



SUMMARY / CONCLUSIONS

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2nd UNWTO CONFERENCE:

“QUALITY: THE KEY DRIVER FOR SUCCESS IN THE MEDITERRANEAN DESTINATIONS

- Identified a detailed understanding of the new paradigms in the Med. tourism through an interdisciplinary platform in order to set a shared vision on adapting to change; instruments for co-petition among the Med. destinations.
- Provided a global insight into the positioning of Med. tourism along with the new dynamics and trends in the overall marketplace.
- Highlighted the need for the diversification of the product and shift from the trinomial model of “sun, sea and sand” towards sustainable, innovative and quality products.
- Explored the ways of how innovation can stimulate new products, niche markets, upgraded quality and hence enhance competitiveness of the region.
- Gave an overview of various challenges of cruise and maritime tourism and discussed the strategic approaches to cope with sustainability issues while maximizing the benefits for the local destinations.
- Illustrated good cases on possible areas of co-operation and partnership at different levels of governance and among the stakeholders.

THEMATIC STRUCTURE

1. **Setting the Scene – Positioning the Med. Tourism in the Global Market - Opportunities and Challenges :**
KEY NOTE + 6 Panelists
2. **Product Development, Diversification and Innovation: a Strategic Approach for Developing Sustainable, Quality and Innovative Products:**
KEY NOTE + 8 Panelists
3. **Cruise and Maritime Tourism: Challenges and Opportunities:**
KEY NOTE + 7 Panelists
4. **Effective Governance and Policy Instruments :**
7 Panelists



**AROUND 200 PARTICIPANTS
FROM 25 COUNTRIES**

QUANTATIVE FRAMEWORK

- The Med. Destinations recorded **343 million international arrivals**, almost 1/3 of the worldwide volume.
- The 29 Med. countries boasted **3.7% growth in arrivals in 2013 & 4.5% in 2014**. This represents 10 million arrivals per year up to 2030.
- In 2014, the Med. earned **247 billion Euros** (including 30 billion Euros in passenger transport).
- This represents **12% of total exports** (world average is 6%).
- In 2014 70% of the international arrivals (241 million) were received by advanced economy destinations in the Med. Region: e.g. France : 84 mn., Spain :65 mn., Italy : 49 mn., Greece: 22 mn., Portugal : 9 mn.
- Rising stars in the Mediterranean are: - **Turkey** (+11% annual growth). It is the 4th most visited destination in the Mediterranean and in Europe and the 6th in the world
 - **Croatia** (+11% annual growth)
 - **Morocco** (+8% annual growth)
 - **Egypt** (+ 7 % annual growth)

1) SETTING THE SCENE: POSITIONING THE MED. TOURISM IN THE GLOBAL MARKET – OPPORTUNITIES AND CHALLENGES

KEY NOTE: Mr. Rolf Freitag -IPK

- From a historical perspective, the general overview of the Med. Tourism. Based on customer surveys.
- With approximately **32% market share**, the Med. is the biggest tourism destination worldwide, nonetheless, the market share dropped from 38% to 32% over the last 7 years, due to other emerging markets & destinations & due to some internal dynamics.
- Travel motivation is basically "leisure" (90%) & 62% corresponds to the summer season.
- 46% sun and beach (over the last 5 years 31% increase)
16% touring holidays (over the last 5 years 28% increase)
15% city tourism (over the last 5 years 72% increase)
4% rural tourism
4% mountain tourism
- Booking trends: 78% via Internet
51% up to 1 month before the trip

1) SETTING THE SCENE: POSITIONING THE MED. TOURISM IN THE GLOBAL MARKET – OPPORTUNITIES AND CHALLENGES

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- 60% hotel accommodation
- The Meeting Industry growing
- Market share of high spenders is growing
- Fast growth in emerging markets : Asia-Pacific and South America
- Three basic challenges to be considered:
 - Marketing efforts need to be improved,
 - Priority to be given to market intelligence and reliable and comparative data
 - Broader approach to quality

