



Joining forces for Competitive and Sustainable Tourism Clusters

Uniendo fuerzas para clusters de turismo competitivos y sostenibles

*TCI's 1st Global Thematic Conference on Tourism Clusters
Dominican Republic, Punta Cana 7-10 April 2010*

Michel Julian
Market Trends and Competitiveness Section

The World Tourism Organization (UNWTO)

- a specialized agency of the United Nations (UN) and the leading international organization in the field of tourism. It serves as a global forum for tourism policy issues and a practical source of tourism know-how.
- plays a central and decisive role in promoting the development of responsible, sustainable and universally accessible tourism, paying particular attention to the interests of developing countries.
- encourages the implementation of the Global Code of Ethics for Tourism, with a view to ensuring that member countries, tourist destinations and businesses maximize the positive economic, social and cultural effects of tourism and fully reap its benefits, while minimizing its negative social and environmental impacts.
- intergovernmental organization with membership includes 161 countries and territories and more than 370 Affiliate Members representing the private sector, educational institutions, tourism associations and local tourism authorities.
- committed to the United Nations Millennium Development Goals, geared toward reducing poverty and fostering sustainable development.

The context



UNWTO • OMT • IHRTO

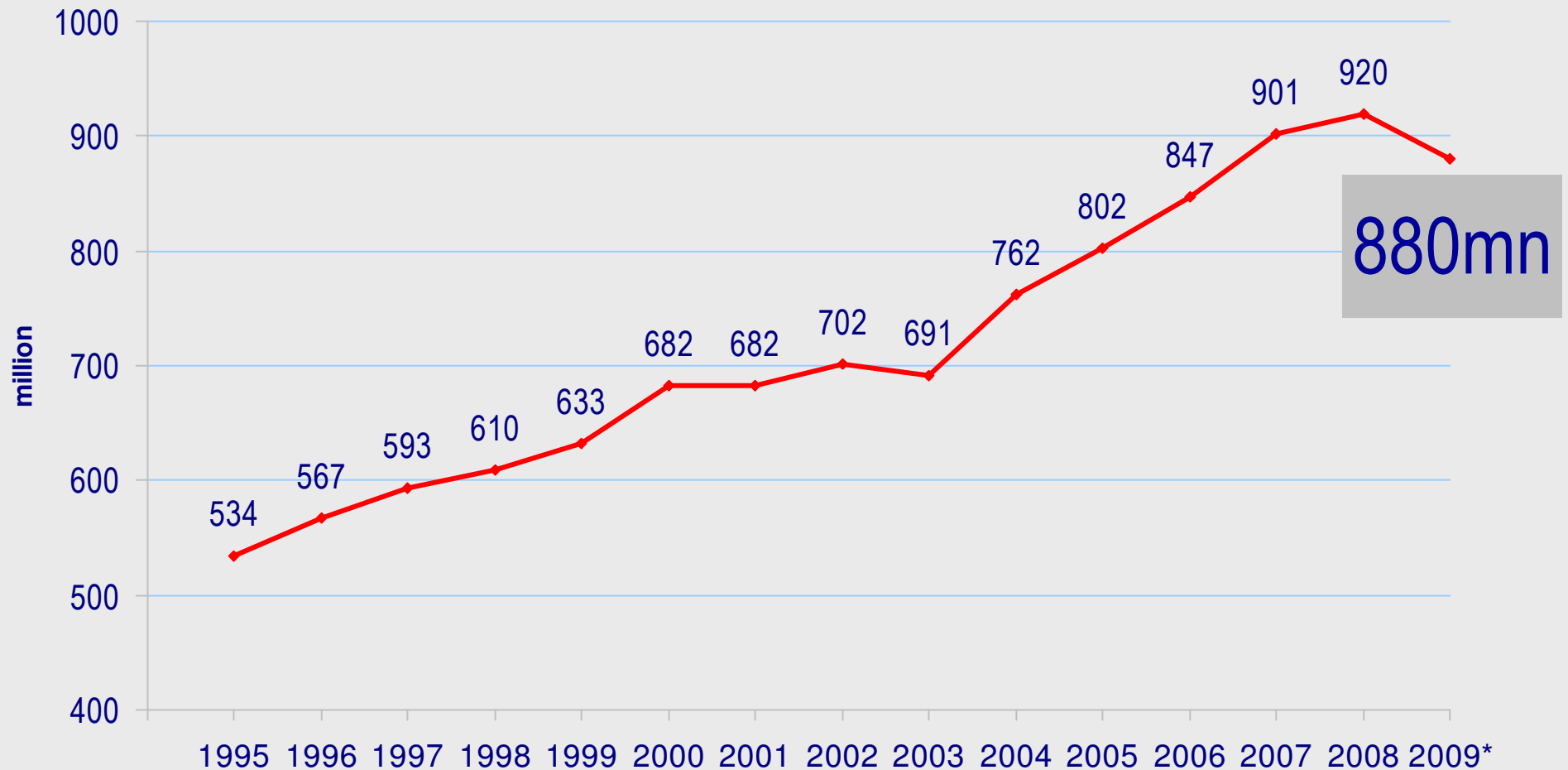
WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



