber only provide limited services or are restricted to participation in pilot projects. Although Sapporo City is very active in promoting the peer-to-peer economy, it is still in the initial stage on the national level.

Shared accommodation is currently the hottest topic in the tourism industry in Japan. For many years, national regulations did not allow accommodation services in general housing facilities. However, some conditions have been relaxed by the amendment of the law in 2017. The number of available accommodation of that kind reached 1,263 in November 2017 and is expected to grow.[5]

The significance of shared car and vehicle services is still very limited. Although the City of Sapporo has played a leading role in this area due to the designation as a special regulatory zone for car sharing by the Ministry of Internal Affairs and Communications in 2005, only 360 cars are being provided through providers today.

Shared bicycle services are owned by a private company. Docon Co., Ltd., a general construction consultant company, started this activity in 2011. The project originally took off as a corporate social responsibility (CSR) project after a pilot phase and discussion for two years named *porocle*. From the beginning it was a commercial activity run by the company, and – at the same time – a public, private and academic partnership. The bicycle ports were set in public spaces such as public roads, in proximity to the city hall and the tourist information centre. In addition, university students are still involved in the operation, for instance ticket sales, promotional activities and the maintenance of the bicycles.

Smart city

In order to respond to the challenges of the phenomenon of the aging society, and to reduce environmental impact, the smart city concept was identified as one of the fundamental policies of Sapporo. Particularly, the use of ICT is seen as an essential resource for the competitiveness of the city. In November 2013, Sapporo joined the UNESCO Creative City Network, and became a Media Arts City, as the first in Asia, and the second in the world after Lyon in France.

Based on this understanding, the City established a special department responsible for the ICT strategy and developed the ICT Utilization Strategy to improve the smart city concept continuously. The strategy composes of six concrete measures to achieve the goal which is identified on the Strategic Vision for City Development as the overall vision. To evaluate the effect of the measures, three indicators were set as Key Performance Indicators (KPI) of the strategy and these underline the basic idea that the public private partnership matters to realize the smart city.

Based on this political direction, each tourism-related municipal department has implemented a number of projects. For instance, the Tourism and MICE Promotion Department has set up 387 free Wi-Fi spots in the city. This service is available for both tourists and residents, and its service area covers almost all the major tourist spots of the city and helps to give smart access to information. Utilizing the access data of this, Sapporo started analyzing the data and a pilot experimental programme was initiated in order to better understand and influence people's flow as mentioned in the next chapter.

Smart sensors for traffic control were also applied. The Transportation Bureau installed real time information service about the streetcar (tram) based on the collected data. All the streetcars/trams and stations are equipped with a sensor that is connected to the Internet and they provide the location of unit. It helps not only to alleviate congestion and reduce waiting time, but also improves barrier-free public service.

To control traffic and air/water quality, the city has installed sensors and provides real-time information. In addition, the real-time information service about ambulance, emergency, fire, weather and air quality is available through the city website or email mailing service. The traffic related information collected through these sensors are all controlled at the prefectural level (see figure 11.6).

Open data

Sapporo strongly promotes the concept of open data based on the ICT Utilization Strategy by collaborating with universities, public institutions and private companies. The Sapporo Open Data Council which is established as a public and private partnership introduces various applications on its website. Currently there are five applications available for iPhone. In addition, the city itself has developed seven mobile applications covering a variety of subjects including tourist information, child rearing support, and information on garbage collection.

At the same time the city fully complies with the strong regulations in what data protection and confidentially is concerned.

Figure 11.6 **ICT Utilization Strategy**

Strategic goals

The globally admired city

The leading city for the Hokkaido's future

The symbiotic city with diversity and happiness

Key performance indicators	2015 (%)	2019 (%)
Percentage of those who have utilized electric administrative service in past one year	56.8	65.0
Percentage of enterprises which plan to innovate the own business through ICT year	15.3	18.2
Percentage of enterprises which intend to utilize the open data	35.9	50.0

Basic measures

Improvement of quality of life through ICT
- Enhancement of administrative service through ICT
- Improvement of occupant comfort through ICT

High security and safety in civil life
- Development of advanced management system for disaster control
- Elevation of medical and welfare service through ICT

Industrial promotion
- Expansion of private initiative in ICT industry
- Development of tourism and its related sectors through ICT

Diversification of employment pattern
- Promotion for in-house work
- Support for recruitment for local personnel

Capacity building
- Development of ICT educational programmes
- Establishment of open-data platform for civil activity

Efficient administrative service
- Simplification on administrative procedure
- Public private academic partnership on ICT

Source: City of Sapporo (2017).

Sapporo Snow Festival.

11.3 Success stories

11.3.1 Sapporo Snow Festival

Introduction

The Sapporo Snow Festival was first organized in 1950, with six small snow statues at Odori Park, made by middle and high school students. 50,000 citizens enjoyed square dancing and watching movies, surrounded by the snow statues. This was a welcome pleasure during the dark and cold winter typical for Sapporo.

Over the years the scale of the event expanded, and the Self Defense Force joined in the production of big snow statues already in its sixth edition. It started with only one venue and as a one day event but has since developed into a two week-long festival at three different locations. As a result, it is now one of the biggest winter events known internationally. During the event, various snow statues, large and small, and stalls of food and drinks, skating rinks and various shows attract visitors.

Outcome and impact

According to official data, the number of visitors to the festival reached 2.6 million in 2016, following a steady growth in recent years. Especially for tourists from Southeast Asia, where it never snows, the festival provides the great motivation to visit Hokkaido in winter.

In addition, it has contributed to create a global destination image as a snow city and enhanced the public private partnership in destination management. The total budget of the festival in 2016 was EUR 3.39 million, and STA, the main entity of the event, covers only some part of it. Sapporo adds the biggest share with 78.3% and private companies cover the rest, by direct sponsorship or through the Sapporo Chamber of Commerce and Industry. The event has an essential role externally, as a brand, and internally, as a facilitator for public private cooperation.

The festival has been strategically used for its destination marketing. This event is not merely intended for the purpose of attracting visitors for two weeks, but it functions as a mid- to long-term destination management and marketing tool:

Ski Jump.

- The event is strategically planned to draw attention from domestic and foreign media and potential visitors. In many cases, the design of the snow statues represents world heritage, famous architecture, events of that year, and scenes of hit movies under the collaboration with governments, tourism authorities, and private sectors of various countries;

- When the Winter Olympic Games were held in 1972, the statue of a giant Gulliver's travel memento was delivered to the world through television, leaving an imprint with people all over the world;

- As the venues are set in the north and south of the city, the tourist flow is geographically decentralized to reduce congestion in the crowded city and to maximize the economic impact;

- The Sapporo Snow Festival was originally created by and for citizens and it remains so, it contributes to create identity and improve the residents' sentiment to the city; and

- As the budget is covered by various entities, the event functions as platform for public private partnership.

Sculpture in Moerenuma Park.

11.3.2 Promotion of in-city round trip based on big data analysis

Introduction

Sapporo and Nippon Telegraph and Telephone Corporation (NTT) are implementing a project which aims at steering tourist flows through providing information in real time. The necessary data is being retrieved from GPS data of mobile phones, location tracking through the city's free Wi-Fi service and by the analysis of Social Media such as Facebook and Instagram.

The figure below shows the number and amount of time Taiwanese tourists spent in different locations or attractions in winter 2016. According to the results, the number of Taiwanese tourists visiting Nakajima Park was relatively small; however, the time of duration of stay was quite long. By analysing Social Media activities, the project team came to the conclusion that many Taiwanese visitors were enjoying free ski activities (see figure 11.7).

Based on this, the city intended to actively influence the Taiwanese tourist flow in a pilot project in 2017. In collaboration with NTT, the City provided information on ski activities to Taiwanese tourists through smart phones.

Outcome and impact

As a result, the number of participants in skiing activity at Nakajima Park has seen a tremendous growth of 218% compared with the previous year.

This project is still a trial stage; however it shows some interesting results such as:

- Real-time promotion through big data analysis may work effectively in certain segments;

- Especially for travellers from Asia who frequently use smart phones while traveling, it is effective to deliver the real-time information through smart phones; and

- In a relatively wide destination such as Sapporo, it can help to reduce congestion and improve decentralization of tourist flows.

Figure 11.7 **Big data analysis about Taiwanese tourist flow, February 2016**
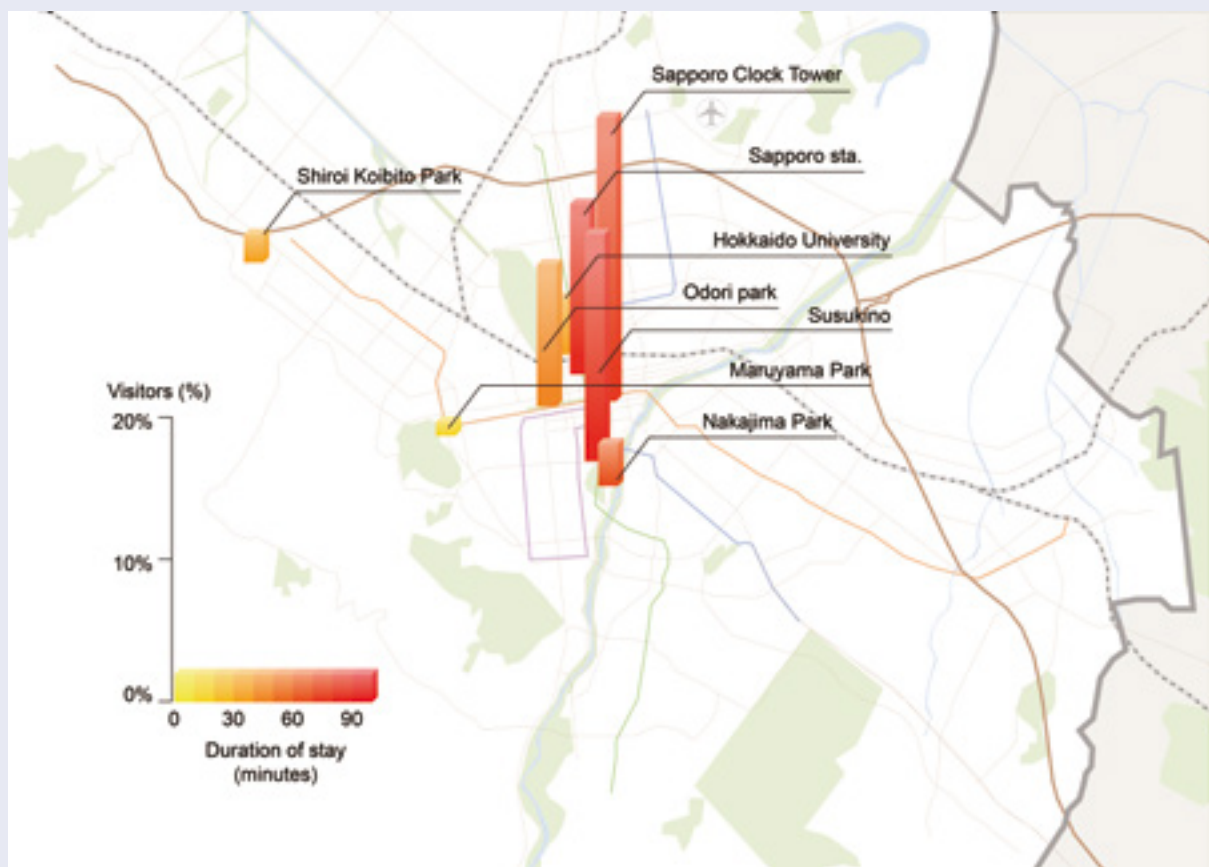
Source: Nippon Telegraph and Telephone Corporation.

Chapter 11 Endnotes

1   Parks and Open Space Association of Japan (2016).

2   Ministry of Land, Infrastructure, Transport and Tourism (2016).

3   Calculated 1 EUR = 130 JPY.

4   City of Sapporo (2008).

5   The number based on AirLABO (http://airlabo.jp) as to 6th November.

TOKYO
JAPAN

12

Tokyo Skyline with Rainbow Bridge.

12.1 Introduction

12.1.1 Basic facts

With a population of 13.5 million, Tokyo is one of the largest metropolitan areas in the world. Tokyo is located in the Kanto region on the southeastern side of the main island Honshu and covers a large area of 2,190 km^2.

The city is the seat of the Government of Japan, as well as home of the Japanese Royal Family. In 1603, Shogun (General of the Samurai) Leyasu Tokugawa installed the Government in this area, then formally known as *Edo.* The city changed its name from Edo to Tokyo when the Emperor Meiji moved his seat from the old capital of Kyoto in 1868.

The Tokyo Prefecture consist of the 23 Special Wards of Tokyo (each governed as an individual city), 39 municipalities in the western part of the prefecture (TAMA area) and the two island chains; Izu islands and Ogasaware islands, registered as UNESCO World Natural Heritage Sites in 2011. Tokyo is offering a great variety of experiences to tourists from all over the world ranging from urban life to great nature experiences.

It is known that Tokyo is one of the world's richest urban agglomerations that generates around JPY 94.9 trillion (USD 844 billion), which accounts about 19.4% to Japan's GDP (FY2014)[1]. According to the Global Power City Index,[2] Tokyo was ranked 3 among 42 major cities in the category of 'economy'. The city is a hub for heavy and light industries as well as highly diversified manufacturing base. Corporations with headquarters or production sites in other parts of the country often have large offices in Tokyo.

Tokyo has a mix of ultramodern and traditional tourist attractions, ranging from neon-lit skyscrapers to historic temples, which contributes to the city's reputation as one of the most popular international tourist destinations. Visitors often feel attracted by its urban landscape, unique culture, natural beauty and sophisticated transportation infrastructure.

12.1.2 Infrastructure, transport and connectivity

The city has a cutting-edge transport infrastructure, comprising an airport, road and public transport, and railway operating to domestic and international visitors. Tokyo has two major international airports: Narita and Haneda International Airports. Narita International Airport, located 60 km from the central Tokyo, remains the leading airport for international

arrivals. Considering 2020 Tokyo Olympic and Paralympics Games, Haneda airport's Terminal 2 will open up its international flights from 2020. In 2016, 10.8 million foreign passengers entered Narita Airport and Haneda Airport. This is 46.7% of the 23.1 million foreign passengers entering Japan through national airports and ports.

Tokyo has the most sophisticated and modern rail and subway network. Over 10 railway companies provide over 60 lines. Tokyo station is the centre of the bullet train network that links Tokyo with other flagship destinations in the country such as Kyoto and Osaka. Considering the Olympic Games ahead, East Japan Railway plans to pre-open a train station between Tamachi and Shinagawa stations in 2020. In addition, JR East is renovating seven other stations in Tokyo, which will be closest JR station to the main stadium.

12.1.3 Overview of key attractions

Temples and Shrines

- Zojoji (Temple): An important cultural monument, preserved as the perfect example of Japanese Buddhist temple architecture. During the Edo period, the Temple was the Tokugawa's family place of worship (ruled from 1602–1867); and

- Meiji Shrine: Meiji Jingu is a Shinto shrine. Shinto is Japan's ancient original religion, and it is deeply rooted in Japanese life. Emperor Meiji passed away in 1912 and Empress Shoken in 1914. After their demise, people wished to commemorate their virtues and to venerate them forever.

Japanese gardens and parks

- Imperial Palace (Kōkyo): The current Imperial palace is located on the former site of Edo Castle, a large park area surrounded by moats and massive stone walls in the centre of Tokyo, serves as the residence of Japan's Imperial Family; and

- Shinjuku Gyoen National Garden: The Park has many types of trees, flowers and a great greenhouse with wonderful orchids and tropical plants. Well known spot for Hanami (Cherry blossom viewing).

Theme parks and zoos

- Tokyo Disney Resort®: One of the leading theme parks that attracts more than 30 million visitors a year; and

- Tama Zoological Park: In this unique zoological park only one hour from central Tokyo by train, animals are displayed under natural and spectacular habitats set up in its vast land of 52 ha.

Other

- Asakusa: A popular district in Tokyo that offers pedestrianized streets, old-style accommodation, food outlets, temples, etc.;

- Akihabara: One of the busiest shopping centre for electronic goods and anime (manga) goods. Also Akihabara Fukuro, nice looking place with many different kinds of owls is also popular;

- Tokyo Tower: One of the famous city towers, serving millions of visitors;

- Roygoku Kokugikan: Traditional indoor arena for Sumo wrestling;

- Edo-Tokyo Museum: A museum to learn the culture and history of Edo Samurai in Shinjuku;

- Robot restaurant (Shinjuku); and

- Shinjuku VR Zone: The new virtual reality facility in the entertainment Tokyo.

12.1.4 Tourism flows

According to the statistics of Japan National Tourism Organization (JNTO)[3], the number of tourist arrivals (both domestic and international tourists) to Tokyo have been increasing over the last twelve years in

Shibuya Crossing.

absolute terms.

The number of international arrivals decreased in 2009 mainly as a result of the collapse of Lehman Brothers in 2008. Later in 2011, a 31% decline in international tourist arrivals and 8.8% in domestic arrivals occurred mainly due to the tsunami, earthquake, and the subsequent nuclear disaster striking the country. Soon after this natural disaster, a rapid rebound in the tourism industry has been recorded. The international arrivals growth rate reached its maximum peak in 2012 when it increased by 36%, whereas the domestic arrivals went up by 10%.

According to Euromonitor International, Tokyo is attracting about 51% of international tourists followed by Osaka, with about 24%.[4] Euromonitor stated that the growth of international tourists to Tokyo is contributed by the increase in airline seat capacity, in low-cost flights, and visa relaxations (see figure 12.1).

Tokyo Metropolitan Government published a study that shows the most visited tourist spots by international tourists. It indicates that in 2014, the top-five most visited places were Shinjuku and Shin-Okubo, Ginza, Asakusa, Shibuya and Akihabara. These places are located in the central Tokyo area and characterized by shopping, food outlets, electronic goods and, luxury brands.

Visitors to Tokyo tend to have an active holiday, including sightseeing and visiting different attractions such as amusement parks, museums and art galleries. Data indicates that more than 88% of tourists arriving in Narita and Haneda International Airports are arriving for sightseeing purposes. Around 35% of international tourists stay 4–6 nights and around 28% of travellers to Tokyo visit with their families.

12.1.5 Tourism source markets and seasonality

According to international airport passenger arrivals in 2016, China ranks first (2.2 million), Taiwan Province of China second (1.4 million), the Republic of Korea third (1.2 million) and the United States of America fourth (1.0 million). After that, Hong Kong (China), Thailand, Australia, the Philippines, Singapore, the United Kingdom and France follow (see figure 12.2).

Tokyo is regarded as a global financial hub as well as an attractive leisure destination, which is why the city does not experience significant seasonality patterns. With the exception of the peak periods during the cherry blossoms and autumn foliage seasons, demand is relatively constant throughout the year.

