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# Measuring and Analyzing Regional Tourism: towards a set of general guidelines

Version 1 – prior to Venice Seminar

Antonio Massieu, chair of INRouTe

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## Executive Summary

The document “*Measuring and analyzing Regional Tourism: towards a set of general guidelines*” presents the overall objective of INRouTe (a project promoted by the UN World Tourism Organization) as well as the focus, commitments and agenda for this particular initiative: the setup of a Regional Tourism Information System as the first step to expand further articulations of basic information between regions and other sub-regional tourism destinations.

Such initiative should allow for collecting a reasonable number of basic data and indicators for monitoring and comparability purposes regarding some key areas of the measurement and analysis of Tourism at the level of the region (also some guidance for the collection of such information will be provided to the local level)

The target audience of this initiative are those practitioners and entities involved with regional and local destinations, including: regional and local (public) institutes and agencies, universities, research centers, industry associations, trade bodies, and specialized firms. These are key regional stakeholders.

During the period 2012/2015, INRouTe will focus on a list of 20 topics (mentioned in chapter 1 / Box 1); a proposed set of guidance will be drafted for each of them and presented to UNWTO for its insight and evaluation for future dissemination. During 2012-2013 priority will be given to three of these topics: (1) Defining a tourism destination, (2) Defining and measuring “tourism products and segments”, and (3) Tourism itineraries. These are considered to be key topics in advocating for Regional Tourism to be taken seriously.

Regional tourism is not just the transposition of national figures to sub-national levels. There are different reasons for this but the following two examples highlight some of them:

- a). Tourism is unevenly distributed across the national territory and consequently, many inputs for designing national policies (mostly regarding domestic tourism), which are then provided at sub-national levels, require a genuine understanding of tourism in this territory, an understanding that is not a fractal of national tourism;
- b). Policy that is oriented at the management of tourism destinations, and its relationships with the rest of the national economy, require a sub-national measurement and analysis of tourism in these territories.

Tourism is a relevant economic driver in most countries (in developed countries, domestic tourism comprises the biggest component of total tourism activity), and might significantly impact the sustainable development of the territory. At the regional and other sub-national levels there is strong evidence that tourism is also a significant contributor to undesirable and irreversible environmental, economic and social changes.

The credibility of Regional Tourism implies setting up basic information as a prerequisite for measuring, analyzing and monitoring the economic consequences. The basic core of such set of data should be statistically-founded (basic data and indicators). Yet other types of non-statistical or non-official data are also needed, for different purposes, by key stakeholders (including regional and local (public) institutes and agencies, universities, research centers, industry associations, trade bodies, and specialized firms).

Statistical data alone allow for comparability both intra-regional in a given country as well as between regions in different countries. But not all territorial levels have the same type and amount of statistical data. This is not a question of size (the smaller the unit, the less data) but

relates rather to the fact that statistical sources don't usually include all levels of territorial administrative units and/or that the sample size does not allow for uniform credibility of data at different territorial levels.

Defining a tourism destination is a key issue for comparability purposes and, consequently, it becomes a relevant issue when designing the articulation of data from a given number of statistical sources between (a) national / regional as well as between (b) regional / other sub-national levels. Such articulation(s) need(s) to be robust enough at the different levels and it is clear that at the local level the amount of such information is very much limited.

The initiative presented in this document will, during its first phase (2012-2015), principally take into account those countries with a higher level of statistical development as is the case of the G.20 countries and other members of the European Union (all of which are countries that have a highly developed framework for regional statistical harmonization and even a territorial nomenclature for statistical purposes – the Nomenclature of territorial units for statistics, NUTS).

The following six sources (all of them national sources) could provide for most of the basic data and indicators considered necessary to set up a first step of a Regional Tourism Information System (R-TIS):

- Border survey
- Domestic tourism household survey
- Accommodation survey
- Statistical Business Register
- Structural business survey
- Population Census

In addition to these, availability of other sources (national as well as regional ones) should be explored. Specifically:

- Annual estimates of resident population
- Personal and professional characteristics of employment associated to the tourism sector
- Arrivals by air and slot allocation figures
- Production and consumer price indexes
- Turnover and remuneration figures provided in fiscal sources
- Water suppliers information on water consumption

The first priority is to articulate the nation / regions dataset in a limited number of areas and subareas. The document identifies four basic areas: (1) Tourism as an economic sector; (2) Tourism and sustainable development; (3) Tourism development and territorial cohesion; (4) Governance applied to tourism. Only the first two are selected to explore whether a significant number of regions where tourism is relevant might already have a proposed set of 20/25 basic data and indicators (see chapter 4).