1) SETTING THE SCENE: POSITIONING THE MED. TOURISM IN THE GLOBAL MARKET – OPPORTUNITIES AND CHALLENGES

FURTHER REMARKS AND OBSERVATIONS:

➤ TOUR OPERATOR VIEW:

- Change of customer needs & market shifts
- Core growth areas: Modular products, do it yourself packages
- Customer:
 - Flexibility & choice
 - Polarization
 - Value for money
 - Differentiation & specialization
 - Environmental awareness
 - Cruise (growing)
 - Well-being & health (growing)
 - Sun & beach (declining)

1) SETTING THE SCENE: POSITIONING THE MED. TOURISM IN THE GLOBAL MARKET – OPPORTUNITIES AND CHALLENGES

- **TRANSPORT:** - Med. Destinations: market share - 17% of air traffic volume (2014)
 - Fastest growing markets for the Med. Region:

- ❖ Republic of Korea – 53%
- ❖ Russian Federation – 30% (2014) 2011-2013 (52%)
- ❖ Switzerland – 37%
- ❖ Norway – 35%
- ❖ Saudi Arabia – 34%
- ❖ China – 32%
- ❖ Australia – 30%
- ❖ Poland – 28%



- ✓ Low cost carriers in Europe shows 14% annual increase, nonetheless depending on the growth in long-haul markets , this rate will maintain its speed.

1) SETTING THE SCENE: POSITIONING THE MED. TOURISM IN THE GLOBAL MARKET – OPPORTUNITIES AND CHALLENGES

➤ ACCOMMODATION AND CLUSTER APPROACH:

- Qualitative determinants vs. quantitative data (as regards competitiveness)
- Reference to Travel & Tourism Competitiveness
(Index with 4 pillars of factors & ranking in the Med. Europe)
- Competitive advantage of innovation and quality
- Challenges of intensity issues
- Return on investment: niche products and niche markets are more profitable and competitive

1) SETTING THE SCENE: POSITIONING THE MED. TOURISM IN THE GLOBAL MARKET – OPPORTUNITIES AND CHALLENGES

- Mature destinations (e.g. France) focus on Promotion → Quality → Engineering (e.g. investment planning)
- Diversified attractions → competitive advantage
- A strong domestic market → competitive advantage
- Uneven distribution of accommodation facilities and geographical concentration is a challenge
- Focuses on target market segmentation on a demographic basis
- Overcoming quality challenges and mitigating seasonality issues are priorities, e.g. public space organization, offering additional activities, quality of beaches and putting in place different products for different market segments
- Importance of rebranding, e.g. Croatia, with the inclusion of cultural products, quality, unique experience (story telling), nostalgia, innovative products
- The importance of consumer satisfactions surveys.
- Authenticity is a parameter for quality
- Emerging destinations (e.g., Montenegro) has the advantage of benefiting from this parameter

2) PRODUCT DEVELOPMENT, DIVERSIFICATION AND INNOVATION: A Strategic Approach for Developing Sustainable, Quality and Innovative Tourism Products

KEY NOTE: Prof.Frédéric Dimanche

- Clear reference to comparative & competitive advantages of the Med. Region – Opportunities & challenges
- A snapshot of quality competitiveness in the Med. Top drivers (Source: Travel Sat compl. Index):
 - *Visitor experience (hospitality, information, local food, etc)*
 - *Quality (Landscape & beaches, hygiene, etc.)*
 - *Focus on local community*
- Key for success in the process of transformation & improving competitiveness:
 - *Sustainability*
 - *Differentiate & diversify the product*
 - *Focus on high quality visitor experience*
 - *Opportunities for locals*
 - *Image and consumer perception*
 - *Human resource development*
 - *Adapt to change and innovate*



2) PRODUCT DEVELOPMENT, DIVERSIFICATION AND INNOVATION: A Strategic Approach for Developing Sustainable, Quality and Innovative Tourism Products