Figure 12.1 International tourist arrivals to Tokyo, (× 1,000)

2004	4,180
2005	4,489
2006	4,808
2007	5,330
2008	5,336
2009	4,760
2010	5,942
2011	4,098
2012	5,562
2013	6,812
2014	8,874
2015	11,894
2016	13,102
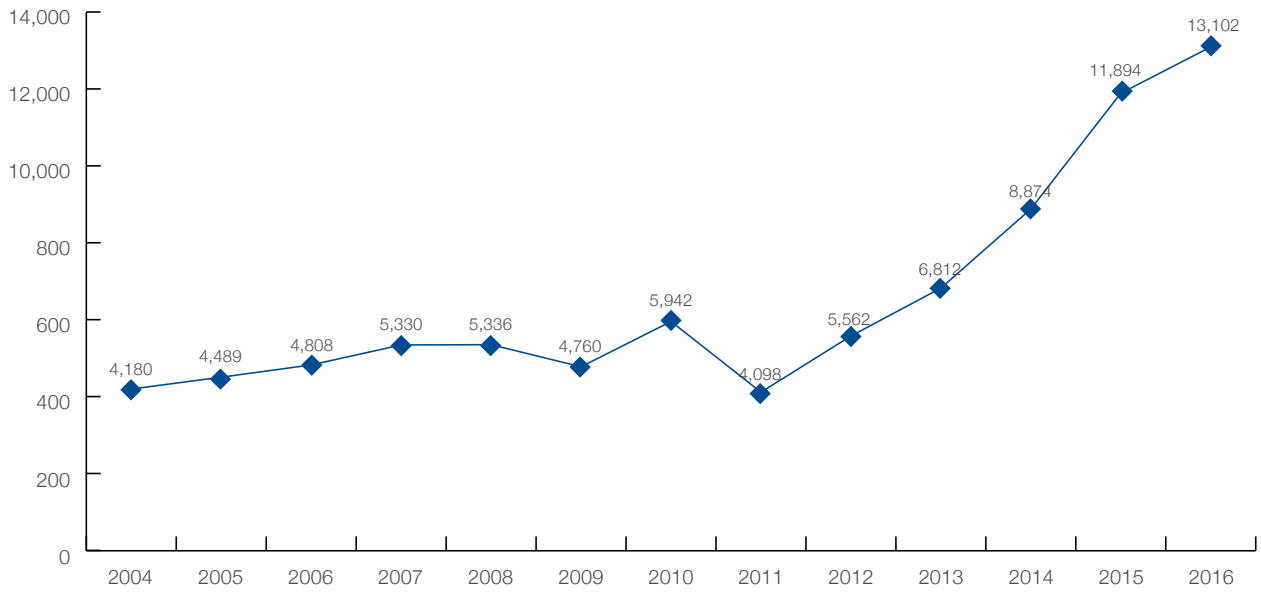
Source: Japan National Tourism Organization (2017).

Figure 12.2 Number of major incoming markets by arriving airports, 2016 (× 1,000)

China	2,188
Taiwan Province of China	1,398
Republic of Korea	1,213
United States of America	1,344
Hong Kong (China)	543
Thailand	495
Australia	338
Philippines	273
Singapore	246
United Kingdom	219
France	202
Canada	199
Malaysia	192
Indonesia	190
Germany	142
Viet Nam	141
India	104
Italy	99
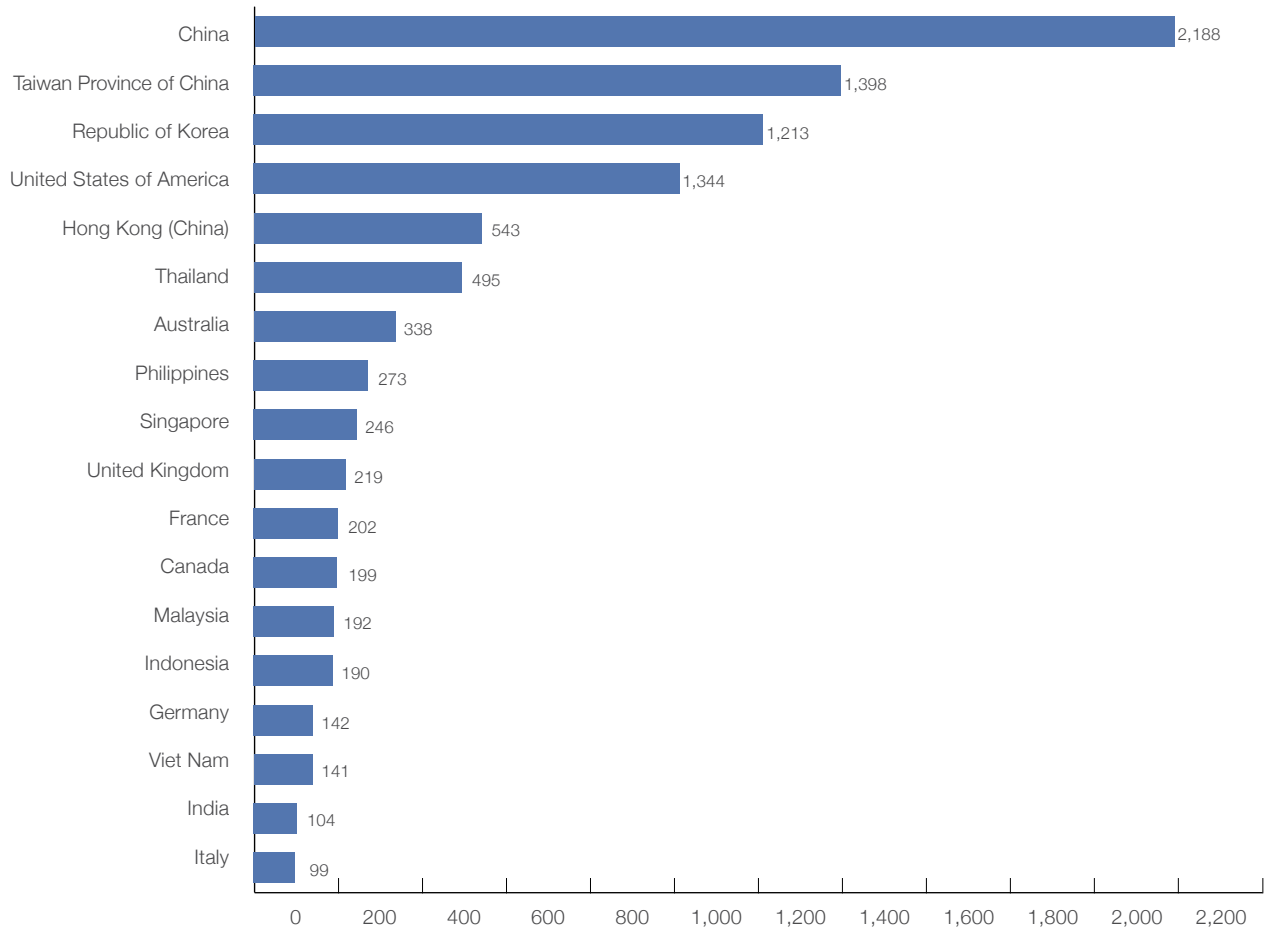
Source: e-Stat, Portal Site of Official Statistics of Japan.

As for the occupancy rate, the STR[5] data indicated that there is a long-term upward trend in hotel occupancy rates in Tokyo. As of 2016, April and October are the two peak seasons when hotel occupancy rates reach its max (see figure 12.3).

six hotel openings, counting a total of 1,800 rooms, and all of them in the central Tokyo area. In preparation for the Olympics, an increased hotel development activity in the areas nearby to the Olympic Village, such as Shiodome, is expected.

12.1.6 Tourism enterprises

As of 2014, there were 700 hotels with more than 100,000 hotel rooms in Tokyo city. According to HVS,[6] the supply of hotel accommodation in Tokyo has historically remained stable with a low compound growth of 2% between 2005 and 2014. However, hotel room supply in Tokyo rose from approximately 87,000 to 100,000 rooms in 2014. Numerous new hotels opened across the central Tokyo area. This expansion was partly contributed by midscale hotel development such as APA Hotels & Resorts' with

Figure 12.3 **Accommodation occupancy rates in Tokyo (%)**
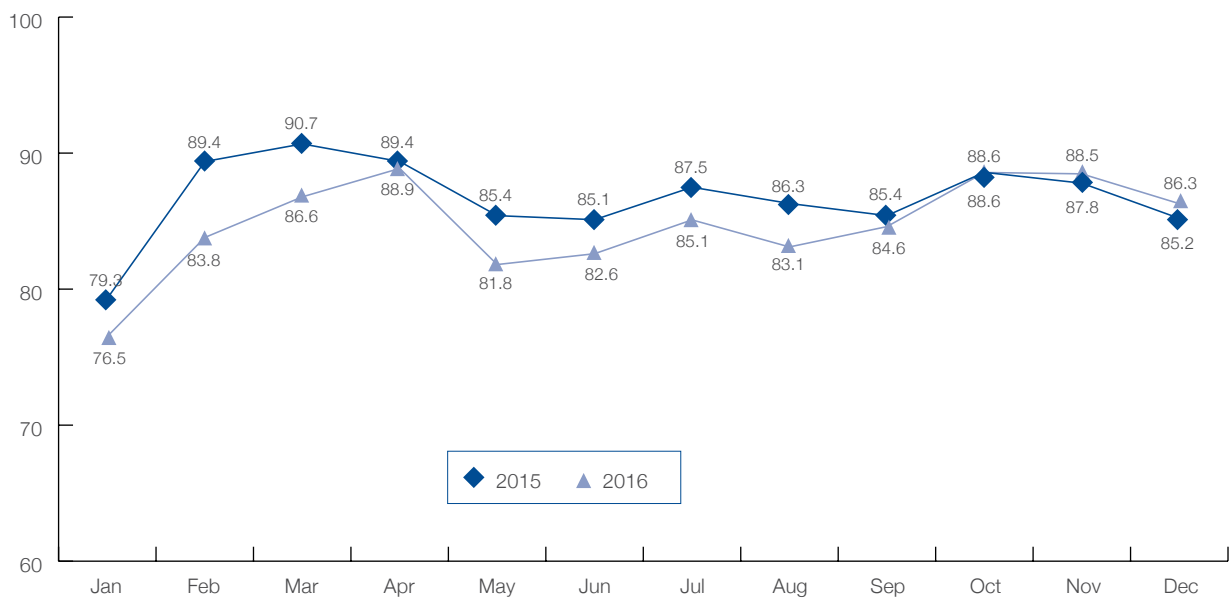
Source: STR (Smith Travel Research), 2015–2017.

Autumn in the Shinjuku Park.

Airbnb has also a significant presence in Tokyo. Shibuya, Shinjuku and Minato Wards are the top-three leading wards in Tokyo in terms of concentration of Airbnb listings. This year in June, Japan's legislature approved a new law allowing Airbnb hosts to rent homes and apartments in the country.

12.2 Key performance areas

12.2.1 Economic perspective

Tourism employment

The Japan Tourism Agency indicates that in 2015 6.3 million jobs were directly related to tourism activities in Japan.[7][8] Among these jobs, the food and beverage sector contributes the biggest share, which is 3.4 million jobs. Sports and recreation (0.7 million), road transport (0.6 million), and accommodation (0.6 million) follow in terms of job numbers.

Several government stakeholders including the Tokyo Chamber of Commerce play a vital role in terms of strengthening jobs in the local economy. According to the interview with Tokyo Chamber of Commerce,[9] small and medium-sized enterprises, including those engaged in the accommodation, restaurants and other tourism related services have been given support in order to stay competitive. Some of the support includes employment, financial, legal, and other professional support.

According to a survey conducted by "the Service RENGO, which is the leading organization of labour unions of the Japanese Tourism and Hotel industry,

in 2016, 60% of the total workers were contracted on permanent contract basis, 40% on fixed term basis and 64% of fixed terms workers had contracts for periods shorter than one year.[10]

Economic impact

The consumption of travel and tourism industry contributes about JPY 25.4 trillion (USD 225.8 billion) to the GDP in 2015 as it was only JPY 23.8 trillion (USD 212.6 billion) in 2010. The Japanese domestic overnight travel and day trip solely contributes more than 82% of the total contribution. On the other hand, consumption by international visitors (inbound consumption) almost doubled from JPY 1.3 trillion in 2010 to JPY 3.3 trillion (USD 29.3 billion) in 2015. International tourism is recognized as a significant driver for growth in the Japanese economy and is expected to continue playing an important role in economic revitalization at national and local level (see figure 12.4).

Economic impact of events

The number of international conferences held in the Tokyo Prefecture increased by 26% from the year of 2006. Meanwhile, the number of international conferences held nationwide in Japan over the same period increased by almost 71%, since the rural municipal governments have actively promoted the acquisition of international conferences recently. The plan to expand or improve the capacity for international conferences in the Tokyo Metropolitan Area would need to be carefully observed in order to catch up with the international demand along with the given capacity of accommodations.

Though the data for total number of events in Tokyo is not available, the number of events (exhibitions) that have been held in the Tokyo Big Sight, one of the largest convention and exhibition centre in Tokyo, hosted a total of a 304 events in 2016, with more than 14.6 million participants.

In order to promote events in the city, Tokyo Metropolitan Government has some support schemes both for the organizers as well as organizations promoting events. According to the interview with Tokyo Metropolitan Government,[11] it was stated that the government is providing a financial support to organizers in order to promote their event outside Japan.

In addition, the Tokyo Metropolitan Government is working to promote the use of venues such as art museums and gardens and MICE facilities in Tokyo

Figure 12.4 **Travel and tourism contribution to Japanese economy, 2015 (%)**

International visitors' travel in Japan (13)

Domestic spending of Japanese travelling abroad (5)

Japanese domestic overnight travel (64)

Japanese domestic single-day travel (18)
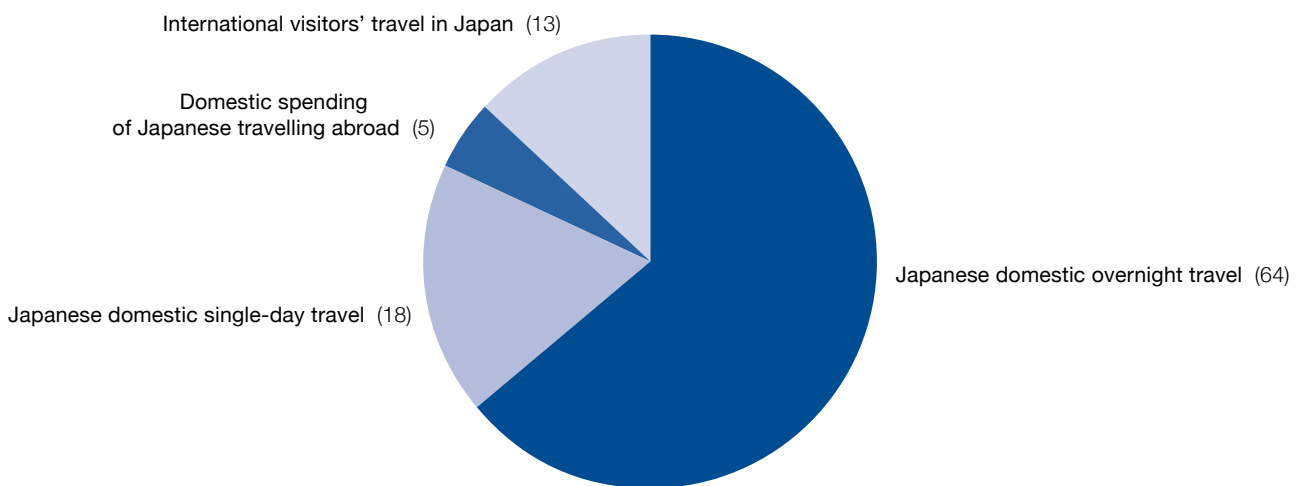
Figure 12.5 Tourism revenues per visitor by selected source markets (USD)

	2014	2015
Republic of Korea	736	725
Taiwan Province of China	861	1,041
China	2,059	2,209
Hong Kong (China)	1,432	1,444
Thailand	866	1,013
Singapore	1,432	1,444
Malaysia	1,110	999
India	1,486	1,438
Indonesia	748	960
Philippine	1,095	887
Viet Nam	980	1,324
Australia	1,195	1,217
United States of America	1,222	1,267
Canada	1,012	959
United Kingdom	1,193	1,133
Germany	1,153	1,060
France	1,545	1,137
Italy	997	1,267
Spain	1,127	1,092
Russian Federation	1,201	1,523

Source: Tokyo Metropolitan Government (2016).

Table 12.1 **Daily spending per visitor, 2016 (USD)**

		Type of tourists by their place of residence	
		Japanese residents	**Foreign visitor**
Overnight tourists to Tokyo	Leisure purposes	297	816
	Business purposes	375	945
Same-day tourists to Tokyo	Leisure purposes	78	277
	Business purposes	59	275

Source: Tokyo Metropolitan Government (2016).

as unique venues. In line with this effort, the Tokyo Convention & Visitors Bureau has created pamphlets aimed at local and overseas businesses, showcasing these unique venues and the aspects of Tokyo's charm they reveal.

Tourism spending

The average consumption by foreign tourists in Tokyo was JPY 151,626 (USD 1,348) in 2015, 12.3% up from the previous year. On average, Chinese travellers spend more than visitors from other countries. In the Asia Pacific region, Hong Kong (China), Singapore, and India ranks in the next position in terms of expenditure. In the case of travellers from European source markets, Russian visitors spend significantly higher amounts compared to their counterpart European source markets (see figure 12.5).

Looking at the breakdown of the revenue per tourists in Tokyo by the selected source markets, the spending on souvenir and shopping from Asian tourists (China, Hong Kong (China) and Singapore in particular) is

Table 12.2 **Inbound tourism expenditure**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Inbound expenditure (USD billion)	11,94	13,06	12,75	10,4	11,97	8,87	11,5	14,67	19,62	29,39
Changes from the previous year (%)	24,40	9,40	-2,40	-18,40	15,00	-25,90	29,60	27,70	33,70	49,80
Exports of goods and services (USD billion)	743,73	827,13	806,84	545,04	669,07	652,11	640,09	712	801,38	831,89
Changes from the previous year (%)	13,90	11,20	-2,50	-32,40	22,80	-2,50	-1,80	11,20	12,60	3,80
Inbound tourism expenditure/ exports of goods and services (%)	1,60	1,60	1,60	1,90	1,80	1,40	1,80	2,10	2,40	3,50

Source: Japan Tourism Agency (2017), Research study on economic impacts of tourism in Japan.

Cherry Trees along Meguro River.

the highest. However, Indian travellers spend less on souvenir and shopping than their Asian counterparts. As for accommodation revenue, the revenue is higher from tourists of long-haul source markets such North America and Europe.[12]

According to data provide by the Tokyo Metropolitan Government, foreign visitors that traveled to Tokyo for overnight business purposes spent spend the highest amount on a daily basis. In general, foreign visitors spend significantly more on a daily basis than Japanese tourists. This applies to both, overnight visitors and same-day tourists (see table 12.1).

Exports of tourism services

According to the Japan Tourism Agency (2017)[13], Japan's balance of international payments has improved regarding tourism. Particularly, Japan had a payments surplus in every month of 2015, resulting in a total annual payments surplus of JPY 1.9 trillion (USD 16.9 billion) for the first time in the 53 years since 1962. The surplus further expanded in 2016 to JPY 1.3 trillion (USD 11.6 billion).

The inbound tourism expenditure in 2015 was JPY 3.3 trillion (USD 29.3 billion), a 49.8% increasing

from the previous year. The rate of inbound tourism expenditure in exports of goods and services was 3.5% in 2015 (see table 12.2).

