

STRATEGIC TOOLS FOR DECISION SUPPORT: THE REGIONAL TOURISM OBSERVATORY OF ALENTEJO

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ABSTRACT

In a background of increasing competition between tourism destinations, the issue of information takes on a more pressing nature.

The responsible bodies for destination management, either nationally or regionally, should equip themselves with tools to monitor tourism activity in their territories, and that provide timely and reliable information on their evolution, trends, dynamics and market position.

The Regional Tourism Observatory of Alentejo is a recently created instrument, to support the decision of the Regional Tourism Board of Alentejo and private entities in the region, as it defines itself as an instrument to detect market opportunities and anticipate the needs of entrepreneurship-related sector in the Alentejo.

In this article, we highlight the importance of public-private partnerships in developing tools for decision support on a regional basis, focusing on the Regional Tourism Observatory of Alentejo, presenting the studies that are being developed within its framework.

KEYWORDS

Information, Regional Tourism Board, Alentejo, Tourism Observatory.

1. INTRODUCTION

Over the last decades we have witnessed a growing importance of the tourism sector, presenting itself as an area of interest in several countries. Nowadays, the tourism sector is the third major activity of the European Economic Area, being responsible for more than 5% of the GDP (Ecorys, 2009). In Portugal, this industry corresponds to 10,3% of the GDP (INE, 2010b) and its enterprises are responsible for around 8% of national employment (INE, 2010a). On a regional level, more specifically in Alentejo (NUT II), 3,4% of the active population are employed in the tourism sector and accommodation and restaurants establishments represented, in 2007, around 10% of the total of enterprises located in the region.

The above mentioned economic dimension of the sector, its transversal nature, fragmentation, but also the very composite nature of the touristic product, and the impracticality that the private sector has in developing certain tourism activities have led the State to carry out a relevant and interventional role in defining Portuguese Tourism. However, at present, it is especially important to point out its role as facilitator/coordinator of the tourism activity that has shown a significant change over the last few years.

The conjuncture felt since then, especially in terms of economy, has redefined the State's role and its own capacity of answering matters in various conditions. This context has appealed to an understanding between the public and private sectors with the intention of executing a considerable number of projects, in which the public sector can no longer invest. So, nowadays, these projects are preferably developed in networks and partnerships between state institutions, the private sector and non-governmental organizations (Cooper & Hall, 2008), in an attempt to mobilize efforts, potentiate resources and facilitate synergies.

By focusing our attention on this interdependency between organizations, the State ceases to be the central agent, the major institution, and becomes more like a stakeholder of the entire process, i.e., it seeks results based on the engagement and effort of all those involved, essentially manifesting itself as a coordinator in a governance process.

This article attempts to point out the importance of establishing public-private partnerships for creating, implementing and executing projects considered to be structuring to the knowledge and development of tourism in a specific region. To achieve this, we resorted to qualitative methods, specifically the presentation of a case-study – the Regional Tourism Observatory of Alentejo – which is currently in a development stage, considering it to be an important instrument in decision-making, whose creation and strengthening depends on the involvement and collaboration of public and private entities.

2. LITERATURE REVIEW

The tourism sector has an international range and unique characteristics on a product level that differentiate it from the rest, which in turn implies a high intensity of information (Costa et al, 2001; Sheldon, 1997; Buhalis, 2003; Poon, 2002).

One of the functions of a destination management organization, whether public or private, is to facilitate the broadcast of information among the various interveners of the sector, namely when it concerns destinations and their products. It should also monitor the touristic flow, develop marketing campaigns and advertising, benchmarking regarding the main competitors, support the integration of SMEs in the digital economy, support vertical cooperation between destinations and intermediaries, and promote the production and publishing of studies and relevant information for the private companies, particularly SMEs (Morella, 2006).

In mainland Portugal, governmental tasks related to tourism are currently attached to the Ministry of Economy and Employment under direction of the Secretary of State for Tourism. The National Organization of Tourism or the National Touristic Authority is the Public Institute – Turismo de Portugal, responsible for the national strategy, development and enhancement of tourism. On a regional level, since April of 2008 (Decree-Law no. 67/2008, from April 10th), eleven regional tourism entities ensure the development of regional tourism in the continental territory. These entities function as managerial entities under the aegis of an innovative model that allows and promotes the

development of touristic activity by establishing partnerships and stimulates the involvement of private entities.