Although a world-wide initiative, the document highlights the particular case of EU countries for which the articulation of basic statistics and indicators between nation / regions at NUTS 2 level could be further expanded to NUTS 3 level (provinces) without special difficulties. This is because the sources proposed above to be used in setting up a R-TIS allow for this. Also Local Administrative Units (LAU) at level 2 (municipalities) could be part of the R-TIS basic data and indicators. A set of concrete actions are suggested as a EU coordinated initiative (see chapter 5).

The structure of chapters 3 to 7 allow for a better understanding of the links between the background of the different proposals, some insight into the operationalization of them and finally, some suggested actions (as INRouTe self-commitment in terms of proposing future guidance to UNWTO on different topics, listed in chapter 1 / Box 1, and others as suggestions for key regional stakeholders).

These suggested actions are structured around the following sequence or understanding:

- a). A Regional Tourism Information System should include not just official statistics (national and regional) but also other type of relevant information (not necessarily of statistical nature or official) for the design/monitoring of tourism initiatives, as carried out by the regional tourism authority or other regional entities, other entities of supra-regional scope or even by national bodies;
- b). The database including the proposed set of regional information should be georeferenced for the purpose of promoting the territorial analysis of tourism especially in other, more disaggregated territorial levels;
- c). For that purpose, other experts besides statisticians and tourism officials should be invited to cooperate: not just mobility researchers but also social science experts and environmental researchers;
- d). The creation of regional tourism observatories could be envisaged in order to build a network of key regional stakeholders that could support the aim of taking regional tourism seriously. Such observatories should define a clear management and methods research agenda addressing those issues that are not of particular interest to national bodies but appear crucial to tourism destinations;
- e). Such network and regional authorities should explore the potential for cooperation in a number of topics and issues of mutual interest (some of them are suggested in chapter 6).

## Introduction

The present document responds to the World Tourism Organization's (UNWTO) aspiration to support National Tourism Authorities as they work towards an improved formulation of national policies that take into account those (sub-national) territories where tourism is relevant. To this purpose, UNWTO launched *INRouTe—the International Network on Regional Economy, Mobility and Tourism* (see Annex 1). This initiative is generating a worldwide build-up of information and knowledge on what are considered to be key research areas (namely “tourism as an economic sector”, “tourism, sustainable development and tourism destination”, “economic contribution and impact” and finally, “supporting tourism destination key stakeholders”); all with the specific focus on sub-national levels.

INRouTe is now a separate non-profit association (founded by two UNWTO Affiliate Members: the Cooperative Research Centre in Tourism - CICtourGUNE and the statistical consulting firm ARALDI) dedicated to advancing policy-oriented measurement and analysis of tourism in order to develop operational guidance to entities involved with regional and local tourism destinations. Through what may be considered an innovative scheme, UNWTO and INRouTe are engaged in a collaboration agreement whereby INRouTe, in addition to its own activities, provides technical support to UNWTO. Central to this support is the development of a set of general guidelines for the sub-national adaptation of the international norm for the measurement of tourism, the *International Recommendations for Tourism Statistics 2008 (IRTS 2008)*.

The document combines:

- (1). a proposed technical background dealing with the measurement and economic analysis of regional tourism; as well as
- (2). operational guidelines for its practical application. It builds on the international consensus achieved over the period 2004/2008 in relation to the UN recommendations for setting up national Systems of Tourism Statistics that would allow for international comparability of a set of basic data and indicators.

The focus of this document requires the combination of different perspectives, all of them crucial in order to be a credible medium/long term endeavour:

- Avoid information overlapping between national and regional levels;
- Empowering tourism entrepreneurs as key stakeholders of the tourism sector; and
- Define precisely the areas and items for research from a medium/long term perspective.

