

## Annex 14. Basque Tourism Observatory

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Travel and Tourism is one of the world's great industries and vital economic engine for numerous regions. In the Basque Country the last decades, travel and tourism has showed resilience and steady growth. The Basque Government has been prone to identify that tourism can contribute to the transformation of the economic profile of the region in terms of a competitive and dynamic knowledge-based economy, capable of growing in a sustainable manner and improving employment from a quantitative and qualitative perspective.

Good performance is the criterion whereby an organization or destination determines its capability to be efficient and compete. Performance measurement estimates the parameters whether programs and investments are reaching the targeted results. However, a model for performance set faulty may depict a disadvantageous situation that does not support the organization nor the thriving to the set aims.

All process of measuring performance requires a scientific and technical approach; and usually the use of statistical modeling to determine results. As far as the present capabilities and knowledge is concern, a full scope copy of the performance of a destination can not be obtained, as generally some of the parameters cannot be measured directly but must be estimated via indirect observation.

In that sense, a Basque Tourism Observatory backed up by the Basque Tourism Agency – Basquetour; and by the Cooperative Research Center in Tourism – CICtourGUNE, was designed and launched during 2011 as a public and private demand of market and strategic knowledge needs.

Two concepts that vertebrate the Observatory are *Competitive Intelligence (CI)* and *Open Innovation*. Competitive Intelligence tends to be defined as an **ethical and systematic process for the collection of information, analysis and relevant, accurate, opportune, predictable and active dissemination about the business environment, competitors and one's own organization** (SCIP (2005)). Based on the Theory of the Information Economy, the Theories on Strategy, the Competitive Advantage and Resources and Capabilities, Knowledge and Marketing Orientation, CI also has a strong connection to the areas of Technology and Security. Hence, CICtourGUNE believes that the tourism observatory should also be conceived as:

- A platform for objective observation
- A facilitator of analyzed information at the decision-making point
- An administrative tool for warning and monitoring purposes
- A means whereby companies and the Basque tourism sector can improve their baseline
- A tool for detecting and anticipating trends
- A means of obtaining reasonable valuations that help to interpret reality
- A short- and long-term tool.

The benefits arising from the application of good conceptualization based on Competitive Intelligence and keeping this updated through strategic monitoring (integration of technological and market monitoring) can be summarized as follows:

- Giving an organization the capability to Anticipate and React in the face of a changing environment. Having ordered, classified and suitably analyzed information allows observatory users to have an overview of the competitive environment. Tendencies and macro-tendencies will allow fulfilling forecasts and realities observed on a daily basis, both in terms of what is obvious and in terms of what can go unnoticed.

- Greater probability of success in the implementation of the strategy given that Competitive Intelligence can be the analytical tool to estimate the reaction of competitors in the face of a change of strategy around the Basque Country as a destination.
- Identify opportunities: Quite often a lack of time prevents us from seeing opportunities clearly. Competitive Intelligence means that these can be detected earlier.
- Change of corporate culture: This invites us to act, take decisions on all levels and stops us from becoming complacent, facilitating a spirit of innovation and competitiveness in the public administration and the private sector in general.

The second concept, **Open Innovation**, it is seen as a new strategy of innovation in which companies go beyond the internal limits of their organisation and where the co-operation with external professionals takes on a fundamental role. *Open Innovation* means combining internal knowledge with external knowledge to take R&D projects forward. It also means that companies use both internal and external channels to place their products and innovations in the market. Starting from this framework, the Tourism Observatory embodies an open model of work, with the certainty that companies in the sector are both customers and external collaborators with which information and knowledge can be exchanged.

By incorporating the technical advances and the scientific know-how, the Basque Tourism Observatory allows currently for the following elements:

- The availability of macroeconomic data on supply and demand in the Basque tourism sector.
- The determination of the present situation of strategic issuing markets, both national and international.
- Paying special attention to certain products aimed at segments such as meetings and business tourism, cultural and gastronomic tourism, etc.
- Updated information on the main variables in the supply side of tourism: number of hotel beds, museums, shows, restaurants, special venues, trade fairs, etc.
- Analysis of the visitor profile: age, gender, profession, reasons for travel, average duration, average expenditure, type of trip, etc.
- A periodical comparison of the position of the Basque Country (and its cities) vis-à-vis other regions (and cities) of the world in each one of the areas analyzed: business, knowledge, tourism, culture and quality of life, price and cost, and labor market and training.
- Accurate, reliable information that is constant over time and comparable, for good decision-making.
- Better access to information for all key groups in the sector. These groups are currently finding it difficult to obtain information.

In sum, the added value of the Basque Tourism Observatory lies on the next three elements

- Scope and Methodology: The observatory represents a major step forward towards the **standardization of sources** to present a meaningful statistical analysis of supply and demand, and also using the basic standards as gathered in the International Recommendations (IRTS2008) by the UNWTO.. Although it is true that, like each country and region, the Basque Country already has its own particular features recorded in the adoption of the satellite account for the Spanish State, and this enables the region to achieve a certain homogeneity and, above all, statistical comparability with regions in the same country and other countries. **The observatory is starting to allow the administration to optimize resources, minimize costs, and generate a new data layout.** This matches the concept proposed by INRouTe related to the Regional Tourism Information System where three sets of information are conceived (this term is explained in the present document's glossary), in the sense that the Basque Country counts with the

National Official Statistics Institute, then the Regional one, represented by EUSTAT, and the third set of information can be provided by the Basque Tourism Observatory.

- **New ways for the visualization and layout of information:** One of the improvements identified is that the information published by other observatories based on traditional visualization tools appears rigid. Sometimes it does not even allow the final user to analyze it. In many cases it comes in PDF or Excel files that show certain data but it is not possible to surf through them or generate auxiliary databases. This is why CICtourGUNE proposed the incorporation of technologies such as performance point services (Microsoft SharePoint) and other Business Intelligence tools in conjunction with statistical software that will enable CICtourGUNE to carry out a dynamic analysis of the data online on a web platform. **More importantly, this means empowering the data & information consumer, providing the tools to create *ad hoc* reports, so that users can be as passive or as active as they please when consuming information.**
- **New sources and the digital domain:** The study of tourism cannot only be based on data generated by statistics institutes or traditional census-based or field studies collection. Nowadays the digital footprint left by companies, institutions, visitors, tourists or potential travellers interested in the Basque region as a destination means that it can be learnt more about tourism patterns through an innovative and wide-ranging approach. This observatory deals with the so-called BIG DATA, specifically TOURISM BIG DATA, provides advances towards how regions can make sense of the big data and take advantage of it. The content generated by users on the Internet through the social media, access to destination and intermediation sites allow information consumers to gain knowledge about patterns of behavior, consumption, situations, analyze the creation of a brand, impact analysis, opinions posted spontaneously ... so that destination managers can **get to know customers and the given market better and relate to them more efficiently and with greater efficacy.**

Concerning this advantage the document named *INRouTe – Tourism Observatory* counts with a specific insert on paragraph 4.2. about one of the monitors incorporated to the Basque Tourism Observatory whose information source is not traditional.

#### **FURTHER LINKS**

<http://observatorioturisticodeeuskadi.basquetour.net/SitePages/index.aspx#>

#### **REFERENCES**

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