These are public-law corporate bodies with specific territorial scope, gifted with administrative and financial autonomy and their own assets. They seek adding value and sustainable use of the regional touristic resources and act as privileged speakers of their respective areas with the National Touristic Authority, within the frame of defined politics for the sector and fulfilling goals established in the National Strategic Plan for Tourism (PENT).

This strategic instrument, a binding agent of all the orientations related to tourism, is divided into 5 major areas: Territory; Destinations and Products; Brands and Markets; Resource Qualification; Distribution and Commercialization; and Knowledge and Innovation. On the other hand, these areas are substantiated by means of implementation projects, one of which points out to the fifth area: Knowledge and Innovation, which expresses itself in: strengthening of knowledge among the tourists/inbound markets; monitoring of the touristic activity and executing the PENT based on key-indicators; identifying and transmitting the best practices and tendencies in tourism; and stimulating research and development of innovative practices. Therefore, it's the responsibility of the regional tourism entities, in the sense of collaborating with the Turismo de Portugal, I.P to substantiate these projects, the realization of studies which would enable the description of the respective areas and boost the regional touristic values.

The need to equip all the intervenients of the sector with instruments that will aid them in substantiating their decisions is urgent, so as to suppress the lack of statistical information currently available, and which has led to the creation of Tourism Observatories all around the world.

In this manner, the Regional Tourism Board of Alentejo – Turismo do Alentejo, ERT (TA), has in its core competences, touristic planning and creation of partnerships, of which, taking into account the subject of this article, we can highlight: “to promote the realization of studies and research projects that will contribute to the characterization and affirmation of the regional tourism sector”, as well as, “create and manage a touristic activity observatory, intending to accompany the implementation of the regional touristic strategy and evaluate the performance of the regional touristic sector”, according to what is stated in Ordinance no. 1038/2008 from September 15th.

Several authors (Costa, 2001; Brandão, 2006; Nacca et al, 2010; Lajara et al, 2009) state the need for this kind of initiative, like the one referring to tourism observatories, due to (i) lack of statistical data, particularly on a regional level; (ii) uneven distribution of updated information in the field, therefore, the lack of reliable material for investors to analyse, namely SMEs; (iii) the need for more data regarding the competition, i.e., of the competitiveness and systematic evolution of all market sectors; (iv) and, lastly, the difficulty of visualizing the interactions between the various tourism subsectors.

According to Brandão (2007), based on a comparative study between the Tourism Observatory of the Côte d’Azur, the Tourism Observatory of Rimini and the extinct National Tourism Observatory, tourism observatories can be structured in different ways, however, it seems unanimous that there is a need for cooperation with other entities. After crossing all three examples, the following goals were identified:

- Knowing beforehand the dynamics of the sector;
- Obtain a regular, systematic and continuous record based on reality, namely, initiatives that allow an observation of the activities’ evolution and its tendencies;

- Provide a global view of the activity which would facilitate an holistic comprehension of the phenomenon and define strategies for destinations.

Generally, these goals are also implicit in other initiatives made by existing observatories on an international scale; such is the case of the Tourism Observatory of Cape Verde and the Tourism Observatory of Italy. Besides these experiences we can also refer to, as an example, in the Portuguese scenario, the Tourism Observatory of the Azores and the Tourism Observatory of Lisbon, and in the Spanish scenario, the Tourism Observatory of the Province of Alicante and the Tourism Observatory of Catalonia for their regional character.

However, independent of the level they refer to, it is important to point out that the strategic goal which has led to the creation of these observatories has been creating an instrument that will produce and congregate information regarding the tourism sector, that may be useful in the processes of decision making and management of both public and private entities, bridging out any existing gaps detected on a production level and spreading tourism statistics to all interested parties.

Overall, the initiative of creating these observatories is associated to a public entity, but its success and viability depend on the collaborative effort of the various intervenients in the sector.

3. METHODOLOGY

The methodology used for this study consisted, at an early stage, of a brief literature review on the subject of tourism observatories, but since this matter has just begun to be studied, we proceeded to analyse some examples of tourism observatories which are still functioning, unlike the National Tourism Observatory, based on secondary information retrieved from their respective webpages. Afterwards, we resorted to qualitative methods, namely the case study, to present the Regional Tourism Observatory of Alentejo, performing an analysis of this phenomenon in its real context.

The choice of this topic was due to, on the one hand, the active participation of the authors on the project of creating the observatory, allowing them to directly analyse the phenomenon in question, and on the other, because we consider it to be a reference example in the field of tourism observatories that exist in Portugal due to the following reasons: the vast and diversified territorial area included; it results from the aggregation and joint efforts of several public and private entities; to bring together a set of innovative studies that contribute to a better understanding of the touristic activity in Alentejo; and to obtain raw statistical data.