Consequently, there is a need for fixing an agenda for this project's implementation over the first four year period under the understanding that INRouTe should strive for different levels of cooperation with a significant number of practitioners and entities involved with regional and local tourism destinations. These entities may come from all over the world and are likely to include: regional and local (public) institutes and agencies, universities, research centers, industry associations, trade bodies, and specialized firms. Some concrete steps for such agenda are also included so as to stimulate some type of consensus amongst the potential practitioners and entities called for cooperation.

Throughout the course of this initial phase, the agenda of suggested actions (some of them as INRouTe's commitments and others as suggestions for key regional stakeholders) will principally take into account those countries with a higher level of statistical development as is the case of the countries that form the so-called T.20 (a group of countries that are also part of the G.20) and other members of the European Union (all of which are countries that have a highly developed framework for regional statistical harmonization and even a Nomenclature of territorial units for statistics – NUTS).

It should nevertheless be pointed out that not all the countries included in this block have equally relevant experiences in terms of the measurement and analysis of regional tourism. In any case, once a set of guidelines has been drawn up regarding the list of 20 research topics that INRouTe has committed to submit to UNWTO in 2015, it will be possible to consider the adaptation of those guidelines that are considered pertinent to a larger group of countries.

## **Chapter 1. Taking regional tourism seriously: general overview**

- 1.1. There is an increasing understanding that tourism is a driving force for economic growth especially in those territories (both at the regional and local levels) where tourism has become a relevant activity vis-à-vis other sectors. Nevertheless, for many entities and professionals in tourism, as well as for a good number of governing bodies, tourism is seen as a disrupting force regarding its contribution to sustainable development and territorial cohesion.
- 1.2. This document presents an approach to measure and analyse key issues of tourism activity at sub-national levels. This approach is supported by UNWTO as part of its commitment to provide general guidelines at such territorial levels in line with the UN *International Recommendations for Tourism Statistics 2008 (IRTS 2008)* and the *Tourism Satellite Account: Recommended Methodological Framework 2008 (TSA:RMF 2008)*.
- 1.3. UNWTO has been insistent (throughout the process of drafting these UN International Recommendations, from 2004 to 2008) that the development of a Tourism Information System (TIS) should be understood not as an end in itself but rather as an initiative that, aside from allowing a credible analysis of tourism activity and its economic consequences, should also support the institutional reinforcement of Tourism Administrations at both the national and sub-national levels.
- 1.4. The central reason for having underscored the development of the TIS as a strategic objective stems from a conviction—*unless you measure tourism, you'll never manage it properly or improve it*— and it is based on two premises:
  - strictly speaking, tourism officials alone cannot develop a TIS (both for reasons of lack of institutional legitimacy, as well as due to the lack, in the vast majority of cases, of the necessary infrastructure for such an endeavour, where the qualification and amount of human resources needed constitute a principal limitation). Tourism officials require the cooperation of, at least, the statistical authorities and specialized private sector contributions. This is not merely an issue of the division of competencies or of complementarities between the relevant entities; it also relates to the fact that each entity has its own legitimacy and credibility vis-à-vis third parties and, especially, the users of the information generated.
  - In order to make the effort sustainable over time (and not just in the financial sense), the measurement and analysis of tourism need to pay special attention to the inevitable nexus between the different layers of territorial aggregation: between national and (sub-national) regions, and between these regions and the corresponding municipalities where tourism is relevant. Relevance in this case relates to the number of establishments associated to the tourism industries—and, consequently, also the number of associated jobs—and the importance of the value added generated by them in relation to the local economy.

- 1.5. The present document tries to explain to a wide audience of officials and practitioners the foundation of this INRouTe initiative that is built around three basic areas of work (each of them with a limited number of topics):
  - Tourism as an economic sector;
  - Tourism, sustainable development and tourism destinations;
  - Economic contribution and impact.
- 1.6. In order to allow for the measurement and analysis of these areas, each of the selected topics should first of all be properly defined (because measurement necessarily requires definitions). Consequently, the design of a regional set of basic data and indicators (see Chapter 4) requires as a previous step, the setting up of the concepts, definitions and classifications necessary for deriving such information.
- 1.7. The activities to be carried out during the coming years should draw from and be directed at all those entities involved with regional and local tourism destinations, including regional and local (public) institutes and agencies, universities, research centers, industry associations, trade bodies, and specialized firms.
- 1.8. It will therefore be necessary to gather sufficient information and knowledge at the global level to allow for the design of general guidelines at sub-national levels with regard to a limited set of topics. The following list of 20 topics were selected for the first four-year period (2012-2015).