FURTHER DISCUSSIONS AND OBSERVATIONS:

- New approach to “a culture of quality” & “quality management” which is flexible & accessible to all tourism related businesses and & the public sector.
- The importance of launching tourism quality systems as a competitive strategy (which also covers practices of standardization, certification, categorization, labelling, etc.)
- The importance of governance: Requires adequate legal frameworks, efficient political, managerial & administrative processes as well as a strong and capable industry to respond to the market and cope with challenges (e.g.sustainability concerns, seasonality issues, alternative products, tourism infrastructure (case of Cyprus, Slovenia, Montenegro))
- The importance of partnerships & networks: Requires collaboration among the stakeholders, institutions, individuals & organizations. Success is possible when collaboration is effective, accountable & coordinated (Cyprus, Jordan, Montenegro).

2) PRODUCT DEVELOPMENT, DIVERSIFICATION AND INNOVATION: A Strategic Approach for Developing Sustainable, Quality and Innovative Tourism Products

- The case of Union for the Mediterranean: Enhances the regional cooperation and integration in the Euro-Med. Region focusing on a sustainable development. Tourism has recently been one of the priority areas as regards: employment & climate change.
- Cultural & historical heritage sites in the Med. Reg. represent a significant component of the Mediterranean tourism. Cultural heritage site management needs long-term planning, proper conservation and management. It is essential to create awareness and involve the local community into this process and collaborate at international level (Case of Jordan and Montenegro).
- Implementing innovative practices to adapt to new paradigms in the consumer patterns, travel habits, business models and launch an aligned advocacy with all the related industries and services to sustain inclusive growth and enhance the Med. Competitiveness.

2) PRODUCT DEVELOPMENT, DIVERSIFICATION AND INNOVATION: A Strategic Approach for Developing Sustainable, Quality and Innovative Tourism Products

- Health and spa tourism has a great potential in the Med. Region (e.g., Portugal, Spain, France, Algeria, Greece, Slovenia, Bulgaria and Turkey).
- Around 1400 spa destinations with 47 mln. euros of revenues.
- Prerequisites to develop spa destinations:
 - Natural resources (thermal water and adequate environment)
 - Collaboration of all stakeholders, including support activities
 - Differentiation of the destination through unique products and experiences
 - Developing a sophisticated product (combined with local gastronomy, historical and natural attractions and medical tourism)
 - Quality and implementation of ISO standards and certification systems
 - Institutional arrangements (e.g., health insurance systems)
- High economic impact on the local communities in terms of income and employment: 90% of spa destinations are located in small settlements.
- Gastronomy is an indispensable element in tourism (food tourism – 150 bln. \$)

2) PRODUCT DEVELOPMENT, DIVERSIFICATION AND INNOVATION: A Strategic Approach for Developing Sustainable, Quality and Innovative Tourism Products

- Main markets – North America, Australia and the north of Europe, and main destinations – France, Spain, Italy, Greece and Turkey (growing).
- “Food tourist” has a high customer profile.
- Gastronomy must be addressed in the strategic marketing plans of destinations. It is important to have a shared vision among stakeholders.
- Very high economic and cultural impact on destinations
(improve local products in terms of quantity and quality and involves the local community)



3) CRUISE AND MARITIME TOURISM

➤ KEY NOTE: Franz Lamplmair

➤ **OPPORTUNITIES:**

- Coastal & Maritime Tourism in Europe represents:
 - 3.2 million employers (only cruise industry: 330.000 jobs in 2013)
 - 183 million euros revenue
 - Length of stay in coastal destinations (longer)
 - Largest sub-sector of tourism
 - Steady growth

➤ **CHALLENGES:**

- Lack of qualitative & quantitative data
- Seasonality
- Stakeholder fragmentation
- Environmental issues
- Product diversification & innovation
- Human Resources Skills



3) CRUISE AND MARITIME TOURISM

➤ **KEY NOTE:** Franz Lamplmair

➤ **CHALLENGES:**

- Tough competition
- Visa policy
- Environmental issues & port saturation
- Profit sharing
- Infrastructure investments