The purpose of this article is to present the project of the Regional Tourism Observatory of Alentejo, as a result of the collaboration between several entities and as an important instrument for decision making to all intervenients of the tourism sector. For this, we proceed to describe the activities that will be developed with its creation.

4. MAIN RESULTS

4.1. CASE-STUDY: THE TOURISM OBSERVATORY OF ALENTEJO

The project for creating the Tourism Observatory of Alentejo is an initiative of the TA, co-financed by INALENTEJO in accordance with the Regulation of SIAC – Sistema de Apoio às Acções Colectivas, formally starting on May of 2010 and scheduled to end on May of 2012. The aim of proposing the

creation of the Regional Tourism Observatory of Alentejo comes from the consciousness and sensibility of the TA facing the lack of information capable of supporting manager's decisions in this sector.

One of the indispensable conditions for starting and executing the goals of the Observatory was the establishing of partnerships with the following entities: Polytechnic Institute of Beja (IPB), Polytechnic Institute of Portalegre (IPP), NERBE/AEBAL – Business Association of Baixo Alentejo e Litoral, NERE – Business Association of Évora Region, NERPOR – Business Association of Portalegre Region and the University of Évora (UE).

For this project, the participation of the business associations was due to the fact that these are privileged interlocutors with managers of the area, in a way that the produced information intends on not only sustaining the creation of planning and prospective instruments of the touristic sector of Alentejo, but also to be directed towards the needs of their respective businesses. The need to ensure the production of technical, reliable and independent information, by means of implementing methods of retrieving and analysing data based on strict scientific criteria, justifies the involvement of the higher education institutions.

Adding the fact that the Observatory is supported by a Strategic Council made of several highly-regarded specialists of the tourism sector in Portugal, which ensure the external validation of all produced studies. Besides the aforementioned Strategic Council, the Observatory contains in its functional structure the support of two more administrative organs, the Executive Council and the Management Committees.

The Strategic Council is responsible for coordinating the strategies of the Observatory, formed by all partnership members and governed by the promoter of the project, the TA. While developing its activities, this organ is also aided by a Technical Support Team.

The Technical Support Team reports directly to the Observatory's Strategic Council and serves the purpose of providing technical support to the management strategy and executing all planned activities, according to the major tasks of the above mentioned Council.

As for the Consulting Council, this is the supportive organ of the Observatory, ensuring the participation of both the economic and social partners and the local and regional institutions of the project.

The Consulting Council is set by a representative of each of the following institutions: TA; Polytechnic Institute of Beja; Polytechnic Institute of Portalegre; University of Évora; NERBE; NERE; NERPOR; Regional Tourism Promotion Agency of Alentejo; Turismo de Portugal, I.P; Turismo Terras do Grande Lago Alqueva; Turismo do Alentejo Litoral ; Alentejo Regional Development Agency – ADRAL, S.A; Confederation of Portuguese Tourism – CTP; Coordination and Regional Development of the Alentejo; The Institute for Tourism Planning and Development – IPDT.

Among its competences, we can highlight the constitution of a Network of Observers, made of national and international specialists on several subjects directly related to the Observatory, which with their know-how and experience contribute by elaborating strategic intervention proposals, in accordance with the proposed goals and the results obtained by the Observatory.

Lastly, the two Management Committees: of “Information Systems and Knowledge Network” and of “Economic Organization”; the first, formed by the TA and the higher education institutions; the second, by the TA and the business associations.

5. MAIN RESULTS

The Regional Tourism Observatory of Alentejo project integrates the following activities, on a developing stage: Information System of the Tourism Observatory of Alentejo; GIS – Tourism Supply Geographic Information System of the Tourism Regional Area of Alentejo; Tourism Barometer; elaborating the methodological framework of a Tourism Satellite Account for the Region of Alentejo; International Conference; Visitor Profile; Analysis of Alentejo Inbound Markets; Awareness Events at Regional Level ; Governing Plan and Communications Plan.

The Information System is the basis of all the storage system, analysis and spreading of information by the Observatory and can be accessed through the website (<http://www.observatorioturismoalentejo.com/>). This system will, monthly, offer data relating to qualified accommodation establishments that are adherent to the project, in the shape of charts and indispensable indicators to the businesses analysis, making it an important analysis tool for managers.