12.3 Success stories

12.3.1 Beyond 2020

Introduction

"Beyond 2020" is the certification system for cultural programmes developed by Tokyo Organizing Committee of the Olympic and Paralympic Games under Cabinet Secretariat of Japan. The first certification was granted in January 2017 and over 70 programmes have been certified as of March 2017.

In anticipation of the post 2020 Olympic and Paralympic Games in Tokyo, Beyond 2020 compiles various types of unique cultural programmes throughout Japan to create the legacy for following generations. By certifying the programmes as Beyond 2020 Program with specific logo, the programmes will be recognizable and receive attention by the general public all over Japan and it will promote neighbourhood tourism in Tokyo.

Imperial Palace.

Any agencies from national, regional and local governments, private enterprises, and non-profit organizations in Japan can apply for the certificate and promote their programmes by utilizing the logo.

Key strategies and initiatives

To foster the social inclusion of all parts of the society everyone including people with impairments and visitors from abroad are on board, Beyond 2020 provides certification for the following programmes and activities in order to encourage organizations as well as private cooperatives.

- **Promoting Japanese culture:** The programmes and activities should promote varieties of Japanese culture such as traditional arts, modern performing arts, arts with modern technology, designs representing "cool Japan", contemporary media arts, fashion, gastronomy such as *washoku* (Japanese cuisine) or *sake* (Japanese wine), festivals, traditional crafts, traditional costumes, traditional architectures; and

- **Perspective of inclusion:** the programmes and activities should own the perspective of inclusion to create the legacy towards the matured society for the following generations:

  – Programmes and activities for barrier free movement for disabled people; and

  – Programmes and activities to remove the

Kimono from the Edo period

language barrier for overseas visitors.

Outcome and impact

Followings are some major programmes to be highlighted as examples.

- **Kanuma Autumn Festival:** Being certified as UNESCO Intangible Cultural Heritage, Kanuma Autumn Festival in Tochigi prefecture which is traditionally organized by the local community is now highly recognized by the international tourism market. During the festival, more than 20 carts with traditional carvings are carried to local shrines and court musicians called *Buttuke* are performed. The organizer of the festival made collective effort to develop brochures in four different foreign languages to attract international visitors.

- **Japan "Kampai" to the world:** The promotional "Kampai" campaign has been launched by the Japan Sake and Shochu Makers Association at several international airports to introduce Japanese traditional alcohol such as *sake, shochu* and *awamori*. Tourists at the airport can taste and inquire about those alcohols at the campaign booth. Bilingual staffs are allocated to meet the needs of international customers.

- **Nichigaku Kokuban Art Koshien Competition®:** The contemporary art competition using black board *(kokuban)* and colourful chalks has been organized by Nichigaku Co., Ltd., the private company producing educational equipment such as blackboards. The art competition is managed in several languages for international community to take part in.

- **Ozumo Beyond 2020 Basho:** Sumo, the national martial arts of Japan has become one of the major attractions for international tourists. *Ozumo Beyond 2020 Basho* was held in October 2016 as a significant kick-off event for Beyond 2020 programme. An audience of 3,000 people, including overseas visitors, and disabled people were invited to the event with adequate support such as English brochures and signboards, sign language interpretation and point system interpretation.

12.3.2 *Mori no Nigiwai* events

Introduction

The Tokyo Chamber of Commerce and Industry together with JTB Corp. have been organizing community based performing art events in Tokyo, named *Mori no Nigiwai* (festivals of sacred woods), as one of the authorized events of Beyond 2020.

Every community has its own intangible cultural activities which have been handed down from generation to generation. As there are hidden sanctuaries such as the sacred woods in the deep mountains area worshipped by the local communities, there are intangible activities which are connecting the minds of the people in that region. *Mori no Nigiwai* – the performing arts and ritual events based on the local communities carefully selected by tourism experts of JTB Corp. and the Tokyo event in October 2017 will be the 130th of its kind and memorial performances since 1981. It was initiated by the leadership of Mr. Tagawa, the present chairman of JTB Corp.

Dori Street.

Chapter 12 Endnotes

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5 STR Global (2015–2017), *Japan Hotel Review,* available at: www.strglobal.com/ (02-08-2017).

6 HVS (2016), *In Focus Tokyo Japan.*

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8 Jobs in the tourism industry are referred to as all businesses including free lancers engage in the tourism industry.

9 Interview was conducted with a person in charge from Tokyo Chamber of Commerce (July 2017).

10 The survey was conducted in February 2017 by Service RENGO (The Japan Federation of Service and Tourism Industries Worker's Unions) for 173 unions members of Service Rengo and received its replies from 104 members.

11 The interview was conducted with Tokyo Metropolitan Government (July 2017).

12 Tokyo Metropolitan Government (2016).

13 Japan Tourism Agency (March 2017), Research study on economic impacts of tourism in Japan.

MARRAKECH
MOROCCO

13

The Majorelle Garden.

13.1 Introduction

13.1.1 Basic facts

Marrakech is the fourth largest city of Morocco, after Casablanca, Fez and Tangier, and the capital city of the Marrakesh-Safi region. Located in southern Morocco, between the Atlantic Ocean and the Mediterranean Sea and at the foothills of the Atlas Mountains, Marrakech covers a surface of 2,625 km^2 and has a total population of 1.33 million inhabitants (981,000 urban and 350,000 rural) which represents 29% of the region's population.

Marrakech sees a lot of sunshine and has a characteristically hot and dry summer. Winter can be fairly cold with frequent frosts during the night. Spring and autumn are mild and are definitely the best times to visit.

Founded at the end of the 11th century by the Almoravids, and inscribed on the list of UNESCO World Heritage since 1985, Marrakech was for a long time a major political, economic and cultural centre of the Muslim West, reigning over North Africa and Andalusia.

Known as the Red City, Marrakech is a culturally rich and diverse city, with a genuine culture, architecture, cuisine and people that reflect the influence of traders, inhabitants and rulers who have gone before. Because of its rich culture, Marrakech serves as the chic capital of Morocco as it attracts many tourists, especially from Europe, and it has become one of the most popular travel destinations in the world.

A dynamic centre of attraction, Marrakech has developed considerably over the last few decades, with the appearance of residential districts on the outskirts of the new city and new tourist districts.

The city, historically subdivided into two distinct parts, was composed of the Medina, an ancient city surrounded by ramparts, and the New City composed of Gueliz and Hivernage.

Built under the French protectorate, Guéliz constitutes today an important pole in the life of the city and conceals many shops, restaurants and places of relaxation. As a touristic capital, Marrakech has also seen the development of many hotels and leisure facilities. As a result of the rapid development of the tourist sector during the last few years, prestigious hotel and hospitality brands have now taken up residence in the districts of Hivernage and the new tourist area of Agdal.

13.1.2 Infrastructure, transport and connectivity

The region of Marrakech-Safi has two airports, the Marrakech Menara airport in Marrakech, the main touristic airport of the country, and the Essaouira airport. The Marrakech–Menara airport has a global capacity of 9 million passengers per year and is located at 6 km distance from the city centre.

Air traffic (passengers) at the Marrakech–Menara airport decreased by 2% in 2016 in comparison to 2015 (see table 13.1).

Apart from the national carrier Royal Air Maroc, many international airlines fly to Marrakech with several flights per week, connecting Marrakech with main European capitals. The top-routes in 2015[1] were Marrakech- Paris (613,000 passengers), Marrakech–London (304,000 passengers), Marrakech–Madrid (276,000 passengers), Marrakech–Marseille (139,000 passengers) and Marrakech–Lyon (135,000 passengers).

New air routes are currently being promoted and under development, including source markets in the Middle East (Qatar, Emirates and Saudi Airlines), the Russian Federation (Aeroflot), the United States of America (NY) and China (Shanghai).

A second international airport is planned for Marrakech. With a total investment of MAD 4.3 billion (USD 455 million), the future Marrakech airport will have an annual capacity of 10 million passengers.

Aside from the new airport, other relevant projects are being developed at this moment at regional level, including the new Port of Safi and the highway of Safi Béni Mellah.

13.1.3 Overview of key attractions

With its Medina and the Jamaâ el Fna Square, living heart of the city, classified as a UNESCO World Heritage Site in 2001, the Bahia and El-Badie palaces, the Madrasa Ali ben Youssef, the Koutoubia Mosque, the Almoravid Koubba, the Dar Si Said Museum of Moroccan Arts and Crafts, historical tombs such as the Saadian Tombs and its exceptional gardens like the La Majorelle Gardens, the Manara gardens or the Palmeraie de Marrakech, make Marrakech the cultural capital of Morocco.

Offering a unique alchemy between tradition and modernity, the ambition is to make Marrakech a world-class city-break destination centered around the living culture.

Marrakech gastronomy, a mixture of flavours of Africa and the Middle East from high-end Michelin-starred restaurants to street food, is other key contributors to region's appeal as a leisure destination among international visitors. According to CNN Travel, Marrakech ranked 11th in the CNN Travel 2017 ranking of 23 best cities in the world for street food).[2]

Popular day excursions include the Toubkal National Park (dotted with cliffs, lakes, gorges, ridges and streams), the Setti-Fatma waterfalls, the plateau of Aguergour, the Ait Mizane valley, and the Jbel Toubkal, the highest point of the High Atlas mountains. The city of Essaouira (The Art of Living) is also within easy reach on the Atlantic coast and offers important historical and cultural heritage with its Medina, a UNESCO World Heritage Site.

Table 13.1 **Passengers and air traffic of Marrakech–Menara airport, 2015–2016**

	Year		Change (%)
	2016	**2015**	
Passengers	3,891,761	3,979,823	- 2
Air traffic	28,998	30,792	- 6

Source: Délégation Régionale du tourisme.

13.1.4 Tourism flows

A total of 10.3 million tourists visited Morocco in 2016, an increase of 1.5% compared to 2015.[3] The two tourist centres of Marrakech and Agadir accounted for 60% of the total overnight stays in 2016 registering increases of 6% and 4% respectively.

At the level of the City of Marrakech, tourist arrivals during the year 2016, reached 1.9 million, an increase of 6.5% compared to 2015, while overnight stays in classified accommodation establishments increased by 6.4% in 2016, compared with 2015.[4] This increase was mainly due to COP22 conference held in November 2016.

13.1.5 Tourism source markets and seasonality

In 2016, International tourism accounted for 72% of overnight stays, with the French market accounting for 28%, followed by the United Kingdom and German markets with 16% and 4%, respectively. Other source markets include: Benelux, Italy, Scandinavia and United States of America.

It should be noted that all source markets recorded an increase in 2016, except for the German, Italian, Dutch and Belgian markets, which registered a decrease of

28%, 30%, 18% and 12%, respectively. The increase of domestic tourism (up 13% in arrivals and 11% in overnight stays) was partially offset the decline in the international arrivals (see figure 13.1).

The bed capacity at the end of 2016 was estimated at 68,667 beds, representing an increase of 4.3% compared to 2015. In terms of room occupancy, the occupancy rate reached 47.5% in 2016.

Marrakech experiences strong seasonality patterns resulting from the high temperatures in the summer months and relatively low temperatures in winter. Current promotional strategy also seeks to increase occupation between Monday and Wednesday since these are the days of the week that experience lower occupation rates.

13.1.6 Economic impact

The Marrakech-Safi region accounts for 20% of the national hotel capacity, with nearly 60,000 beds, 20,000 of which are classified hotels, while the number of overnight stays is approximately six million. The sector generates nearly 55,000 jobs. The weight of tourism activity in the generation of value added at the national level is 9%, it remains well above the national average of 3%.

Figure 13.1 **Source markets based on bednights, 2016 (%)**
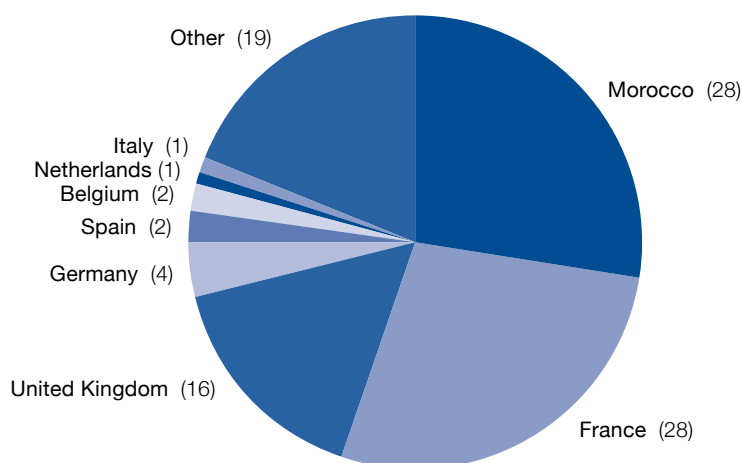
Source: Wilaya Région Marrakech – Safi – Division des Affaires Economiques et Coordination.

Architecture of the famous La Mamounia Hotel.

13.1.7 Tourism enterprises

The city has a mix collection of accommodation concepts, from new modern style hotels in the Palmeraie of Marrakech, to design and Art deco style hotels or new modern and graphic boutique hotels in Gueliz, an important pole in the life of the city with many shops, restaurants and places of relaxation.

Some of the most renowned international hotel chains and brand are currently present in Marrakech, including Four Seasons, Radisson, Hyatt, Mandarin Oriental, etc. as well of the traditional luxury hotels from Marrakech such as La Mamounia or Royal Mansour.

The total number of tourism infrastructure projects commissioned in 2016 were 38, among which 26 hotels and guest houses[5] which means an additional capacity of 2.829 beds.

Ali Ben Youssef.

13.2 Key performance areas

13.2.1 Destination management

Structure of the DMO

The Regional Council of Tourism of Marrakech *(Conseil Regional du Tourisme de Marrakech – CRT Marrakech)* is the organization in charge of developing and promoting tourism in the region of Marrakech – Safi.

The CRT was created in the form of an Association within the framework of article 57 of the Implementing Agreement of the Framework Agreement 2001–2010 signed under the Presidency of her Majesty the King of Morocco in 2001:

> "Establishment of joint bodies, at regional level, to organize the public/private cooperation, ensure rigorous planning and ensure coordinated implementation of the new tourism policy".

The association consists of honorary members and active members. The active members are comprised of representatives from three colleges and of permanent members:

- The private sector college composed of regional and tourism-related professional associations, represented by their respective chairmen or secretaries-general;

- The college of local and regional authorities, chambers of commerce, industry and services and craft chambers, all represented by their President or by a Vice-President;

- The college of civil personalities composed of natural persons and legal persons who participate in the promotion and development of tourism either directly or indirectly;

- Permanent members of Royal Air Maroc, the Moroccan National Tourist Office, the *Caisse de Dépôt and Gestion,* the National Airports Office, the *Crédit Immobilier et Hôtelier* and the *Groupement Professionnel des Banques du Maroc,* Represented respectively by their President, their Secretary-General, or by a duly authorized representative; and

- Other active members composed of any bodies or individuals wishing to contribute to the promotion of Marrakech.

The active members undertake to contribute, in addition to the contributions due to their respective associations, in the form of contributions, an annual contribution to the budget of the association on the proposal of the Executive Committee.

The Executive Committee, on the proposal of the President of the CRT, appoints a Director to assist the President in the management of the association.

Objectives

Created to become a force for reflection and proposal, as a consultation space to facilitate and organize and to support tourism development in the region, CRT's main objectives are:

- To direct and encourage the development of the activities of its members and to study to this effect moral, economic, social, technical, financial, legal, fiscal, customs or other matters;

- To contribute to and develop the tourism industry within the general economy of the country;

- To contribute by all means to the achievement of conditions conducive to the rapid and harmonious development of tourism, in particular through the use of local savings, the attraction of foreign capital, the formation of national companies or agreements, regional planning, the choice of investments, the establishment of the necessary infrastructure, removal of the causes of underdevelopment and of any deficiencies;

- To give the public authorities all advisory opinions on new investments and tourist activities, in close collaboration with the Regional Investment Centres (CRI); and

- To work for the positioning of Marrakech and its hinterland:

  - By standardizing the product of its environment;

  - By promoting the destination Marrakech;

Waterfall of Mrs. Fatima.

– By developing relations with the Operator Towers;

– Through the development of tourist activity;

– To defend and obtain from the competent authorities any special measures or arrangements which the tourism industry may benefit from; and

– To carry out all surveys, studies, statistics, gather information, organize any publicity, to take any initiatives within the framework of the tourism industry which may facilitate its development or solve its problems.

Areas of activity and principles

Its main areas of activity are: tourism promotion, air connectivity, product development, and investment attraction

The main principles of action of the CRT are:

- The mobilization of the 3 partners (public sector, private sector and elected officials);

- The strengthening of structures: strong professional associations;

- To improve collective efficiency (Marrakech has experts & talent by segment and market);

- To have a common and shared vision; and

- To contribute to the attractiveness of the destination.

Tourism development policy

1. Morocco's tourism development strategy: the 2020 Vision

Linked to the Regional Development Plan, Morocco's overall tourism development strategy is defined in the 2020 Vision, developed by the Ministry of Tourism, and is defined by specific touristic regions, including Marrakech. Each region is headed by its own Tourism Development Agency and has clearly defined goals to build new tourism facilities, attractions and infrastructure.

The objective of Vision 2020 is "to continue to make tourism a driving force for development in Morocco, in particular in terms of GDP growth; regions' participation in value creation; modernization of Morocco in the globalization process; preservation, valorization and promotion of the natural and cultural heritage".

The Vision aims to "raise Morocco on 2020 among the top-20 tourist destinations in the world, while at the same time establishing itself as a reference destination for sustainable development in the Mediterranean region".

2. Regional Programme Contract (CPR) of the Marrakech-Tensift-Al Haouz Region

With regard to the ambitions established in the framework of Vision 2020, the specific objectives for the Marrakech-Tensift-Al Haouz Region will be achieved through the implementation of several action plans, defined in consultation with the different parties and described in this Regional Programme Agreement *(Contrat Programme Régional CPR).* The action plans for the region are structured around nine axes:

- Axis 1: Product development;

- Axis 2: Support to investment;

- Axis 3: Promotion and marketing;

- Axis 4: Air transport;

- Axis 5: Competitiveness of the tourism actors' fabric;

- Axis 6: Human capital;

- Axis 7: Sustainability;

- Axis 8: Tourism environment and infrastructure; and

- Axis 9: Governance and management of the CPR.

According to the CPR of the Marrakech-Tensift-Al Haouz region, given the great diversity of its tourist resources, its exotic environments for the traveller and the authenticity of the experiences it can offer, the region can fully satisfy the tourists who seek to combine two elements in their travels: a discovery and a cultural scenery, with the sites of Marrakech and Essaouira, and an immersion in nature, with the site of Toubkal and valleys.

Marrakech will continue to develop on the basis of an offer focused mainly on their intangible heritage (the real-time experience of the local culture and its contextualization by its history), and on travellers who love culture as a component that is imprinted in the whole environment of their journey, but which does not constitute a demanding visiting activity in time and attention, and which naturally combines with activities,

such as strolling and shopping, which are mainly of playful nature and relaxation.

In terms of supply structuring, this means, in particular, that efforts should be made to develop more synergies between Marrakech, its hinterland and the Essaouira site, in terms of excursions, combined stays and transportation. It will also be necessary to extend the tourist area (Medina and surroundings), and to strengthen its offer of products and services.