2009: an exceptionally challenging year

International tourist arrivals, 1995-2009*



Destinations each time more diversified

| Rank | 1950 | Share | 1970 | Share | 1990 | Share | 2008 | Share |
|--------------|-------------------|-------|--------------------|-------|--------------------|-------|--------------------|-------|
| 1 | United States | | Italy | | France | | France | |
| 2 | Canada | | Canada | | United States | | United States | |
| 3 | Italy | 71% | France | 43% | Spain | 39% | Spain | 33% |
| 4 | France | | Spain | | Italy | | China | |
| 5 | Switzerland | | United States | | Austria | | Italy | |
| 6 | Ireland | | Austria | | Mexico | | United Kingdom | |
| 7 | Austria | | Germany | | Germany | | Ukraine | |
| 8 | Spain | 17% | Switzerland | 22% | United Kingdom | 18% | Turkey | 13% |
| 9 | Germany | | Yugoslavia | | Canada | | Germany | |
| 10 | United Kingdom | | United Kingdom | | China | | Mexico | |
| 11 | Norway | | Hungary | | Greece | | Malaysia | |
| 12 | Argentina | | Czechoslovakia | | Portugal | | Austria | |
| 13 | Mexico | 9% | Belgium | 10% | Switzerland | 9% | Russian Federation | 11% |
| 14 | Netherlands | | Bulgaria | | Yugoslav SFR | | Hong Kong (China) | |
| 15 | Denmark | | Romania | | Malaysia | | Canada | |
| | Others | 3% | Others | 25% | Others | 34% | Others | 43% |
| Total | 25 million | | 166 million | | 436 million | | 920 million | |

Changes in markets: general

- Further diversification of tourism product, although some forms of tourism might reach saturation
- Demographic changes:
 - aging population
 - change in composition of families
 - Immigration / emigration
- Growth in VFR
- Increase in independent travel and ‘do it yourself’
- New opportunities offered by
 - Low cost carriers: broadening of market
 - ICT, Internet: facilitating flexibility and transparency
- Use of non-hotel accommodation and 2nd home

Changes in markets: general

- Changes in consumer profile and behaviour:
 - (more) mature and experienced, well travelled and better educated consumers that know what they want and what they can get
 - search for value for money
 - more fickle and less loyal
 - shift in power from producers to consumers (from a sellers to a buyers market)

Changes in markets: shrinking world

- Continued growth of demand and supply
- Proliferation of destinations and source markets
- Increase in participation and trip frequency
- A truly global market has developed
 - Economic Integration/Globalisation
 - Cost of transport going down or growing at slower pace than accommodation and other costs
 - On the supply side: many destinations with ambitious expansion plans
 - Intensified competition



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



Tourism outlook tag cloud



**Coordination and cooperation
are key**



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



Partnership among different stakeholders

Partnerships can go by various names and structures and be formed with the private sector (i.e. private-private), with the public sector (i.e. public-public) or between the public and the private sectors



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



Who are the different stakeholders?

- **Private sector/business**
 - Tourism related enterprises
 - Trade association (Private sector representative bodies, such as Chambers of Trade or Hotel Associations)
- **Public sector/government**
 - National government
 - Local authorities
- **Civil society**
 - International bodies and NGOs
 - Educational establishments and the scientific community
- **Citizens and consumers**
 - Host communities, tourists, media

Cooperation and Partnerships in different areas

- Education and Training
- Marketing and Promotion
- Statistics systems
- Research and Planning
- Technological innovation
- Financing and Investment
- Safety and Security



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



Cooperation and Partnerships at different levels

- Local, regional, national but also international
- All are clearly important, as well as effective, and the most successful examples of cooperation or partnership tend to include representation from more than one level



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



What about tourism clusters?



Definition of cluster – according to the UNWTO Business Council

- “A tourism cluster is a geographical space in which the entire tourism experience takes place. Clusters are a group of tourism resources and attractions, infrastructure, equipment, service providers, other supporting sectors, and administrative bodies whose integrated and coordinated activities contribute to providing customers with the experiences they expect from the destination they choose to visit”.