**Box 1. List of 20 Topics for which General Guidelines will be designed over 2012-2015**

1. Towards a set of general guidelines: measuring and analyzing Regional Tourism

**Documents related to “Tourism as an economic sector”**

2. Measuring demand
3. Measuring supply
4. Consumer and production prices
5. Measuring employment

**Documents related to “Tourism, sustainable development and tourism destination”**

6. General background
7. The consumption of water
8. Tourism and rural economy development
9. Tourism itineraries
10. Edification and physical planning for attracting visitors
11. Defining a tourism destination

**Documents related to “Economic contribution and impact”**

12. Overview of main instruments for its measurement
13. Regional TSA: setting the focus
14. Special events
15. Meeting Industry
16. Vacation Homes

**Documents related to “Supporting destinations key stakeholders”**

17. List of basic data and indicators
18. Tourism observatories
19. Governance
20. Defining and measuring “tourism products and segments”: general background
  - 20.1. Cultural tourism
  - 20.2. City tourism
  - 20.3. Education and training tourism
  - 20.4. Health and medical tourism
  - 20.5. Coastal Tourism
  - 20.6. Ecotourism



- 1.9. In order to allow for an accessible technical background for such audience, some Annexes have been included that contain more detailed explanations of some of the references identified all along the seven chapters of the present document. Although one of them (Annex 2) include a basic Glossary regarding the measurement and analysis of regional tourism, some readers might find it useful to have a first look at key concepts and definitions used throughout the text.

<b>Box 2 Key Concepts and Definitions</b>	
<b>Business visitor</b>	<i>A business visitor is a visitor whose main purpose for a tourism trip corresponds to the business and professional category.</i>
<b>Coherence</b>	<p><i>Coherence is defined as the adequacy of statistics to be combined in different ways and for various uses. When originating from different sources, and in particular from statistics surveys using different methodology, statistics are often not completely identical, but show differences in results due to different approaches, classifications and methodological standards.</i></p> <p><i>The concept of coherence is closely related to the concept of comparability between statistical domains. Both coherence and comparability refer to a data set with respect to another. The difference between the two is that comparability refers to comparisons between statistics based on usually unrelated statistical populations and coherence refers to comparisons between statistics for the same or largely similar populations</i></p>
<b>Destination (main destination) of a trip</b>	<i>The main destination of a tourism trip is defined as the place visited that is central to the decision to take the trip. See also purpose of a tourism trip.</i>
<b>Domestic tourism</b>	<i>Comprises the activities of a resident visitor within the country of reference, either as part of a domestic tourism trip or part of an outbound tourism trip.</i>
<b>Domestic visitors</b>	<i>From the perspective of the country of reference, a domestic traveler qualifies as a domestic visitor if: a) he/she is on a tourism trip and b) he/she is a resident travelling in the country of reference</i>
<b>Employment in tourism industries</b>	<i>Employment in tourism industries may be measured as a count of the persons employed in tourism industries in any of their jobs, as a count of the persons employed in tourism industries in their main job, as a count of the jobs in tourism industries, or as full-time equivalent figures.</i>
<b>Excursionist</b>	<i>A visitor (domestic, inbound or outbound) is classified as a same-day visitor (or excursionist) if his/her trip does not include an overnight stay.</i>
<b>Forms of tourism</b>	<i>There are three basic forms of tourism: domestic tourism, inbound tourism, and outbound tourism. These can be combined in various ways to derive the following additional forms of tourism: internal tourism, national tourism and international tourism.</i>
<b>Inbound tourism</b>	<i>Comprises the activities of a non-resident visitor within the country of reference on an inbound tourism trip.</i>
<b>Indicator (statistical)</b>	<p><i>A data element that represents statistical data for a specified time, place, and other characteristics, and is corrected for at least one dimension (usually size) to allow for meaningful comparisons.</i></p> <p><i>A simple aggregation such as the number of accidents, total income or women Members of Parliament, is not in itself an indicator, as it is not comparable between populations. However, if these values are standardized, e.g. number of accidents per thousand of population, average income, or women Members of Parliament as a percentage of the total, the results meets the criteria for an indicator.</i></p>
<b>Outbound tourism</b>	<i>Comprises the activities of a resident visitor outside the country of reference, either as part of an outbound tourism trip or as part of a domestic tourism trip.</i>
<b>Place of usual residence</b>	<i>The place of usual residence is the geographical place where the enumerated person usually resides, and is defined by the location of his/her principal dwelling</i>
<b>Purpose of a tourism trip (main)</b>	<i>The main purpose of a tourism trip is defined as the purpose in the absence of which the trip would not have taken place. Classification of tourism trips according to the main purpose refers to nine categories: this typology allows the identification of different subsets of visitors (business visitors, transit visitors, etc). See also destination of a tourism trip</i>
<b>Classification of tourism trips according to the main purpose</b>	
1. Personal	
1.1. Holidays, leisure and recreation	