Overall, the region's ambition as stated in the CPR is to attract 3.9 million tourists by 2020. To do so, 36,000 additional beds will be placed on the market, bringing the total capacity to 96,000 beds.

3. Main tourism development constraints

The 2020 Vision identifies two main constraints for the tourism development and growth in the Marrakech -Safi region:

- A lack of trained human resources due to the under-dimensioning of the current training offer in the hotel and hospitality industry; and

- A qualitative inadequacy in relation to the expectations, requirements and standards of international travellers.

In order to support its growth, it will be necessary to upgrade the quality and the capacities of the training offer. The region will also need to continue to take into account the relative fragility of its natural environment, including the risks of further degradation of the palm grove *(Palmeraie de Marrakech);* the increasing pressures due to urbanization; the problem of depletion of water resources due to urban, agricultural, hotel and golf activities; and the risk of further deterioration of the dunes of Essaouira. Sustainable and controlled development of the tourist activity is essential in order to perpetuate the development of the region.

4. The Strategic Plan for the Development and Urban Planning of the City of Marrakech 2011–2016

Looking into the past, the city developed the Strategic Plan for the Development and Urban Planning for the City of Marrakech 2011–2016.[6]

The strategic vision defined for Marrakech was "Marrakech, a sustainable and attractive smart world metropolis, serving the marrakchis, while being a space for welcome, meeting and international dialogue".

The strategic and urban plan included different projects for the dynamization of Marrakech with two main objectives: preserve and transmit the memory of Marrakech and put citizens at the centre of development.

These projects included five main areas:

1. Heritage and culture: valuation of the heritage of Marrakech;

2. Mobility and accessibility: urban mobility (including accessibility to the city centre);

3. Environment and sustainable development: the Green Frame project *(Le Trame Verte),* including also the development and preservation of the Palmeraie of Marrakech;

4. Urban integration of the different neighbourhoods; and

5. Large equipment.

Marketing strategy and USP

According to CRT the ten main reasons to visit Marrakech are: proximity, authenticity, security, good weather, flights connectivity, world-class venues, mix of business and leisure, good value for money, international brand accommodation, and sustainability.

The DNA of the Marrakech Region is based on deep contrasts:

- 'History and cultural heritage' vs 'Trendy and chic';

- 'All budget destination' vs 'Luxury collection';

Koutoubia Mosque.

- 'Mountains and snow' vs 'Palm grove and camels'; and

- 'Proximity to Europe' vs 'Change of Scenery' *(Depaysement).*

Marrakech intends to combine two complementary positions in its positioning: as a destination city-break, as well as a MICE destination.

- **City-break destination:** Marrakech is well positioned as a city-break destination. To raise these numbers further, several projects have been launched in recent years with the aim of generating more entertainment and leisure offerings, ranging from development of new cultural options (i.e. museums and theatres), to gastronomy, enhancing architecture or increasing the quality and diversity of retail and shopping offering. Improving air connectivity and frequencies is also a priority; and

- **MICE destination:** Marrakech is the leading destination for meetings, incentives, conferences and exhibitions (MICE) in Morocco, measured by both, capacity and number of events held. Although the MICE segment represents between 15% and 20% of total tourism in Marrakech, according to CRT, there is still a long way to go. At the moment,

there is not currently a specific organization or structure in charge of the promotion and attraction of international events (currently being done by different public and private actors, including the CRT).

Tourism promotion

CRT is responsible for the tourism marketing and promotion of the city and region and develops different off and on line promotional activities and initiatives together with the key stakeholders of the city and region all year round.

These promotional initiatives include, among other, the development and management of the official regional tourism website; the development of educational tours, fam trips and press trips for opinion leader and bloggers in the different segments (classic; MICE; *art de vivre,* gastronomy and wellness; golf; nature and adventure; etc.); participation in events in Morocco and abroad; etc.

Performance measurement tools

Although the CRT does not have a tourism observatory or unit as such, the organization handles different

Orange Juice Stall.

tourism information and statistics produced on their own or provided by different organizations and tourism stakeholders. One of these organizations is the Tourism Observatory from Morocco *(Observatoire du Turisme de Maroc (OT)).*[7]

The mission of the OT is articulated around four main axes:

1. As an information source;

2. As a management tool and exchange platform;

3. As analysis and monitoring tool; and

4. As a prediction tool and decision-making guide.

13.2.2 Social and cultural perspective

Cultural development strategy

If in any aspect especially highlights Marrakech in terms of city tourism performance is in the social and cultural perspective both in terms of attractiveness and in tourism management and promotion.

Being aware that the key tourist assets in Marrakech revolve around its many, diverse and authentic heritage and cultural assets and offering as well as on the openness and kindness of its citizens, Marrakech-Safi undertakes different public and private initiatives to foster culture and authenticity as a key element to enhance tourism attraction and differentiation and, at the same time, to ensure the preservation of the existing cultural heritage and involve and engage residents in the tourism sector and to satisfy their basic needs.

A large amount of resources from different public stakeholders *(Wilaya de la Région de Marrakeh, Comune Urbane de Marrakech, Ministère de la Culture, Artisant du Maroc, Ministère des Habous et des Affaires Islamiques, etc.)* are invested every year in cultural infrastructure and attractions as well as in conservation and enhancement of existing cultural

Bad Agnaou Door.

infrastructure, including some of the most relevant attractions in Marrakech such as its UNESCO World Heritage classified site, the Marrakech Medina and Jamaâ el Fna Square.

Attractions

Marrakech has and offers a wide variety and diversity of cultural resources and attractions to visitors including cultural heritage, museums, fairs and local traditions and international cultural events.

Perhaps one of the most significant and distinctive assets and tourism attractions in Morocco and in Marrakech are crafts. 114,000 artisans work in the sector, almost 50% of the active population employed, with 34% of women[8] 37% work within premises for professional use and 63% work at home. 46% of craft premises are concentrated inside the Medina and 80% of craftsmen are under 40 years of age.

Crafts also represent a significant export sector for the region counting MAD 2 billion (USD 212 million) in exports in 2015. The main products produced and exported were wrought iron, wood, leather and pottery. The main exports markets are the United States of America, France and Germany.

Due to the strategic role of the craft sector in economic development, exports, employment development, gender equality, responsible tourism, and sustainable development, different initiatives are put in place: through the *Délégation Régionale de l'Artisanat* as well as through other public – private initiatives (the *Centre de Formation et Qualification dans le Métiers de l'Artisanat* in Marrakech, the *Circuits Touristiques de Marrakech Médina* and the *L'Association Assafou pour le Développemen* project).

Events

One of the key areas for Marrakech cultural dynamism, tourism attractiveness and economic development is the hosting and organization of a wide variety of business, leisure and cultural events of all kinds, local and international.

There is growing interest in hosting international events and the city is home to the country's largest congress and exhibition centres (i.e. the Mogador Palace Conference and Exhibition Centre, inaugurated in 2013, the Palais de Congrès at the Palmeraie of Marrakech, the Palmeraie Golf Palace and other)

Musée Mohammed VI - Aman.

with new dedicated MICE infrastructures and spaces coming into the market every year, including the new Convention and Exhibition Centre, with an investment of around MAD 60 million (USD 6.3 million) which will accompany the policy of tourist attraction and economic development of the Marrakech-Safi region.

On 7–16 November 2016, the city hosted the COP22 UN Climate Change Conference, a major global event that brought the world's attention to Marrakech.

Marrakech is also known for some international renowned cultural, leisure, sports and professional events such as the International Film Festival of Marrakech[9], created in 2001 by His Majesty King Mohammed VI to promote arts and the film industry in Morocco; the *Festival International de Danse Contemporaine de Marrakech,* this year in its 12th edition; the National Popular Arts Festival, Marrakech oldest festival; the *Oasis* electronic music festival; the Marrakech Golf Festival; the Marrakech Biennial contemporary art fair; the Marathon and Semi Marathon International de Marrakech, and many other culture, leisure, sport and professional festivals and events.

13.3 Success stories

13.3.1 The rehabilitation of the Medina of Marrakech

Introduction

Places of great social mix and varied and ancestral human activities, Medinas constitute an authentic and vibrant heritage where residential, economic, social, cultural and artisan functions come together. Their great heritage value allows them to exert an undeniable tourist attraction.

The natural environment of the Medina of Marrakech is a major asset. Covering an area of 600 hectares, it is considered as one of the largest Medinas in Morocco, as well as the most populated in North Africa. It is one of the emblematic landmarks of the Kingdom and the main tourist attraction of Marrakech.

Surrounded by 19 km of walls with doors, its imposing ramparts built in mud show, according to the variations of the lighting, admirable reflections glowing. Over time, this heritage, which has not been maintained, has deteriorated considerably.

Awareness of the seriousness of this degradation, as well as the dangers posed by the buildings threatening to collapse, led the public authorities to take a number of actions. It is within this framework that a programme of re-qualification of the Medina has been launched.

Key strategies and initiatives

As part of this programme, the rehabilitation of the Mellah is strategic because of the historical significance of the site and its location at the entrance to the Medina. The conventional framework of this project involves these main actors: the Urban Commune of Marrakech, the Ministry of the Interior and the Ministry of Housing and Urban Policy.

At the heart of this vast programme of comprehensive management of the Marrakesh Medina, through the rehabilitation of certain outdated districts and the development of tourist squares and circuits, the intervention strategy adopted was to promote economic activities for that the Mellah district is integrated with the development and the urban and economic dynamics of the Medina.

The main lines of action have been:

- The demolition of ruins and the evacuation of rubble;

- The valuation of tourist circuits through the rehabilitation and consolidation of buildings;

- Carrying out of the works of pedestrian alleys, squares, car parks and public works;

- The rehabilitation of six 'ondouks to encourage artisanal and commercial activities; and

- Upgrading of green spaces and integration of street furniture.

The rehabilitation of the Mellah of Marrakech was a project commissioned by the Urban Commune of Marrakech and developed by the Al Omrane Marrakech Company, the national operator in charge of the implementation of the new State policy in the housing sector and town planning, with a budget of MAD 194 million (USD 20.5 million) in total, financed by the Ministry of Housing and Urban Policy.

Thanks to targeted actions, the rehabilitation of the Mellah made it possible to highlight the living heritage of this former district.

13.3.2 Le 'Musée Mohammed VI pour la civilisation de l'eau au Maroc – Aman

Introduction

The Mohammed VI museum for the civilization of water in Morocco *(Musée Mohammed VI pour la civilisation de l'eau au Maroc – Aman),* founded by the Ministry of Habous and Islamic Affairs, is an unprecedented project in Marrakech, which owes its growth to the thousand-year-old *savoir faire* of Moroccans in the management of the 'water. This new

Chapter 13 Endnotes

1   Data from the 'Office National des Aéroports' (2016).

2   CNN Travel (2017), *Best 23 cities for street food from Miami to Tokyo* (online), available at: http://edition.cnn.com.

3   Observatory on Tourism in Morocco.

4   According to the 'Délégation Régionale de Tourisme'.

5   Data provided by the Wilaya de la Règion de Marrakech – Safi.

6   Plan stratégique de développement et d'aménagement urbain de la ville de Marrakech (2011).

7   www.observatoiredutourisme.ma.

8   Wilaya Région Marrakech – Safi – Division des Affaires Economiques et Coordination and Délégation Régionale de l'Artisanat.

9   Festival International du Film de Marrakech, available at: www.festivalmarrakech.info.

SEOUL
REPUBLIC OF KOREA

14

Gyeongbokgung Palace with Cherry Blossom.

14.1 Introduction

14.1.1 Basic facts

The Republic of Korea's capital, Seoul, is a unique blend of ancient and modern city full of character and merit. Seoul City has a total population of about 10.2 million (2015 estimates), accounting for around 20% of the country's total population and around 22% (USD 316 billion)[1] of the national GDP.

With a 2,000-year history, including over 600 years as the country's capital, it has been a thriving centre of the Korean peninsula's history, traditions and culture. Its well-preserved national monuments and palaces showcase its long history and is a major focus of domestic and international tourism. As a global megacity, Seoul is a place where the country's rich cultural and historic heritage blends seamlessly with the rapid development of 21st century life.

Seoul is divided into two distinct regions by the Hangang, a river that flows through the city centre. In Gangbuk, meaning "North of the River", one will find Seoul's five royal palaces, traditional markets, and many other cultural attractions from the Joseon Dynasty, when Seoul first became the nations' capital. Meanwhile, Gangnam, or "South of the River" is the birthplace of the country's latest trends and the

wellspring of its modern character. Now quite well known thanks to the 2012 smash hit Gangnam Style, the district is a popular destination for K-pop fans from all over the world, keen to visit the restaurants, bars, clubs, cafes and even hair and nail salons and pharmacies frequented by their favourite *hallyu* (Korean Wave stars).

Amidst the cultural monuments and futuristic designs however, visitors will also find a city determined to preserve its natural assets through the creation and maintenance of Seoul's waterways, parkland, and other green spaces. Far-reaching initiatives in recent years to preserve the Hangang, its islands and tributaries, as well as develop recreational areas along its banks, have ensured locals and visitors alike are never far from nature. Similar efforts to protect and develop Seoul's many mountain hiking trails and parkland, as well as the flora and fauna on their slopes have likewise maintained this strong commitment to ecotourism and environmental preservation.

A careful balance between nature and technology as well as the ancient and modern has given Seoul its unique character. It connects visitors with different worlds and allows them to experience bit of everything all in one place, from a serene, ancient palace garden one moment to an easily navigable subway station the next.

14.1.2 Infrastructure, transport and connectivity

The city has a well-developed transport infrastructure, comprising Incheon International Airport and Gimpo International Airport, a port, and an extensive and fully integrated modern road, bus and rail public transport network catering to residents and international visitors alike. Incheon International Airport located around 60 km from the centre of Seoul, is the primary international gateway airport serving the city and the country, while Gimpo International Airport services mainly domestic and regional international services, and is the second busiest airport in the Republic of Korea.

14.1.3 Overview of key attractions

The city's key attractions include major historic attractions such as Gyeongbokgung Palace and Seoul City Wall, cultural attractions such as Namdaemun Market and Namsangol Hanok Village, and amusement and entertainment attractions such as MBC World, K-Live, and Trickeye and Ice Museum.

The city offers the classic Korean gastronomic experience as well as a large variety of international cuisine, shopping, nightlife, entertainment and amusement to its leisure, business, MICE and special interest international visitors. The city is the birthplace of K-pop and Korean Wave creating new markets especially among the Asian millennial segments.

Seoul City has been recognized as a global city of merit. In 2016, it was a City Award Finalist in the annual World Smart City Awards for its "Global Digital Capital" and "City of Digital Social Innovation" project, under which is once again a finalist in the 2017 awards with winner to be announced in November.[2] The city has been ranked sixth in the Global Power City Index[3] and Global Financial Centers Index[4], exerting a major influence in global affairs as one of the five leading hosts of global conferences and conventions. In 2015, it was rated as Asia's most livable city with the second highest quality of life index globally by Arcadis.[5] In 2014, Seoul was recognized as the worlds' most wired city and ranked first in technology readiness by Price Waterhouse Cooper's "Cities of Opportunity

Report".[6] The city is a leading world technology hub centered on Gangnam and Digital Media City and has been recognized as a UNESCO City of Design[7] and declared a World Design Capital in 2010.[8]

14.1.4 Tourism flows

In 2015, the Seoul Metropolitan Area received 22.9 million visitors of which 10.4 million were international visitors coming mainly from East Asia principally China, Japan and Southeast Asia (see figure 14.1).

14.1.5 Tourism source markets and seasonality

In 2016, Seoul received an estimated 13.2 million domestic tourists, up 8% on 2015. Around 35% of domestic tourists stayed overnight of which around 30% were for leisure and recreation purposes, while for day visitors, around 35% were for leisure and recreation purposes (see table 14.1).

Of the total bed nights generated by visitors in 2015, 5.7 million were generated by domestic visitors and 4.2 million by international visitors. The main purpose of visiting Seoul by international visitors were leisure (88%) and business (22%).

The peak season for commercial accommodation establishments are April and May, and August to November. The average per capita expenditure per overnight international tourist was KRW 2.3 million.

14.1.6 Tourism enterprises

In 2015, the city had a total of 126,800 guest accommodations and restaurant establishments employing 480,100 people, and 2,236 tourist attractions to cater to international and domestic visitors. Of the attractions, 1,618 are classified as cultural heritage attractions, 156 as museums, 381 as theatres and 81 as cinemas. In addition, it has three major purpose-built meetings, incentive, conference and events (MICE) venues with total of 180,536 m^2 to cater to business and other events.[9]

Figure 14.1 **Monthly international visitor volumes, 2016 (× 1,000)**
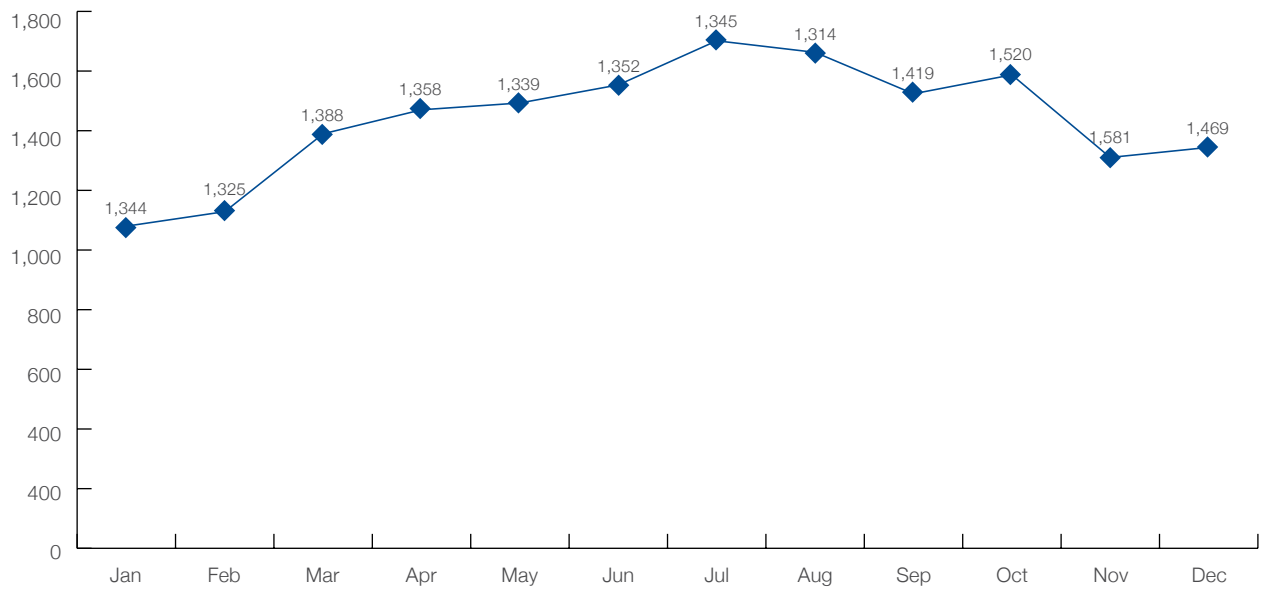
Source: Korea Tourism Organization (n.d.), *Korea monthly statistics of tourism* (online), available at: https://kto.visitkorea.or.kr (11-07-2017).