The fact is...

Partnership at cluster level is, undoubtedly, the most critical area of cooperation. although it is not sufficient on its own to ensure a destination's sustainable future development



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



Thus...

Alliances at various levels are needed in order to improve competitiveness and secure sustainability



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



Alliances



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



Alliances - Benefits

- **To share costs and risks – economies of scale**
By creating a shared mass of technical competencies, market intelligence, as well as pooling human and financial resources. Organisations can be more prepared to address unexpected events.
- **To reinforce strategic position**
- **To gain greater market control**
Companies joined together in partnerships can move in larger markets



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



Alliances – Benefits (2)

- **To reinforce image and notoriety**
- **To foster learning**

The circulation of knowledge enhances the diffusion of technologies and the development of new operative techniques



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



Alliances – Benefits (2)

- **To add value**
- **To improve conditions for an effective area marketing**
- **To widen contacts and strengthen communication**



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



But...

“Alliances are like marriage: they only work when both partners do” (Ohmae, 1989).



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



Alliance Relationship Attributes

Compatibility Communication
Commitment Trust



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



Tropical North Queensland

- The relatively small size of the tourism industry in the early years, resulting in actors knowing one another, which has fostered relations based in trust
- A common vision as a key driving force
- The formation of strategic alliances to reach common goals
- A crisis or external threat as a determinant for inter-firm cooperation
- Relationships based on cooperation as well as competition
- Frequent informal contacts, fostering trust and reciprocity
- Proximity of companies and institutions in one location
- Tourism development strategies, in which the cluster concept is an inherent part

The need for Innovation

Development of ICT → Knowledge globalization →
Intensified Competition →

INNOVATION FOR COMPETITIVENESS



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals





- Located in the Basque Country, CICtourGUNE, the Centre for Cooperative Research in Tourism, is dedicated to **generating knowledge excellence in the area of tourism and mobility**. The centre was set up with backing from public authorities and businesses directly associated with the tourism industry. Through its activities, **the centre supports innovative products and technologies that address the demands and needs of the tourism and mobility industries**
- In pursuing its objective to promote research activities, encourage researcher mobility and facilitate integration in the European Research Area, CICtourGUNE **actively collaborates with leading Spanish and international research centres and is a member of several outstanding scientific networks**.

Source: www.tourgune.org

Networks, strategic alliances and platforms

Figura 4-3.

Miembros de las Redes de CICtourGUNE

Fuente: Elaboración propia.

- Corporaciones internacionales
- Plataformas Nacionales
- Instituciones públicas
- Plataformas AETIC
- Agencia Vasca de Innovación
- Universidades
- Centros Tecnológicos



| | |
|--|--|
| <p>Basque Innovation Agency</p> <ul style="list-style-type: none"> ■ +innovanet ■ innobasque | <p>International Corporations</p> <ul style="list-style-type: none"> ■ COMPERA ■ Eureka Tourism ■ International Federation for IT and Travel and Tourism (IFITT) ■ Travel and Tourism Research Association (TTRA) |
| <p>National Platforms</p> <ul style="list-style-type: none"> ■ Red de Transferencia de Tecnología APTE ■ Spanish Software and Services Initiative | <p>Public Institutions</p> <ul style="list-style-type: none"> ■ Public Corporation for Innovation and Tourist Technology Management SEGITTUR ■ World Tourism Organization |
| <p>Technology Centres</p> <ul style="list-style-type: none"> ■ E-Commerce Competence Center (eC3) ■ etourism competence center ■ Fundación IBIT Iles Balears Inovacio Tecnologica IBIT ■ TECNOTUR | <p>AETIC Plataformak</p> <ul style="list-style-type: none"> ■ Spanish Technology Platform for Networked Audiovisual Technologies (eNEM) ■ Spanish Wireless Communications Technology platform eMOV |
| <p>Universities</p> <ul style="list-style-type: none"> ■ HAAGA-HELIA ■ LIST ■ Queen Margaret University College | |

Joining forces for sustainable competitive clusters



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



sustainable competitive clusters

- Sustainability goes hand in hand with competitiveness
- Inclusiveness
- Long-term, solid basis
- Follow sustainable indicators
- Corporate responsibility
- Green economy
- Governance: excellence and quality



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals



Thank you very much for your attention!

World Tourism Organization (UNWTO)

www.unwto.org

Michel Julian

Market Trends and Competitiveness Section

mjulian@unwto.org



UNWTO • OMT • IHRTO

WORLD TOURISM ORGANIZATION

Committed to Tourism, Travel and the Millennium Development Goals