The Information System will also integrate, studies based on the Visitor's Profile. For the sake of this study, four surveys will be made in different periods, over the two year duration of the project, that will allow us to improve our knowledge on the visitor of Alentejo, namely in terms of motivations, preferences, consumer behavior, distribution and information channels used while preparing the travel, as well as social-demographic criteria necessary for it's knowledge.

The Tourism Barometer of Alentejo will derive from the Information System and allow for synthesized and systematic spreading of the collected information, on a regular basis, for all agents of the sector and the general public. Besides this information, the information system will also incorporate a space dedicated to make compatible the statistics published by the National Institute of Statistics in this area and other relevant information for managers, namely national and regional studies with particular interest towards the region, or case-studies and good practices.

The Tourism Supply Geographic Information System of Alentejo consists of inventorying, systematizing existing information and collecting source material, when it's not available, of the touristic resources of Alentejo, presenting them in a GIS environment, providing an important decision making tool for managers of the sector and tourism planning of the region. This collecting and evaluation de resources are essential to knowing the touristic potential of the territory, and also what touristic products should be developed.

The activity - Tourism Satellite Account for the Region of Alentejo – will allow the construction of the methodological framework of a Tourism Satellite Account for the Region of Alentejo, so as to, in a near future, the TA can objectively evaluate the economic dimension of tourism in its geographical area of intervention. The relevance and interest of this Activity fits, on one hand, in the generic objectives of creating the Tourism Observatory and, on the other, the need for the TA to develop an instrument that will allow it to assess the importance of the touristic activity and its impact on the regional economic structure. The definition of the indicators and its later implementation, which should sustain itself on a regular basis of analysis, may contribute in a decisive way to the precise and effective characterization of the evolution of the tourism phenomenon in the Alentejo Region.

Given that the United Nations, the OECD, Eurostat and the UNWTO created the structure with the basic elements to implement the Tourism Satellite Account through the National Statistic Institutes of various countries, the TA intends to align its intervention with these international recommendations and contribute the collective effort of implementing that system of information, but restricting it to it's regional scale of intervention.

The Governing Model will constitute the support of the created partnership, while as a stimulating element of organizing the partner's actions. Connected to this role, we have the Awareness Events at Regional Level as ensuring the involvement and direct participation of the enterprises in the goals set for the Observatory and the integration of results obtained by its performance on a regional economic basis.

The Communications Plan will be a cross-disciplinary component to all the other foreseen actions, while an instrument of projecting all the developed work, obtained results and especially of promoting the main goal of the Observatory, in other words, provide reliable information regarding the tourism of Alentejo region.

The International Conference, taking place at the end of the project, will grant visibility to the project, and assume itself as a moment of thought and discussion about the touristic activity of the region. This conference will gather experts, specialists, technicians, investors, managers and deciders, all holding profiles, visions and diverse experiences with the common goal of promoting strategic reflection about Alentejo as a tourism destination.

6. CONCLUSION

The Regional Tourism Observatory of Alentejo, in comparison with other congenerous initiatives, is a structural project for knowing the tourism of the Alentejo region and for its development. The involvement of public and private entities, working cooperatively and potentiating synergies which result from the complementariness of intrinsic knowledge to its various areas of study, constitutes a major point for the project and for continuing its goals and potentiation of results. It is also important to emphasize that the potential of the project will increase as long as it gathers more collaborating entities and proposals for more research that contribute to a larger knowledge of the regional touristic sector.

By promoting the realization of studies and research projects on the regional touristic sector, such as the Tourism Supply Geographical Information System of Alentejo and the methodological framework of a Tourism Satellite Account regarding the Alentejo region, and by providing statistical information and management indicators to the regional accommodation sector managers, simultaneously allowing the public agents to monitor the performance of the sector, the creation of the Regional Tourism Observatory of Alentejo meets the competences established for Turismo do Alentejo, E.R.T.

This project will generate information for stakeholders relative to the indicators of tourism accommodation, the profile and motivations of Alentejo visitors, distribution channels, destination analysis, inbound markets, an inventory of touristic resources in a GIS environment and the methodology for a regional Tourism Satellite Account.

This information will be made available in a regular and timely way, through a website, which appears not only as a tool that grants visibility to the Observatory, but also as a management software tool for the adherent entities that, in this way, can analyse their main indicators, insert data and obtain results that will allow them to monitoring their activity and serve as a platform for decision making towards their business, in an attempt to correct any detected flaws or explore new possibilities, allowing for a better adjustment between the visitor's profile and the corporate initiatives, making them more competitive.

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