Table 14.1 **Seoul City domestic visitor volumes, 2015–2016**

Year	Domestic visitors			Domestic visitors (only tourism purpose)		
	Domestic	Overnight	Day visit	Domestic	Overnight	Day visit
2016	13,237,854	4,641,069	10,305,213	4,832,245	1,380,701	3,638,997
2015	12,451,891	4,492,318	9,328,855	4,213,958	1,207,961	3,123,089

Source: Seoul Metropolitan Government (2016), Domestic visitor volume estimates 2015–2016.

Figure 14.2 **Seoul tourism destination management organization**

Source: Seoul Metropolitan Government.

Seoul Station seen from Seoullo 7017.
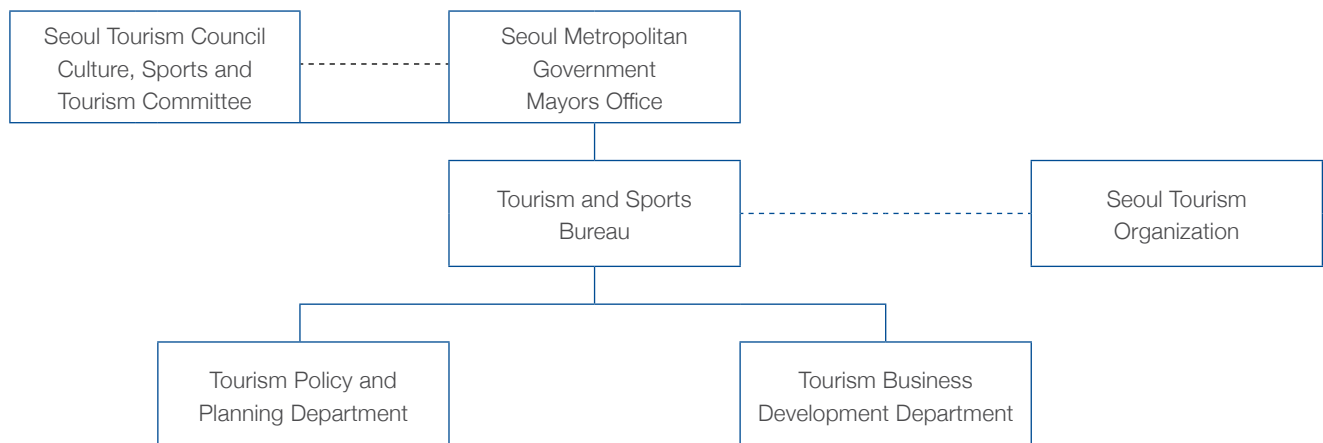
14.2 Key performance areas

14.2.1 Destination management

Structure of the DMO

The Seoul Metropolitan Government (SMG) recognizes that tourism is a strategic growth sector because of its extensive backward and forward linkages with other sectors of the Seoul City economy creating in the process significant income and employment opportunities for the people of the city. Tourism is also seen as a way to revitalize Seoul as an attractive place to live in and to visit.

SMG's destination management organization comprises three units:

- Within the newly installed Tourism and Sports Bureau of the SMG, there is a tourism division comprising two departments that is responsible for tourism policy and planning, and tourism business development;

- The Seoul Tourism Organization, which is a public enterprise is responsible for marketing Seoul City in domestic and international markets as a tourism and MICE destination; and

- The Seoul Tourism Development Council which comprises a collaborative council of industry, community, and academic stakeholders to advise the City on tourism policy and initiatives.

The SMG Tourism and Sports Bureau is staffed by 44 people, while the Seoul Tourism Organization is staffed with around 90 people organized into ten teams. Whilst there is direct coordination between the SMG Tourism and Sports Bureau and Seoul Tourism Organization, coordination with the Seoul Tourism Development Council is achieved through the office of the Mayor. In addition, it is noted that in line with its collaborative decision making approach, SMG through the Seoul Tourism Organization creates private consultative bodies for key initiatives such as Seoul MICE Alliance, Korea-wave tourism, medical tourism and fair tourism in order to frame approaches, expand participation and obtain feedback on results (see figure 14.2).

Performance measurement tools

Seoul has implemented a city tourism satisfaction survey to observe visitor satisfaction and identify areas that need improvement. The city achieves fairly good visitor ratings especially in the area of shopping, food, public transport, attractions, accommodations and safety and security. (see table 14.2).

14.2.2 Social and cultural perspective

Attractions

Of the city's annual budget in 2016 (USD 1.7 billion), around USD 41.7 million (2.4%) is allocated to the administration, operation and maintenance of the cultural assets.[10]

The city has achieved a high state of local heritage protection and has worked to create new cultural infrastructure of interest to residents and tourists alike. An example is the Elevated Arboretum "Seoullo 7017", which is an overpass constructed in 1970 and converted into a 1,024 m long pedestrian walkway. Opened in May 2017, and forming a key component of Seoul's vision of "Seoul, a Great City for Walking", the project is an innovative example of urban development focused on urban regeneration, adaptive reuse, and pedestrian rights that has revitalized the heart of Seoul by reconnecting traditional and modern parts. The project is to be expanded to create 17 pedestrian paths connecting major rail and bus transportation terminals, shopping areas, offices and mountain walks.[11]

Another key addition to Seoul's cultural and attraction infrastructure is the development of Green Trails in Seoul involving development of a 25 km long pedestrian path within the four gates of Seoul including the Seoul City Wall Trail that exposes visitors to the charms of Seoul City and explores its history, culture, and natural environment. Over 157 km, the trail includes 85 km of forest/mountain walks, 40 km of streamside walks, and 32 km of neighborhood walks.[12]

Although the percentage of historic heritage requiring improvement is quite low, the city is undertaking initiatives to diversify and decentralize its cultural heritage attractions. Seoul City is working on a project to transform its modern tangible and intangible heritage legacy from the 1960s to the 1980s into future heritage based on three initiatives:

- Selection of historical sites related to notable figures or stories of the city's citizens for future preservation;

- The House of Yun Geuk-yeong, the composer of the first Korean children's song *Half Moon* was selected as a pilot project for future heritage preservation in 2014; and

- A total of 345 future heritage sites have been selected including a long-standing barbershop and a 100-year-old tailor shop.

Table 14.2   **Seoul City Tourism Satisfaction Index**

Index	2016	2015
Immigration process (e.g., process, issuing VISA)	3,95	3,91
Shopping (e.g., convenience, facilities and services)	4,13	4,08
Food (e.g., taste, services)	4,07	4,03
Things to enjoy (e.g., festivals, performances	3,96	3,72
Public transportation (e.g., convenience, services)	4,07	3,99
Tourist information service (tourist information booths/centre, tour guides, signs)	3,86	3,77
Communications in different languages	3,49	3,37
Attractive tourist destination (e.g., cultural heritage, natural scenery, night tour)	4	3,85
Accommodation (e.g., convenience, services)	4,1	4,01
Travel expense (e.g., price for tourism products, living costs in tourist destinations)	3,87	3,82
Public order (safety)	4,2	4,14
Overall satisfaction	4,15	4,14

Source: Seoul Metropolitan Government (2016), *Seoul City tourism satisfaction index report.*

To date, over 1,600 Seoul Future Heritage candidates have been identified based on proposals from citizens and experts of which 345 have been selected and endorsed through agreements by the owners. Issued with certificates, the sites have been tagged with an identifying mark encouraging their preservation and leading citizens to recognize the value of preserving future tangible and intangible heritage assets.

Through its Traveling Towns in Seoul Project, the city is decentralizing and decongesting the traditional tourist villages closer in to the city. The project allows communities composed of local residents, artists, and local merchants to discover the distinctive tourism resources hidden in their local neighborhoods, which can then be developed and promoted as a tourist product. To date, the city has selected 30 projects between 2013 and 2017 and supported them with a fund of KRW 1.65 billion.

Events

Seoul has three major purpose-built MICE venues with total of 180,500 m^2 to cater to business and other events. They are COEX, aT Center, and SETEC. In addition, Seoul has major hotel convention facilities.

The SMG recently called for developing the COEX complex, into a new hub for the country's MICE industry. Along with other MICE projects under construction this is likely to Seoul's place as a global MICE destination.

Seoul's percentage of business events comprises 77.7% of national events, and 22.3% of international events. The city's share of leisure events in 2016 was 67.9% of the total national events, and 32.1% of total international events held. Of the total number of events held in 2016, 60.2% focused on traditional and local culture and heritage. The annual average rate of growth in terms of interest in hosting events in Seoul over the past five years between 2012 and 2016 has been 27.4% and is a major driver underpinning the expansion of MICE facilities noted above.[13]

Community attitude and engagement

In the past, Korean tourism policy has focused on the quantitative expansion in the number of inbound tourists. Most of Seoul's tourism is concentrated into a few destinations in the inner part of the city. Here, substantial increased tourist traffic has generated growing concern among residents who report growing dissatisfaction with tourism in their area. Starting in 2016, the Tourism and Sports Bureau of SMG has been conducting projects to ensure the needs of local communities are fully included in the tourism planning, development and operational components of destinations. In 2015, the ratio of tourist/visitors per 100 residents in Seoul City was 222.

Quantitative and qualitative surveys of residents in Seoul's main tourist centres such as Bukchon Hanok Village have only recently begun in response to a growing community concern about the impact of tourism in their area. Residents were increasingly concerned with noise pollution, crowding and congestion, conversion of traditional shops to tourism outlets, rising prices for goods and services, and competition for space with residents. The results indicate that the central tourist precincts are at or already beyond their acceptable carrying capacity.

As a result, the city is now re-shaping its tourist destination policies towards developing quality tourism rather than quantity tourism, and to disperse tourists into a larger number of tourist precincts in other districts. In this context, Seoul City is supporting the local district offices to create regional tourist contents and programmes.

Although specific data on the ratio of local residents directly employed in tourism to total employment including foreigners is not available for Seoul, the SMG Tourism and Sports Bureau estimates this percentage to be quite high at more than 95% of the 480,090 people employed in its 126,800 commercial accommodation and restaurant establishments.

Coex Convention and Exhibition Centre.

Gender equality and inclusion

According to the Ministry of Culture, Sports and Tourism, in 2015, 52.2% of those employed were men, and 47.8% were women.[14] According to Statistics Korea, in 2014, the Report of the Census on the Basic Characteristics of Tourism Establishments found that 62.9% of accommodation and restaurant businesses, and 42.8% of arts, sports and leisure services were managed by a woman.[15]

The SMG has an affirmative social inclusion policy targeting the elderly, the disabled, traditional merchants, foreigners, women, youth, small businesses, culture and arts circles, tourism, urban safety, environmentalists, and young adults. Through a system of honorary vice-mayors, SMG gathers opinions and voices from the field to reflect them in the city's policies and administration. Beginning with the appointment of three honorary vice-mayors for the *elderly,* the *disabled,* and the *youth* in 2012, a total of 12 honorary vice-mayors in different fields have since been appointed, with 678 activities receiving active participation – including meetings and discussions, events such as the opening of the Seoul Senior Center, and inspections of traditional markets. Seoul values communication with its residents and has developed a number of innovative ways to give citizens access to

decision making, including Open Mayor's Office, policy debates, Live Seoul, street-side opinion gathering booths, and a Citizen's Office.[16]

According to the Korea Ministry of Government Legislation (2017), around 0.5% of the country's rooms in commercial accommodation establishments are accessible to people with disabilities. Although data on Seoul is not available, it is estimated by the SMG Tourism and Sports Bureau that the ratio in the city is likely to be much larger than the national average – estimated at between 3 to 5%.

According to SMG traffic data[17], 38.6% of public transportation is accessible to PWDs and/or participating in recognized accessibility information schemes. Although data on the percentage of tourist attractions that are accessible or participating in accessibility schemes is not collected, a sample of attractions suggests that up to 40% are accessible to PWDs.[18]

Another indication of the extent of accessibility is a wheel chair accessibility score prepared by Wheelchairtravel.org for Seoul.[19] With attractions and hotels in Seoul scoring 4 out of 5 on the index, this suggests that the city is PWD friendly.

Safety and security

The Korea Tourist Police unit was launched in October 2013. Stationed in popular tourist areas, such as Myeongdong, Itaewon, Dongdaemun, Insadong, Hongdae, Cheonggyecheon, and SMG city hall, this special police force provide diverse services for tourists and are charged with preventing crime and other illegal activities, handling complaints, and providing tourist assistance. A total of 101 tourist police have been selected through a highly competitive process and have pledged to do their best to ensure that all visitors to Korea have a safe and enjoyable trip.

The main duties of the Korea Tourist Police include[20]:

- Patrol seven major tourist areas in Seoul to protect tourists and prevent crime;

- Confront perpetuators of unfair and illegal activities, such as overcharging for goods/services, pressuring tourists to purchase goods, and running illegal "call vans";

- Provide tourist assistance and translation services in English, Japanese, and Chinese; and

- Quickly address any inconveniences or complaints that arise at or near tourist attractions.

According to the Korean National Police Agency, the high season months of May to October accounts for 52.2% of the crime rate in 2016 compared to 47.8% in the low season months of January to March, and November to December.[21] The crime rate in tourist centres was 53.5% in 2016 compared to 46.5% in other areas of the city.[22] This suggests that tourism may be a causal factor for the higher tourist centre crime rates along with the fact that most of the centres are inner city centres that receive a large transient working population.

Authenticity

As noted earlier, the SMG has moved to a policy of diversified quality tourism that is grounded in the development of sustainable neighbourhood tourism through the Seoul City Wall Trail development and the Traveling Towns in Seoul Project. At the same time, the SMG continues to encourage the development of mixed use MICE, hotel, shopping, leisure and entertainment complexes.

Seoul's food is a major factor in attracting visitors to the city. Korean cuisine uses a large range of fresh ingredients to create diverse flavours and nutritious, healthy meals and is well received by its visitors. Korean food is relatively inexpensive but of high quality, and can be found in restaurants running late into the night and even on a 24-hour basis. The majority of tourists find Korean cuisine suitable to their taste, and dining out is a frequent activity of visitors.

Seoul is a city that embraces the beauty of both tradition and modernity. With five ancient palaces and five World Heritage Sites designated by UNESCO, Seoul is a living history of over 600 years as the capital of the Chooseon Dynasty. Seoul makes it possible for visitors to experience what life was like in the past at Hanok villages (traditional Korean houses), learn to make *kimchi* and traditional handicrafts, learn *taekwondo,* try making *makgeolli* (Korean rice wine), and try a temple stay.

Overall, many exciting and unique experiences await the visitor to Seoul. Seoul also boasts a strong foundation for information technology, providing access to the Internet from any location and various applications in people's daily lives. The city features ubiquitous — based services, digital pavilions, and an exhibition space at Samsung Electronics, offering new and futuristic experiences in high-tech IT.

For fans of K-Pop, K-Dramas, and K-TV Shows, there are many reasons to visit Seoul. See Cheon Song-yi's beauty shop in My Love from Star, cafes frequented by Lee Min-Ho, and shopping spots beloved by BigBang! Dramas are filmed all over Seoul, giving the chance that the visitor might spot a Hallyu celebrity on the streets.

14.2.3 Technology and new business models

Peer economy

There are about 63,600 shared units in Seoul, based on data from various vacation rental and house sharing platforms.[23]

The SMG has both, a car sharing platform based (www.seoulnanumcar.com), and a bike sharing platform (www.bike.seoul.go.kr). The Public Bicycle Comprehensive Status Report of the Seoul Metropolitan Facilities Management Corporation recorded 0.08 shared bikes per capita in 2017.[24]

An article[25] posted by the SMG indicated that in 2016, there were 3,377 shared cars with 897,000 members generating around 4,200 users per day or 1.53 million uses per year. In a report cited by Korea Bizwire[26], it is indicated that shared vehicle usage is growing at the rate of 60% per annum. The vehicles classified into ordinary vehicles and electric vehicles and it is expected that electric shared vehicles will be the fastest growing sector. There are several carpooling organizations in Seoul such as Carpool Korea and SOCAR, among others, that offer access to more than 8,100 vehicles with over 26 million users per annum increasing by up to 60% per annum.

Smart city

The SMG set up 8,679 access points which cover 19.5 km^2 in cooperation with three major telecom communication companies. The size of the Wi-Fi service area is 2.8 km^2 per 1 access point.

Currently, the SMG use sensors for traffic, public transit demand, parking, air quality, H$_2$O and public lighting. Real time data about ambulance, emergency/disaster response, fire, police, weather, transit and air quality are provided to the Digital Office for Citizens and Mayor platform (dash board) and TOPIS Center (Traffic and CCTV monitoring centre which is connected to police, weather forecast centre and more).

Public transport

According to the Transport Operation and Information Service (TOPIS) that operates an integrated real-time traffic management system in Seoul, 100% of traffic lights in the central city area are connected to the system mediated by around 30,000 CCTV units illuminated at the TOPIS control centre.[27]

The Seoul City Highway Traffic Control Center provides citizens the real-time traffic information via VMS, Internet and Fax with the aim of smoothing inconveniences and easing traffic congestion on major highways with the data collected and analysed using a high-tech video meter and CCTV installed on these roads.

Seoul TOPIS provides users with bus route maps, real-time bus departure and arrival information, and a 'fastest route' search service based on real-time information on traffic conditions for each section of road, as well as comparing optimum routes and diverse transport methods including car, bus, and subway.[28]

There are several applications available in Seoul for use by the public including tourists including: *Naver Maps* for painless commutes and *Daum Maps* that includes local outlet information; subway applications such as "Metroid", "Jiachul", "Smart Subway", and "Subway Korea"; booking applications such as "Taxi Help", "Kakao Taxi", "Seoul Bus", and "Korail Talk" applications; among others.

Traditional Soju Production.

14.3. Success stories

14.3.1 Seoul's Future Heritage project

Introduction

The goal of Seoul's forward looking Future Heritage project is to identify tangible and intangible assets from the early modern and modern history of Korea that contain important stories of memorable people, incidents, or everyday life and to preserve them for future generations. This suite of cultural heritage attractions will complement its pre-modern and ancient cultural and historic heritage.

Key strategies and initiatives

Between 2013 and 2014, SMG identified over 1,600 Seoul Future Heritage candidates based on proposals from citizens and experts and selected 345 of them through expert deliberations and based on the agreement of the owners.

These include a wide variety of cultural heritage assets designated as Future Heritage sites such as:

- The House of Yun Geuk-yeong, composer of the famous Korean song *Milky Way in the Blue Sky;*

- An old barbershop that many boys used to frequent with their fathers;

- A mill that used to smell of savoury sesame oil and smoke early every morning;

- A tailor's shop that has been making clothes for over 100 years;

- Industrial complexes that still preserve the joys and sorrows of labourers from the 1970s and 1980s;

- A restaurant where a man first met his wife 40 years ago; and

- A traditional *soju* production facility.

More recently, the so-called *retro syndrome* swept across Korea such as Reply 1994, a Korean drama aired in 2013, that became highly popular and sparked nostalgia for Seoul's recent past. The drama is set in Sinchon, and Eagle Café, both of which are featured in many of the episodes. Eagle Café was a meeting place and hideout for college students in the Sinchon area from the 1970s to 90s. It is said that everyone who went to college in Sinchon around that time knew about Eagle Café that were designated as a Seoul Future Heritage in 2014. The SMG issues Seoul Future Heritage certificates to the owners and designates the

sites with an identifying mark, thereby supporting their preservation and leading more citizens to recognize the value of preserving future heritage assets.