➤ **KEY ACTIONS (in Europe)**

- Research
- Safety
- Sustainable Management
- Product diversification (water-based sports, underwater archeology, etc.)
- Innovation in marinas
- Funding
- Pan-European Dialogue

3) CRUISE AND MARITIME TOURISM

➤ FURTHER REMARKS and OBSERVATIONS:

- Successful maritime and cruise tourism requires a substantial policy, legal and administrative framework.
- A sustainable maritime and cruise tourism can be channeled through the strengthening of links between coastal destinations and transnational routes, addressing concerns of environmental issues ,joint promotion activities, improving infrastructure, encouraging innovation, enhancing product quality (case of Greece, Croatia, Montenegro).
- Multiple criteria for nautical tourism infrastructure (i.e. marinas) (case of of Croatia)
 - historical and environmental values, geographical-meteorological, navigational characteristics, adequate infrastructure, accessibility, zoning and planning, market demands and complementary activities.
- Other challenges: port capacities, image, visa issues, need for co-petition and networking, capacity building and dissemination of good practices.

3) CRUISE AND MARITIME TOURISM

- Further challenges: monopolistic operations, and bunker costs and competition with low cost airlines (in ferries).
- Lack of common vision and action among stakeholders: shipping companies, terminals, port operators, governments, marinas, tour operators, destinations and charter companies.
- Need for a multi-destination proactive approach, quality and innovation.
- Growth must not refer to traffic movements, other parameters have to be considered, e.g. job creation.
- The relations between the destinations and ports are very important to maximize the benefits from the cruise tourism through building a dialogue at national and transnational level with the cruise industry.
- The proximity of the port to the destination helps the latter to attract cruise visitors. This has to be addressed in the spatial planning of the area (e.g., Monaco).
- Ports must offer diverse activities (not only shopping).



3) CRUISE AND MARITIME TOURISM

- Sustainable coastal management and optimal exploitation of potentials and comparative advantages in the process of developing nautical tourism has to be addressed.
- Research and reliable data help middle- and long-term planning of marinas and nautical tourism.
- Big scale investments for superyachts (e.g., Porto Montenegro) need integrated planning and new business models.
- Positive advantages are:
 - Job creation
 - Benefits for the local community
 - Collected VAT
 - Luxurious niche market
- Challenges:
 - Consistent maintenance of the offer
 - Differentiation from similar operations
 - Stabilization of fees
 - Continuous investments for maintaining a year-round business

4) EFFECTIVE GOVERNANCE AND POLICY INSTRUMENTS

REMARKS AND OBSERVATIONS:

- The importance of positioning and promoting the Med. Tourism as a driver for economic growth, inclusive development & environmental sustainability in the national and regional policy agendas and linking tourism with the rest of the economy.(Turkey, Malta, Morocco and Montenegro)
- The significant role of the central government and tourism policies at macro level
- The importance of a long-term shared vision, planning and partnerships among all the public and private stakeholders, institutions, individuals and organizations
- The importance of a business enabling environment: A positive and predictable context in which to do business, where policy, institutional, regulatory, infrastructure and cultural conditions lay the foundations for market to work.
(incentives- Turkey, Morocco and Montenegro)
- The positioning of SME's in the tourism sector and the dynamic support systems launched by the governments (Morocco)

4) EFFECTIVE GOVERNANCE AND POLICY INSTRUMENTS

- Addressing the importance of spatial planning, spatial organization and quality of space, (sustainable beach management).
- Destination quality management has to be given priority by the central and local governments through destination management systems and instruments like labelling, etc.
- The importance of effective flexible governance models at national, regional and local level. Vertical and horizontal co-operation in the tourism value chain.
- Market intelligence and reliable data. (Malta) benchmarking against big players.
- Think globally, act locally and compete with **ATTITUDE!!!**



THANK YOU

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