Outcome and impact

The Seoul Future Heritage project is an excellent demonstration of a forward looking approach and methodology to diversifying a cities' cultural heritage offering, raising the attractive amenity of the city, and developing a fairer spread of the benefits of tourism to city communities. Of particular interest is the leveraging of Seoul City community knowledge to identify future heritage proposals, and obtain strong support for conservation and presentation to visitors.

14.3.2 Shared City Seoul' Project

Introduction

In order to bring about a more sustainable and livable city, in 2012, SMG adopted its a "Shared City Seoul" policy and project with the goal of improving the lives of citizens by incorporating 'sharing' into the daily lives of each of Seoul's 10 million residents. The policy and related project seeks to create a shared economy ecosystem, and spread of the sharing culture.

Key strategies and initiatives

The 'shared City Seoul' project involves the active cooperation of 25 district offices, education offices, and schools, and has resulted in the establishment of numerous sharing promotion ordinances and committees. In particular, the government has sought to make sharing programmes more relevant to citizens' lives by promoting:

- Public space sharing: 1,145 public places used approximately 230,000 times per year;

- Public parking lot sharing: 1,260 lots, used around the clock;

- Children's clothing sharing (290,000 cases), tool libraries (130 libraries), toys (47 stores);

- Housing sharing: urban private rental rooms: 904 (general: 790 cases, Korean traditional houses: 114 cases);

- 'Empathy between Different Generations Living Under the Same Roof' (209 cases, connecting 267 college students with elderly citizens);

- Shared tourist accommodation (63,594 units in 2016) through Airbnb, Couch Surfing, Kozaza and BnBHero among others;Seoul Bike "Ddareungi" bike sharing (~5,600 bikes in Central Seoul and key districts);

- Shared cars: 3,377 cars, 897,000 members, average of 4,200 users per day; and

- Public data sharing: 4,237 cases, statistics, big data including transportation, tourism, and administrative information.

Based on observation provided by SMG tourism officials, the Seoul sharing economy is growing fast, doubling at least every two to three years in areas such as car sharing, bicycling, shared tourist accommodations. An annual 'sharing Festival' organized by SMG provides an opportunity for citizens to experience Seoul's sharing policies and shared economy as well as providing a forum for citizens to discuss the direction of 'sharing Seoul' policy and projects.

Outcome and impact

Seoul's experience illustrated the value of having a proactive policy and project approach to effective adoption of the sharing economy for enhanced sustainability; participation of citizens and district and business stakeholders in policy formulation and implementation; and application of "big data" analytics to monitor and feedback on outcomes.

Cheonggyecheon stream.

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CAPE TOWN
SOUTH AFRICA

15

Chapman's Peak drive between Noordhoek and Hout Bay.

15.1 Introduction

15.1.1 Basic facts

Cape Town is the oldest and second largest city in South Africa and is the legislative capital of the country. Situated in the south-west corner of the country near the Cape of Good Hope, the Cape Town metropolitan region has a large surface area of 2,461 km² and a total population of about 4 million (2016 estimates).[1] It is the second most populous urban area in South Africa after Johannesburg and contributes 11% to national GDP (2015).

Being one of the most multicultural cities in the world, Cape Town is a major destination for immigrants and expatriates to South Africa. Its population comprises approximately 42% of Coloured [mixed-race] people, 39% Black African, 16% Whites, and 3% Asian and other.[2]

The city has a warm summer Mediterranean climate with mild, moderately wet winters and dry, warm summers. The high season for tourism is considered to be October to March and the low season April to September.

Known as the most cosmopolitan city in South Africa, Cape Town is a popular international tourism destination. Visitors are attracted to its natural beauty, urban landscape, sandy beaches, Mediterranean climate and well-developed infrastructure.

15.1.2 Infrastructure, transport and connectivity

The city has a well-developed transport infrastructure, comprising an airport, port, roads and public transport, as well as a railway network catering to domestic, national and international visitors.

Cape Town International Airport is the second busiest airport in South Africa and third busiest in Africa. Located approximately 20 km from the city centre, it is the only airport in the Cape Town metropolitan area that offers scheduled passenger services. In 2015 the airport recorded 1.7 million international arrivals[3].

15.1.3 Overview of key attractions

The city's key attractions include:

- Table Mountain, part of the spectacular Table Mountain National Park;

- City Bowl, a natural amphitheatre-shaped area bordered by Table Bay and the mountains of Signal Hill, Lion's Head, Table Mountain and Devil's Peak;

- Cape Point, a promontory at the southeast corner of the Cape Peninsula;

- Robben Island, where Nelson Mandela was imprisoned for 27 years;

- V&A Waterfront, the most visited tourism destination in South Africa;

- Kirstenbosch National Botanical Gardens, one of the world's greatest botanical gardens; and

- Groot Constantia, South Africa's oldest wine producing estate.

Gastronomy, nightlife and entertainment are other key contributors to Cape Town's appeal as a leisure destination among international visitors. Over the years, Cape Town, affectionately known as the Mother City, has received several accolades for its appeal as an exciting tourism destination.

Most recently, Cape Town was chosen as the Best City in the World (for the fourth year running) by The Daily Telegraph (2015/2016 Travel Awards). In Condé Nast's highly acclaimed Reader's Choice Awards, Cape Town also took the top-honours as the number one food city in the world.

15.1.4 Tourism flows

Tourism, estimated to have brought in ZAR 15 billion (USD 1.1 billion) for the Mother City in 2015, is a major contributor to Cape Town's economy. Cape Town tourism also contributes about 10% to the Western Cape's GDP.

Tourism in South Africa has grown strongly and steadily since the democratic transition in the country in 1994. Cape Town, along with the rest of South Africa, experienced considerable growth in tourism numbers in the late 1990s and early 2000s, with annual growth of between 8% and 10% per annum.

The hosting of the 2010 FIFA World Cup in South Africa shone the spotlight on the country, with international tourist arrivals in the country rising sharply to over 1.4 million in 2010. Cape Town welcomed 13% more international tourists in 2010 than in 2009, an increase of over 165,000 in international tourist numbers (see figure 15.1).

Despite lower numbers in the following couple of years, Cape Town has performed well in subsequent years, with visitor numbers in 2015 reaching the highest levels since 2009. The estimated number of foreign arrivals to Cape Town has grown at 4.2% per annum

Figure 15.1 **International and domestic tourist arrivals in Cape Town, 2009–2015 (× 1,000)**
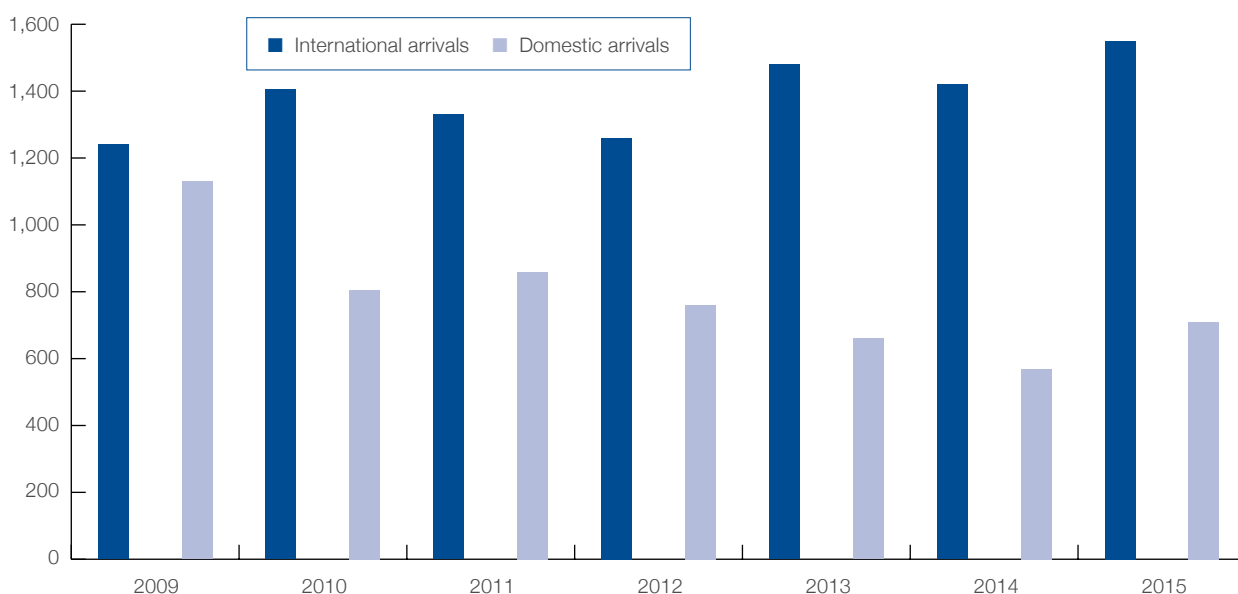
Source: Thornton, G., (2016), Research on the Monitoring of Trends in Economic Value of Tourism in Cape Town, Thornton, G., South Africa.

between 2009 and 2015, reaching some 1.5 million in 2015, with total foreign direct spend rising from ZAR 11.3 billion (USD 0.9 billion) to ZAR 15.1 billion (USD 1.1 billion) in the same period.

In contrast, the number of domestic overnight trips to Cape Town shows a declining trend – down from 1.1 million in 2009 to about 700,000 in 2015. However, domestic tourism spend increased from ZAR 1.1 billion to ZAR 1.7 billion over this period.[4]

15.1.5 Tourism source markets and seasonality

As per the latest data (2016) from Cape Town Tourism (CTT), Europeans, led by Germans and the British, account for a majority of visitors. The remaining top-ten source markets are South Africa (domestic), the United States of America, Namibia, Netherlands, France, China, Canada and Switzerland.

Cape Town's tourism performance faces seasonal fluctuations, with a weaker performance in the winter months. Occupancy rates average 71.8% in the high season (October to March), dropping to 55.2% (April to September) in the low season.[5]

15.1.6 Economic impact

While data on the percentage of employees in direct tourism employment who are local is not available, it is understood that there were over 54,000 people employed in the tourism sector (38,838 in permanent jobs and 15,489 in temporary jobs) in 2015, up from an estimated 49,000 in 2014.[6]

15.1.7 Tourism enterprises

The city has a total of more than 3,900 tourism enterprises, including more than 2,700 in different types of guest accommodation, nearly 390 restaurants and more than 420 tourist attractions to cater to international and domestic visitors. In addition, it has 170 conference venues for business and other events (see table 15.1).

Table 15.1   **Types of tourism enterprises in Cape Town**

Type of enterprise	Number
B&B	340
Resort, caravan park and camping sites	17
Guest house	1,127
Backpacker	30
Hotel	183
Lodge	70
Self-catering units	975
Conference venues	170
Transport operators, tour operators and tour guides	204
Attractions	424
Restaurants	389
Total	**3,929**

Source: Thornton, G., (2015), Research on the Monitoring of Trends in Economic Value of Tourism in Cape Town, Thornton, G., South Africa.

Cable Way to Table Mountain.

15.2 Key performance areas

15.2.1 Destination management

Structure of the DMO

Tourism in Cape Town is managed by the City of Cape Town, in partnership with Cape Town Tourism (CTT), the official tourism marketing organization for the city.

The City of Cape Town drives the city's local tourism mandate through its Tourism Department, whose core functions include destination planning and policy making, tourism regulation, tourism product development, training and capacity-building, and providing tourism infrastructure and services.

CTT was established in 2004 as a voluntary industry association made up of tourism businesses in Cape Town. Subsequently, it took on the mandate to offer visitor services and tourism marketing. CTT is a non-profit organization, receives funding from CoCT for its activities and also generates its own income from its membership services, booking services, product sales, ticket sales, etc.

Main functions of Cape Town Tourism:

- **Industry services:** CTT serves an industry base of close to 1,300 tourism businesses, providing its members with a range of benefits including accreditation, networking sessions, access to market insights, brochure display space in its visitor centres and marketing and promotional opportunities;

- **Visitor services:** CTT has six Visitor Information Centres situated at strategic locations across the city, a contact centre and mobile information centres to offer visitors local and regional information, as well as booking services for accommodation, tours and activities, South African National Parks, events and transport. A range of products such as city maps, postcards and local crafts is also made available for sale; and

- **Tourism marketing:** CTT's marketing services focus on promoting the city's iconic attractions and offerings, as well as the less-explored sites in the city, to both the domestic and international markets. CTT participates in a number of trade fairs and exhibitions globally, and in road shows in selected target markets.

The organization's activities are overseen and guided by a Tourism Board comprising CTT's industry members and local government representatives. Currently, the Tourism Board has 14 members, including two co-opted members.

CTT's public-private partnership model is viewed as an example of best practice by many international tourism leaders. CTT was invited to serve on the UNWTO Destination and Business Council and was also asked to present its tourism model at UNWTO's annual general meeting for two years in a row.

CTT is a visitor-centric organization that has continually reinvented itself in response to challenging times and changing trends in the industry. Its mantra is "to be a leader in reinvention in order to remain relevant".

Tourism development policy

Cape Town has strong policies for the development of tourism as a driving force for job creation, economic growth and development. Tourism marketing and promotion is undertaken within the overall guidelines of the city's Tourism Development Framework, a strategic framework and policy document through which Cape Town aims to achieve its vision of "a world-class competitor and South Africa's premier tourism destination and to maximize the economic spin-offs and jobs created from the tourism sector".

The five-year Tourism Development Framework (TDF) is aligned with Cape Town's five-year Integrated Development Plan (IDP). The IDP provides the strategic framework for the city's development – social, economic, environmental, spatial and infrastructural – through which the city aims to realise its vision for Cape Town as an inclusive, safe, caring and well-run city of opportunity. The IDP recognizes tourism and tourism-related activities as key to economic growth and job creation.

In 2013, a new five-year TDF (2013–2017) was developed, consisting of new strategic focus areas, goals, key actions, projects and implementation guidelines for tourism development in the context of emerging global and local trends, opportunities and challenges facing the tourism industry.

The city has a collaborative approach to policy development with inputs sought from stakeholders within and across sectors, as well as the local community. A comprehensive public participation process ensured broad participation by citizens and stakeholder groups.

Cape Town Tourism and the City of Cape Town have jointly set the bold target of doubling the economic impact of tourism on the city by 2020, in a sustainable way that will ensure economic benefits and permits further expansion in the future.

Marketing strategy and USP

Cape Town's natural beauty, cultural history, urban landscape and advanced tourism infrastructure are some of its special characteristics that draw visitors from across the globe. Yet, one of its most striking features is the warmth and friendliness of its people. Therefore, the *people* component of the Cape Town tourism experience is the USP of the destination.

Cape Town Tourism considers people as attractions in its destination marketing and positioning. Several products and campaigns have been launched, strategically harnessing the power of the locals to provide unforgettable experiences to visitors in Cape Town, and to encourage travellers to experience the destination "as locals do".

Cape Town Tourism has also taken to heart Nelson Mandela's words: "If you talk to a man in a language he understands, that goes to his head. If you talk to him in his language, that goes to his heart."

"Love Cape Town" is the city's destination branding proposition, combining the destination's attractions, its people and its communities to form a unique emotional connection with visitors, promising them an authentic and immersive holiday experience.

A key strategy has been built around the hashtag #lovecapetown, encouraging Cape Town residents and visitors to create content, so that the potential customer has peer-to-peer information and reviews to rely on. The ongoing campaign has been hugely successful in creating visitor engagement, generating over 450,000

Thando Family, Cape Town's mobile information centres.

Facebook likes, 125,000 Twitter followers and 37,400 followers on Instagram until now.

1. "Send your Facebook Profile to Cape Town" campaign

In 2012, Cape Town Tourism used Facebook as a tool for uncovering the city and its abundance of attractions via an interactive travel game called My Cape Town Holiday. The campaign was launched as a competition that saw Facebook profiles being "sent on holiday to Cape Town", with the offer of a real Cape Town holiday for three lucky winners announced in February 2013.

Facebook users sent their profiles on a virtual five-day tailor-made holiday and thus became CTT's channels for spreading news and information about Cape Town. To create the content, 150 Point-of-View videos were shot, over 400 status updates were written and more than 10,000 holiday snaps were taken. The hugely successful campaign achieved the following:

- Almost 8,000 people travelled virtually to Cape Town;

- Over 350,000 potential tourists engaged with the campaign;

- About half a million impressions were generated on Facebook alone;

- A Gold Lion award at the Cannes Lions International Festival of Creativity 2013 in the Branded Content section – one of only two South African Golds; and

- Contributed to Cape Town Tourism winning a Travel + Leisure SMITTY Award in 2013 for Best Overall Use of Social Media, CVB, Global.

2. Mobile visitor information centres

In response to a rising trend of visitors using mobile and online portals to access information about Cape Town, CTT launched Africa's first mobile Visitor Information Centre (VIC) in 2014. Named *Thando* (which means "love" in Xhosa), it gives CTT the opportunity to meet travellers and local citizens wherever they were in the city.

The mobile Visitor Information vehicles are manned by enthusiastic Cape Town Tourism team members to position an information service in high traffic areas in line with events and seasonal hot spots. The original and largest Thando has a built-in office to assist visitors in making bookings for their stay or buying tickets for events and shows. An attractive relaxation area,

featuring locally designed chairs and tables, offers free wifi to visitors.

CTT actively encourages use of the hashtag #thando in social media to create visitor engagement with the community. The Thando team reported more than 43,400 interactions with visitors during 2016. This figure represents 25% of overall visitor interactions in the Cape Town Tourism network.

15.2.2 Social and cultural perspective

Cultural development strategy

Cape Town was the second city in South Africa (after Johannesburg) to establish an Arts and Culture Department and the first to create an Arts, Culture and Creative Industries Policy (2014). It is informed by key strategies and plans for the city such as the Integrated Development Plan (2013), Cultural Heritage Tourism Strategy and Action Plan for Cape Town (2010) and the Western Cape Design Strategy (2013), among others.

The City of Cape Town currently manages 13 arts and culture facilities, of which two are local history museums and another two are theatres. A total budget of ZAR 18 million (USD 1.4 million) (including salaries but excluding capital spend) is allocated to culture. ZAR 13 million is earmarked for building new attractions and investing in refurbishment and improvement of existing cultural infrastructure. In addition, ZAR 1.2 million (USD 91,440) is being used for repair and maintenance work, and a further ZAR 250,000 (USD 19,000) for the activation of these facilities.

CoCT manages a portion of public monuments (133), of which 30% are estimated to be in need of conservation interventions.[7]

The city has been running programmes and projects related to arts, culture and the creative industries for a number of years. These initiatives have been taking place across a wide range of departments, such as urban planning, social development, sports and recreation, parks and forests, library services, environment and heritage, tourism, economic development, and arts and culture.

Events

Cape Town hosts a variety of local and international events, from concerts and cultural festivals to business conferences and international sports tournaments, attended by more than 2 million people (in 2016), both residents and visitors.

Cape Town aims to position itself as the Events Capital of Africa. A well-defined 15-year Integrated Events Strategy (2014–2030) for Cape Town and the Western Cape has been developed to grow the events industry, thereby maximising the economic, social and environmental benefits that can be realized from hosting events.[8]

Cape Town Tourism provided promotional support and tourism services to a total of 1,215 events in the 2015/2016 financial year, an increase of 102% year-on-year. About 106 major events were supported by the city, compared to 80 in 2014/2015 – 39 were international events, up from 32 in the previous year.

Event visitation trends over the past several years indicate continued growth of business and leisure events held in Cape Town.

Community attitudes and engagement

As indicated earlier, the city of Cape Town undertakes an annual Community Satisfaction Survey. It uses independent research to measure resident perception and satisfaction with the city's performance, in order to enhance service delivery and to guide operational planning and implementation. The total sample size for the survey is 3,000.

Performance in local tourism is measured on three aspects, with scores showing steady improvement in residents' satisfaction over the past three years (see table 15.2).

Gender equality and inclusion

At the national level, approximately 62% of jobs in the tourism sector are occupied by women, significantly higher than the proportion of jobs occupied by women (45%) in the overall economy.

The city of Cape Town has a Universal Accessibility website (www.ctuat.co.za) that provides information to visitors on various tourism attractions and services that have accessibility features/facilities for people with disabilities and specific access requirements.

According to the South Africa National Grading Scheme, 2% of all graded establishments (629) and 17% of all graded rooms (14,183) in Cape Town have 'universal accessibility' features. These figures are below national levels, but higher than for the Western Cape Province overall.

Safety and security

Safety and security are issues of continued importance in Cape Town in connection with tourism development, as crimes against foreign visitors have an adverse effect on visitor perception and can lead to a decrease in the number of arrivals.

Cape Town has been exceedingly vigilant since crime in the area received a bad press before the 2010 FIFA World Cup. Public safety measures have been bolstered with increased visible policing and installation of CCTV cameras throughout the city.

The city launched a Tourism Safety and Support Programme (TSSP), an aftercare service offering practical and emotional support and assistance to foreign tourists in distress. The programme has a proactive communication component to assist in preventing crime against tourists, and reactive response procedures to any incident or crisis that may affect the tourism industry.

Between November 2016 and January 2017, a total of 21 incidents were referred to the TSSP unit by the police and the accommodation sector in Cape Town.

The indications are that Cape Town's various measures to improve and bolster safety and security in the city are having a positive impact on visitor perceptions and satisfaction levels. According to Cape Town Tourism's Visitor Satisfaction Survey (April-September 2015), over two-thirds (69%) of the visitors were very satisfied or satisfied, 20% were neither satisfied nor dissatisfied and only one-tenth (11%) were dissatisfied or very dissatisfied with their personal safety and security during their visit to Cape Town.

Authenticity

Cape Town Tourism (CTT) is actively promoting neighbourhood tourism, in response to the growing trend of travelling like a local among many global travellers. CTT provides neighbourhood guides to different areas of the city, with "where to eat, play and stay" recommendations. It has recently launched the *Love Cape Town Neighbourhoods Video Series,* as a way to help people explore the city's most popular

Table 15.2 **Resident satisfaction with local tourism, 2013–2014**

Indicator	2010/2011	2011/2012	2012/2013	2013/2014
There being tourism infrastructure in your area such as tourist attractions, tourism signage, etc.	2.4	2.2	2.4	2.6
The extent to which you benefit from tourism in Cape Town	2.4	2.2	2.3	2.6
There being tourism services in your area such as a tourism information office, restaurants, etc.	2.3	2.2	2.3	2.6
Overall performance	**2.4**	**2.2**	**2.3**	**2.6**

Note: Rating on a 5-point rating scale 1 = Poor, 2 = Fair, 3 = Good, 4 = Very good, 5 = Excellent.

Source: City of Cape Town (2010–2014), *Community Satisfaction Survey,* CoCT, Cape Town.

Hotel Verde, South Africa's greenest hotel and the first hotel in Africa to offer carbon-neutral accommodation and conference facilities.

neighbourhoods through the eyes of local residents. Further details on the campaign are presented in the Showcase section of this report.

Cape Town's natural and cultural heritage provides a rich and diverse resource base for authentic tourist experiences, reflecting its multicultural, melting pot community. The CTT especially promotes itineraries that focus on authentic and immersive experiences such as a listing of the top-50 restaurants in Cape Town "that locals love". Tours to local wine estates, with gourmet food and wine tasting experiences promise an authentic experience for visitors.

For a deeper dive into local culture and traditions, a number of immersive tourism products, such as cooking safaris, township gospel tours, cultural city walking tours, etc., are being promoted. As an example, local tour company Andulela (http://andulela.com) specializes in interactive travel experiences that introduce participants to authentic cultural experiences, with hands-on participation (e.g., cooking, music, arts, crafts) involving local communities and families.

15.2.3 Environmental perspective

Sustainable tourism strategy

Cape Town has been at the forefront of responsible tourism implementation in South Africa and globally, incorporating responsible tourism as a founding principle of its first Tourism Development Framework.

The city is the birthplace of the Cape Town Declaration on Responsible Tourism, endorsed by delegates from 20 countries at the first International Conference on Responsible Tourism in Destinations held in Cape Town in 2002. The notion that responsible tourism "creates better places for people to live in, and better places to visit" was adopted at that time.

In 2009, a city-wide Responsible Tourism Action Team comprising key tourism organizations and partners in Cape Town and a CoCT advisor committee led the development of Cape Town's Responsible Tourism Policy and Action Plan.[9]

The city has also been instrumental in pioneering the Responsible Tourism Charter, along with major tourism organizations, committing the CoCT and the industry to responsible tourism practices. The charter identifies seven key priorities: reducing water and energy use; decreasing waste generated; increasing contributions

to the welfare and livelihoods of local people through skills development; buying local products and services; charitable giving; and supporting local businesses.[10]

Over the years, in its efforts to mainstream responsible tourism, the city has undertaken a number of actions and initiatives targeting not just the industry, but also residents and tourists, some of which are highlighted below.

In 2009, on World Environment Day, Cape Town launched the Cape Town Green Map (www.capetowngreenmap.co.za). The first Green Map on the continent, and the first in the world to start as an online map, it highlights green spaces, biodiversity hot spots, sustainable living projects, local green events, green accommodation, fair-trade businesses, etc.

The Green Map project began as part of the Green Goal 2010 programme that aimed to make the 2010 FIFA World Cup™ the greenest world cup. The map, powered by Open Green Map – an interactive mapmaking tool that quickly allows the sharing of green sites – serves as a source for local Cape Town residents, as well as for tourists and visitors who want to make their holidays *greener* and cultivate environmentally conscious consumer habits.

A printable version of the map can be downloaded from the website. There are currently eight editions of the Green Map, each highlighting different green areas based on a theme. A printed version of the map is also available free of charge at all Cape Town Tourism visitor information centres. Since inception, a total of 537 green sites and projects have been listed on the Cape Town Green Map website.

Other initiatives include:

- Cape Town's Responsible Tourism website (https://responsiblecapetown.co.za) has become the hub of information on responsible tourism in the city, inspiring tourism businesses to manage their operations and market themselves more responsibly. It includes tools, case studies, a how-to guide, events and a blog. Online social media is also used to raise awareness of, and promote the adoption of, responsible tourism behaviour and practices;

- Launch of the annual Responsible Tourism Week, information sessions for tourism association members and implementation workshops for tourism businesses;

- In 2016, in an innovative experiment, CoCT's Tourism Department launched the Responsible Tourism (RT) Challenge, whereby four small accommodation establishments are being guided to implement sustainable operating practices over a period of six months. During this period, the stories of their 'responsible tourism journey' are being shared online so that other tourism business can follow their actions, achievements, and cost savings; and

- In a forward-thinking move, outreach efforts are also being made in schools and colleges among both students and educators, to raise awareness of responsible tourism principles and practices, and to motivate the future generation to adopt environmentally sensitive behaviour, both as citizens and as future employees in the tourism industry.

Density

The ratio of tourists to local residents can be used as an indication of potential pressure on the environmental and social resources of tourist-receiving regions and local destinations. It can also indicate seasonal pressure.

In Cape Town, the number of tourists per 100 residents was calculated as 18.1 (2015 data from CTT), with the ratio far higher in high season than in low season. In addition, millions of domestic day trips are made to the city, putting additional pressure on its resources. As an indication, the number of domestic day trips to Western Cape numbered 7.2 million in 2015.[11] Extrapolating from the 2011 Domestic Tourism Survey raw data by the CoCT's Development Information team, nearly one-third (32%) of day trips in the Western Cape were made to the city of Cape Town.[12]

In consultation with CoCT, industry partners and provincial government, CTT has successfully launched initiatives to re-position Cape Town as a year-round destination. Cape Town 365 is the motto, with an

integrated events calendar for stakeholders across business and leisure tourism.

A new destination marketing campaign, Hello Weekend, was launched in 2015, to promote Cape Town year-round. A special website (http://helloweekend.capetown) showcases a wide range of themed weekends, promising affordable and unique experiences, 365 days a year.

The campaign, which was specifically designed to attract visitors in the off-peak season, resulted in 21% increase in domestic bookings. The Seasonality Index shows a narrowing of seasonality across most indicators.

Public green spaces

Cape Town is blessed with a wealth of biodiversity hot spots of international importance, green spaces and natural resources – it is one of few cities in the world with a national park within the city's limits. The city has a total of 3,571 parks that include district and community parks and biodiversity areas. About 54,000 ha, or 22% of the total land area in the city, is covered by protected areas, conservation areas and reservoirs. The city has a robust set of policies to protect green spaces and environmentally sensitive areas. The public open space (POS) provision per 1,000 people is 1.08 ha.[13]

According to the 2011 African Green City Index, among 15 African cities, Cape Town was rated as the city with the greenest space, with an estimated 289 m^2 of green space per person, about four times the index average of 74 m^2.[14]

Although Cape Town does not currently have a comprehensive tree or tree canopy database, under CoCT's Tree Management Policy 2015, existing trees will be mapped and a valuation method established, in order for the City to understand the economic, heritage, environmental and social value of its tree asset base.

Hello Weekend!

Love Cape Town Neighbourhoods.
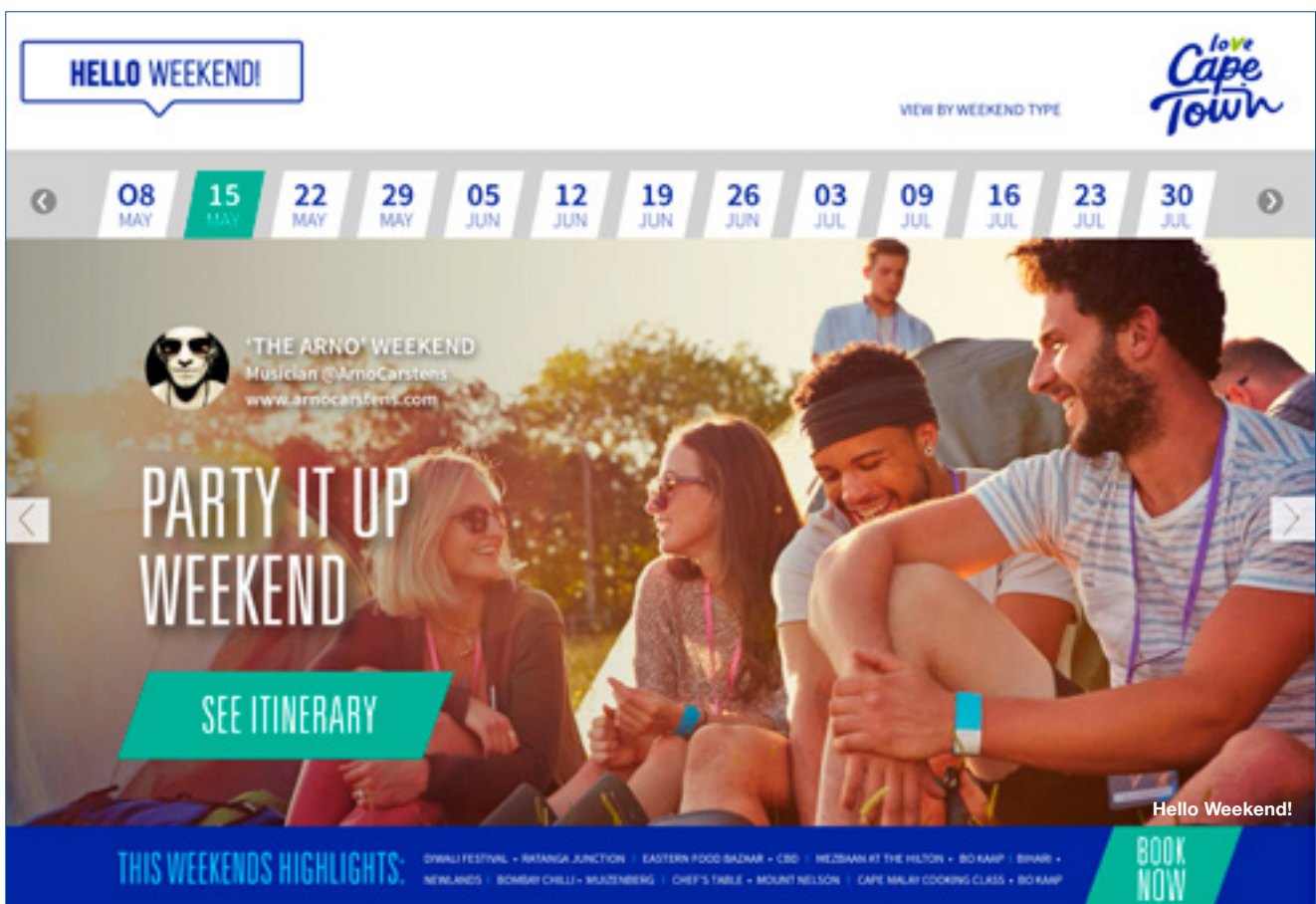
15.3 Success stories

15.3.1 'Love Cape Town Neighbourhoods' campaign

Introduction

"Travelling like a local" has moved from being a noteworthy trend to becoming an indispensable part of getting under the skin of a destination for many travellers. In response to this trend, the team at Cape Town Tourism decided to produce a range of content to help inspire travel in Cape Town beyond the expected.

The Love Cape Town Neighbourhoods Series was conceived as a way to help explore the Mother City's most popular neighbourhoods, through the eyes of the people that live there. Using locals, and interviewing the people that live and play in the neighbourhoods featured, the videos encourage viewers to enjoy the areas as the locals do. Playful, insightful and inspirational, the videos are aimed at encouraging visitors to the areas to experience them first-hand.

This initiative sits hand-in-hand with the objective to promote the geographical spread of visitors.

Objectives

- Tell the story of what the neighbourhood has to offer in terms of activities and people;

- To highlight the unexpected and the culture in the area;

- To get visitors into the neighbourhood and make use of the experiences and products there; and

- To engage with an audience and inspire them to travel like a local.

Key strategies and initiatives

- Interviews with 4 to 5 local business owners/ influencers/residents in the neighbourhood that offer insight into what there is to do in the area;

- Venues/products featured to indicate getting away from the expected and delving into the heart of the area – the focus is on arts and culture, food and lifestyle;

- Cape Town Tourism members that fit the storyline taken into account; and

- Love Cape Town Neighbourhood Series branding.

V&A Waterfront.

Each video series includes standard content and specific content during the promotion month when the neighbourhood is being featured. All of these are housed on the Love Cape Town website (www.capetown.travel).

During the promotional month, various marketing tactics are implemented, depending on the opportunities presented by each neighbourhood. These include:

- Behind-the-scenes promotion prior to the promotional month;

- Video, 30" video cut-downs, article and imagery promoted posts;

- Highlighting individuals behind the featured experiences and businesses;

- South African Airways featuring videos on board;

- Inclusion in Cape Town Tourism's annual seasonality campaign; and

- Video shown on the VIC screens across the metropolis.

Outcome and impact

A total of seven videos were produced in 2016 and a further five are planned for 2017. The Love Cape Town Neighbourhoods videos have received extensive press coverage and positive feedback from the industry, communities, residents and visitors, achieving a collective total of over 120,000 views already.

More significantly, the videos have evoked spontaneous and very positive qualitative responses from viewers.

15.3.2 The V&A Waterfront

Introduction

Established in 1988, the V&A Waterfront (Victoria & Alfred) is one of Africa's most visited destinations with 25 million visitors annually. It is situated in the oldest working harbour in the southern hemisphere, with Table Mountain as its backdrop and extensive views of the ocean.

The V&A Waterfront forms not only a part of South Africa's historical legacy, but also an integral part of the country as a whole. As a social, economic and environmentally committed business, it is built around creating and fostering opportunities for the citizens of this country – whether that be the blue chip businesses or the small-scale entrepreneurs who call the V&A Waterfront home.

A mixed-use development, the V&A Waterfront covers 300 acres, comprising residential and commercial property, hotels, retail, dining, leisure and entertainment facilities for both local and international visitors. Along with heritage sites and tourism landmarks, it also includes hotels, retail precincts, residential units, corporate offices, markets and, soon, the Zeitz MOCCA museum – hosting the world's largest collection of contemporary art from Africa and its diaspora.

Some 21,800 people work at V&A every day, 1,500 people live there and 180,000 visitors come to V&A every day in peak season. Apart from the onsite employees, over 17,500 indirect employees rely on the V&A for their livelihood.

Over the past 12 years, the V&A has contributed ZAR 335 billion (USD 25.8 billion) to the South African economy.

Objectives

The V&A vision is to be recognized as a premier destination for responsible tourism and a leading city for good sustainability practices. It is managed as a professional and environmentally conscious business, acknowledging the impact that its operations may have on the environment. Its holistic approach to sustainability entails having the right products/equipment, systems and processes that collectively add up to a premier tourism destination that benefits visitors and the communities in and around the V&A Waterfront.

Key strategies and initiatives

Since 2008, the V&A has invested ZAR 58 million (USD 4.3 million) in energy efficiency, water savings and waste recycling. The shareholders have embarked on a programme to green the property in order for the entire operation to be environmentally sustainable, improve efficiencies and save costs. This includes efforts on several fronts such as:

- Design and construction;

- Purchasing and procurement;

- Transport and vehicle maintenance;

- Biodiversity management;

- Resource management (water, electricity, gas, waste, etc.); and

- Community involvement, and many more.

Some of the measures undertaken include the following:

Transport infrastructure: In order to reduce vehicle traffic, reduce carbon footprint and encourage use of public transport, the V&A has implemented several measures:

- Reduced the vehicle fleet from 50 to 26 and purchased 16 bicycles for security and parking;

- Public bicycle and motorbike facilities have been provided, with dedicated bicycle lanes, installation of bicycle racks and parking facilities for motorbikes; and

- Access to various means of public transport has been made available, such as sedan taxis, MyCiti bus service (rapid bus transport system), Golden Arrow bus service and water taxis.

Landscaping: Biodiversity management includes extensive use of indigenous plants, planting 1,450 trees and the introduction of drip-feed irrigation to reduce water consumption and wastage.

Resource management: Several measures have been implemented to reduce water, electricity, gas and waste usage. These include:

- Water-efficient toilets and urinals, water sensor taps in all bathrooms, drip irrigation and variable irrigation times;

- A waste minimization and recycling drive to reduce the amount of waste going to landfills. Tenants were incentivized to reduce waste at source by introducing new waste tariff structures;

- Solar panels have been installed on nine rooftops for harnessing solar energy;

- Extensive use of natural light in the shopping districts, with all lights in the main shopping centre remaining off during the day;

- Installation of LED lighting in the buildings. Education programme for shopping centre tenants encourages them to refurbish and retrofit their premises with energy saving LED lighting, wherever possible; and

- Use of seawater cooling systems and installation of new generation air-conditioning units (district cooling) to save on energy consumption.

Green buildings: A number of buildings on the premises meet the specifications of the Green Building Council of South Africa, with several achieving four-star 'existing building' ratings.

Sustainable businesses: The V&A is also committed to enterprise development, through the establishment of the Watershed Centre for craft, art, design and fashion from the African continent on its premises. The craft market houses 150 small-scale craftsmen, providing them with the space and training (and access to visitors) to become successful and sustainable businesses.

Outcome and impact

- The reduction of V&A's own vehicle fleet has contributed to an overall reduction in carbon emissions saving of 20,083 t CO_2e;

- The drip feed irrigation systems have reduced water consumption by 60% compared to the previous watering system;

- Over 40% of waste is being recycled, preventing almost 12,000 tons of waste per annum going into landfills;

- There has been a saving of 9,000 m^3 per month or ZAR 1.5 million/year thanks to the adoption of seawater cooling systems;

- There is an overall energy saving of 16% of total consumption or an additional ZAR 11.6 million/year, using 2008/2009 as the base year. 9 rooftops fitted with solar panels currently produce 1 million megawatt hours of energy a year;

- There has been a carbon footprint reduction of almost 34,000 metric tons of carbon over four years; and

- The total number of jobs created by the V&A has increased by 57% since 2002. Current projects are expected to create an additional 19,000 jobs by 2026.

The V&A Waterfront remains one of the most visited destinations in South Africa. It is consistently voted in the top ten tourism destinations in the world, and is the recipient of the prestigious World Responsible Travel: Best Destination Responsible Tourism Award (2014).
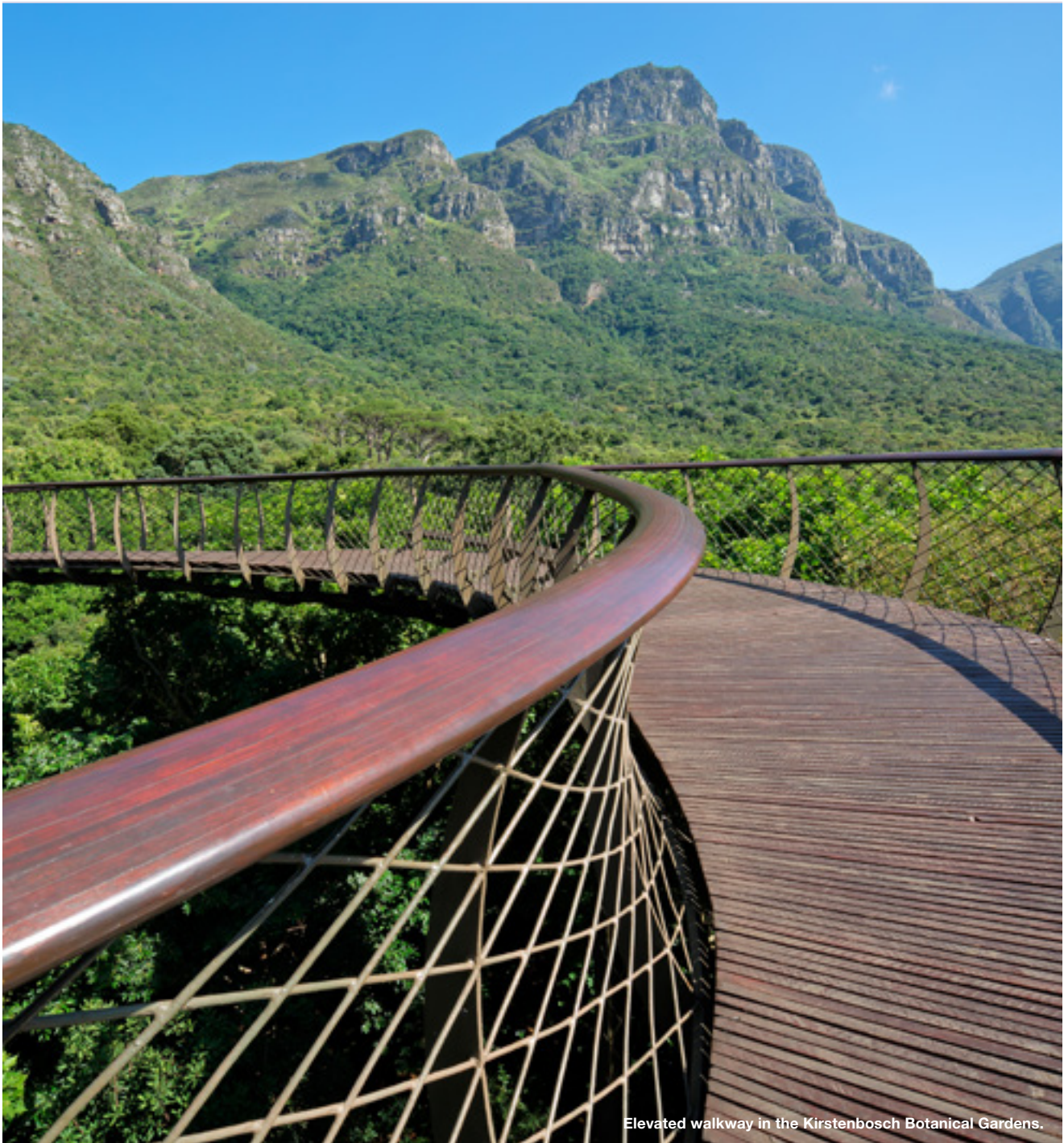
Elevated walkway in the Kirstenbosch Botanical Gardens.

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Observations

This report provides tourism authorities and stakeholders with a large number of success factors and good practice examples in urban tourism. The selected cities show a rich variety in tourism related strategies and each has a unique approach to destination management. However, all cities demonstrate some core elements for a successful development of a city as a tourism destination: i) a strong, shared vision for the city's future, formed in collaboration with the tourism sector and industries linked to it; ii) community engagement and involvement and the willingness to work for those common objectives; and iii) a marketing strategy that matches the city's unique heritage and culture and offers rich authentic tourism experiences and services.

Main challenges:

Each individual city was submitted to the methodology which allowed allocating several key performance areas to the urban destination. However, in general terms, the following overall challenges could be identified:

- At city level, a lack of quantitative and qualitative data (comparable) which leads to incomplete measurements and evaluation of the city's performance;

- A shortage of adequate measurement tools and monitoring mechanisms at sub-sector level that evaluate the impact of actions and initiatives which are significant for an accurate tourism data collection;

- Lack of adequate systems, as regards the environmental issues related to the city (not necessarily caused by tourism) such as: congestion, public space, energy efficiency, greenhouse emission reduction, air quality, landscape and biodiversity protection;

- Need for a fully functioning public transport network that connects different neighbourhoods in an efficient way;

- Not enough support from the local authorities for SMEs;

- Poor strategic approach to include tourism in urban growth to be able to explore ways for closer policy integration between tourism and other related sectors;

- Poor management to mitigate seasonality;

- Necessity to strengthen the city brand by engaging the local community;

- Need for good quality public services and amenities;

- Need to have a quality management system at urban destination level;

- Need to measure the impact of cruise tourism cities with ports;

- Ensure on-going innovation and creativity from both public and private sector;

- Lack of long-term political stability;

- Safety and security;

- Insufficient analysis of price competitiveness which contributes to the overall tourism competitiveness of a destination;

- As a result of the exponential growth of new platform tourism services or the so-called *sharing economy* there is a strong need for a legal framework to regulate the services and products under this domain;

- Necessity for a long-term marketing strategy;

- The consequences of detrimental effects: "tourism can destroy tourism", *touristification* and erosion of quality visitor experience;

- Challenges of authenticity in terms of products and experience;

- Social reaction to immediate inconveniences such as cultural issues, overuse of public amenities, visitor-resident tension, competition for space, crime, etc.; and

- Need for more flexible governance/management structures.

New platform tourism services

(or the so-called sharing economy)

Understand, rethink and adapt

Digital platforms in the tourism sector, also known as *New Platform Tourism Services,* are a phenomenon currently addressed worldwide. Mainly in urban areas it is creating various opportunities and raising several challenges. This summary of the report reacently launched by UNWTO on *New platform tourism services (or the so-called sharing economy) – Understand, Rethink and Adapt* provides more information about the concept   and assess the relevance and impact of those platforms. (The full publication can be found on the UNWTO Elibrary at www.e-unwto.org.)

The provision of services and products by private individuals in tourism is not a new phenomenon and has existed since the birth of tourism. In recent years however, its exponential growth and diversification through digital platforms has led to the creation of new business models, sparking an intense debate on its value and challenges for the tourism sector.

The rise of global digital platforms has provided private individuals and commercial suppliers new opportunities to offer services and products in the areas of tourism information, accommodation, transport, food and other tourism activities to an extent previously unknown. What began as the sharing of private assets and services through online platforms, usually referred to as sharing or collaborative economy, has become today a central and controversial topic in the sector as it evolved much beyond the simple sharing of private products and services.

Considering the implications of the above, UNWTO proposes to use a new concept – that of new platform tourism services – defined as business models in which products or services are offered to visitors through digital platforms. These products or services can be offered by private individuals or by commercial entities and distributed (intermediated) via digital platforms that match demand and supply.

This report aims to gather further evidence on these new platform tourism services across destinations worldwide, in five main areas – information, accommodation, transport, food and 'things to do' or tourism activities. The study aims to gain a better understanding of how this phenomenon is shaping the tourism sector, to identify the specific opportunities and challenges it poses, and to assess possible actions and the way forward. To do so, besides desk research, UNWTO has conducted a survey among its Member States, Affiliate Members and a selection of 250 destinations, about the importance and impact

of these new tourism services on their market. A total of 114 responses were received from organizations across all world regions.

Destination management organizations: opportunities, challenges and action taken

Of all the destinations consulted, 18 regional or local organizations have replied to the survey. Alongside with other tourism stakeholders, regional or local tourism organizations are essential to the ongoing discussion on the impact of the so-called sharing economy on tourism. This exploratory study offers some examples on how these organizations are currently dealing with the different issues arising from these services. Overall, it is possible to conclude that while benefiting from the opportunities rising, destination management organizations (DMOs) have a crucial role in managing the current and future challenges affecting their destination. In order to deal appropriately with the services provided by the platforms, DMOs are already adjusting their role and will continue to do so in the future.

In the field of information, DMOs are expected not only to ensure the reliability and quality of information on information platforms such as TripAdvisor, but also to provide guidance and support to small and medium enterprises, which might be unfamiliar and unsure of how to properly use them or how to deal with reviews and feedback. Fostering collaboration between information platforms based on user-generated and traditional tourism information offices or providers is a further challenge. Both sources of information should be considered complementary and not competing with one another. Partnerships between national tourism organizations (NTOs) and DMOs and online platforms are extremely valuable for the visibility of a destination and for the platforms themselves. Moreover, collaboration opportunities between major platforms and public tourism organizations can help these organizations not only to guarantee the trustworthiness of information provided to visitors, but also allow them to be in a better position to help businesses to deal with the reviews and ratings. One example of a successful private-public collaboration is the initiative of the Junta de Andalucía, Spain, called Andalucía Lab, which aims at boosting the digital and technological competitiveness of the thousands of small companies that comprise the tourism and retailing sectors in the region of Andalucía, to help build a more competitive destination.

From a destination perspective, one of the major opportunities resulting from the emergence of

| Private tourism services | Digital platforms | Consumer |
| Suppliers | Intermediaries | Visitors |
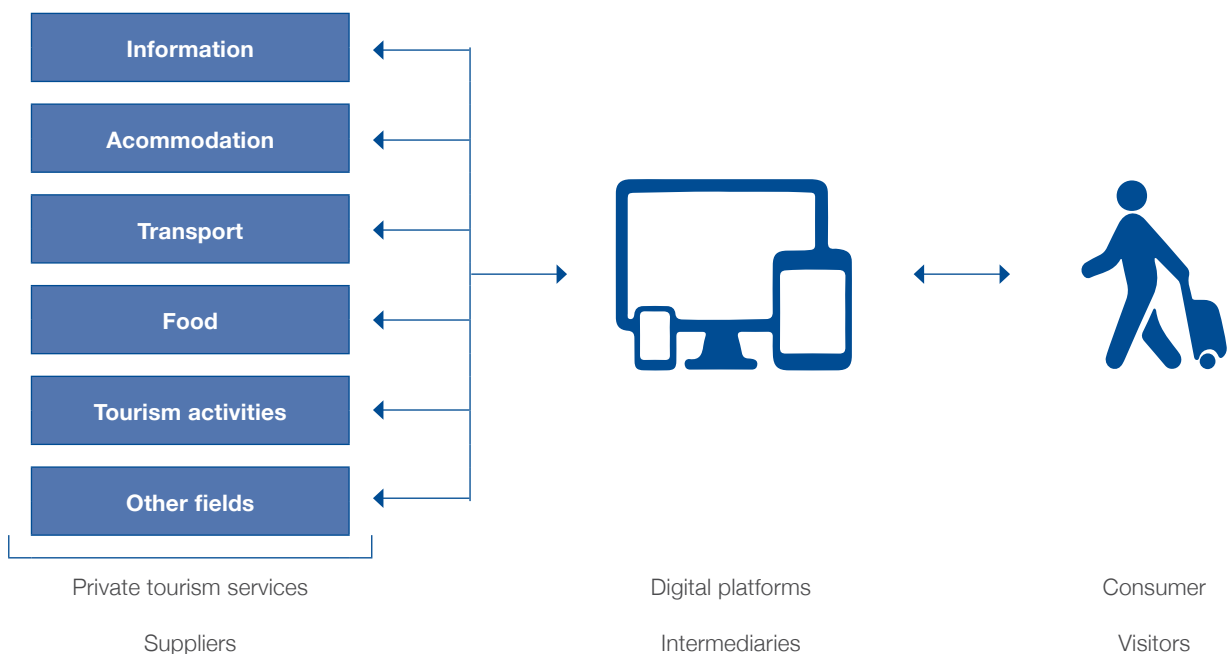
accommodation services such as Airbnb is the potential to attract and host more tourists, either by increasing the room capacity of a destination, or by offering a new and different type of experience to visitors. Bringing tourists closer to the local communities, an increase in affordable accommodation, innovative ideas and the enlarged visibility through global platforms are marketing opportunities for destinations. In this context, the Municipality of Tel Aviv-Yafo, Israel, stated that by providing more affordable options, the online platforms have helped to reach new demographic segments of tourists, particularly attracting the younger generation, which was previously more difficult given the high prices of accommodation in the city.

In matters relating to cooperation with platforms, the goal always seems to be the same: finding a way to guarantee both the quality of services and compliance with regulations. The Tourist Agency in Valencia, Spain, argues that the current conditions provided by private suppliers and the lack of control over such activities, prevent the assurance of quality that, in turn, endangers the image and reputation of the destination. In an attempt to ensure general quality standards in the region, Visit Flanders, Belgium has recently decided to simplify the administrative rules for tourism accommodation with clear rules on safety and quality, which have to be complied by both traditional suppliers and new types of accommodation such as private guest rooms.

Distinguishing the occasional accommodation rentals offered by private individuals from the ones offered by commercial providers was also identified as a major concern and a crucial challenge in the future for tourism authorities. In Vienna, the City Administration of Vienna has targeted current and would-be hosts with an information campaign, as a necessary first step to raise public awareness and tackle the lack of knowledge on guidelines and legal provisions on this matter. In addition, they have also changed the tourism law and created clear standards and regulations on how citizens can use or provide these accommodation services. A second example is the Balearic Islands Regional Tourism Government, Spain, which this year has approved a new regulation for holiday rentals, declaring that platforms advertising or commercializing holiday rentals in the Balearic Islands are obliged to display the home official registration

number, otherwise these will be penalized by a heavy fine. It is therefore evident that DMOs' efforts, together with other tourism authorities, have been mainly focused in ensuring a fair regulatory framework, as well as promoting further collaboration between digital platforms and competent authorities in order to ensure compliance with national/regional standards. If managed efficiently, DMOs can take advantage of the opportunities rising and also be a bridge between traditional and new stakeholders.

In general, the following key findings emerged from this research project:

- **New platform tourism services are important and are expected to continue growing in importance in the coming decade**. Of the five areas (information, accommodation, transport, food and other tourism activities) identified in new platform tourism services, information and accommodation appear to be the most relevant today, followed by transport services. Food and other tourism activities remain somewhat behind in terms of current importance;

- **Despite the challenges, the positive impact of new platform tourism services outweighs its negative effects.** Although there are several challenges to be addressed, the majority of studies and examples, as seen in most responses to the survey, indicate that the positive effects of the new platform tourism services outweigh the negative impacts; and

- **The opportunities generated should not distract from the pressing need to address the economic, social or environmental challenges created by the new platform tourism services.** Doing so requires a comprehensive approach, where four governance areas are identified as key pillars: (i) planning and sustainability; (ii) fair competition; (iii) consumer protection; and (iv) labour conditions.

Looking forward, three main paths have been identified:

1. **Understanding and monitoring:** a better understanding and monitoring of the new platform tourism services is necessary to assess the size and structure of the market, as well as the governance measures taken worldwide. In this sense, access to data and effective measurement become essential in moving forward. Recent cooperation between relevant authorities and digital platforms are a first step in this direction;

2. **Rethinking regulation:** regulating according to the needs and situation of each destination is crucial to maintain or establish a level playing field and guarantee fair competition, as well as to avoid risks for consumers, workers, service providers and digital platforms. In order to ensure that new platform tourism services positively affect the management and reputation of a destination whilst protecting visitors and local communities, authorities should distinguish between:

a) Services that do not generate an economic benefit beyond the recovery of costs and generally involve only occasional economic transactions, which can be considered as true sharing; and

b) Services that generate an economic benefit beyond the recovery of costs and generally involve frequent or systematic transactions, which can be considered a commercial activity by private persons or entities.

3. **Adapting to the new platform tourism services based on a 4C approach: c**ommunication, **c**ollaboration, **c**ooperation and **c**oordination. It is evident that the so-called sharing economy is there to stay and rather become ever more relevant, so it is essential to promote communication, collaboration, cooperation and coordination between all groups of stakeholders. By increasing collaboration efforts such as the ones mentioned in this study, destinations, as well as established tourism operators can work together with platforms in order to mutually benefit from the opportunities generated.

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World Tourism Organization (UNWTO)	World Tourism Cities Federation (WTCF)
Calle del Poeta Joan Maragall, 42	6th Floor, No. 3 Dongbinhe Road, Deshengmen,
28020 Madrid	Xicheng District
Spain	100120 Beijing
	China
Tel.: (+34) 915 678 100	
Fax: (+34) 915 713 733	Tel.: (+86) 10 5155 0085
Website: www.unwto.org	Fax: (+86) 10 6528 0923
E-mail: info@unwto.org	Website: http://en.wtcf.org.cn/
	E-mail: info@wtcf.org.cn

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CEDRO, Centro Español de Derechos Reprográficos	Tel.: (+34) 913 08 63 30
Calle Monte Esquinza, 14	Fax: (+34) 913 08 63 27
28010 Madrid	Website: www.cedro.org
Spain	E-mail: cedro@cedro.org