	<ol style="list-style-type: none"> <li>1.2. Visiting friends and relatives</li> <li>1.3. Education and training</li> <li>1.4. Health and medical care</li> <li>1.5. Religion/pilgrimages</li> <li>1.6. Shopping</li> <li>1.7. Transit</li> <li>1.8. Other</li> </ol> <p>2. Business and professional</p>
<b>Region</b>	The administrative unit corresponding to the first level of territorial disaggregation of a country in terms of its political and administrative organization – for instance, the NUTS 2 level in the EU, provinces in Canada and China, states in USA / Brazil / Mexico, etc. Consequently, the definition of a “region” for the INRouTe initiative refers to a normative criteria as the expression of political will; no other criteria (analytical or functional) is considered.
<b>Regional Tourism</b>	<p>In order to separate visitors to a region who have their place of usual residence within this region from those who come from other regions or countries, it is recommended that three subsets of visitors to or in this region be identified:</p> <ul style="list-style-type: none"> <li>- Residents from other countries (inbound visitors to the country as a whole)</li> <li>- Residents from a region other than the region of reference</li> <li>- Residents from the region of reference</li> </ul> <p>Regional tourism comprises the activities of these three subsets of visitors. If deemed appropriate and feasible, additional subsets could also be identified for analytical purposes (basically, residents of a region travelling to another part of the national territory / to other countries / to a neighbour country)</p>
<b>Same-day visitor</b>	See <i>excursionist</i>
<b>Tourism expenditure</b>	<i>Tourism expenditure</i> refers to the amount paid by visitors for the acquisition of consumption goods and services, as well as valuables by visitors, for own use or to give away, for and during tourism trips.
<b>Tourism industries</b>	<p><i>Tourism industries</i> (also referred to as <i>tourism activities</i>) are the activities that typically produce <i>tourism characteristic products</i>.</p> <p><i>Tourism characteristic products</i> are those that satisfy one or both of the following criteria:</p> <ol style="list-style-type: none"> <li>(a) <i>Tourism expenditure</i> on the product (either good or service) should represent a significant share of total <i>tourism expenditure</i> (share-of-expenditure/demand condition);</li> <li>(b) <i>Tourism expenditure</i> on the product should represent a significant share of the supply of the product in the economy (share-of-supply condition). This criterion implies that the supply of a <i>tourism characteristic product</i> would cease to exist in meaningful quantity in the absence of visitors.</li> </ol>
<b>List of categories of tourism characteristic products and tourism industries</b>	
<b>Products</b>	<b>Industries</b>
1. Accommodation services for visitors	1. Accommodation for visitors
2. Food and beverage serving services	2. Food and beverage serving activities
3. Railway passenger transport services	3. Railway passenger transport
4. Road passenger transport services	4. Road passenger transport
5. Water passenger transport services	5. Water passenger transport
6. Air passenger transport services	6. Air passenger transport
7. Transport equipment rental services	7. Transport equipment rental
8. Travel agencies and other reservation services	8. Travel agencies and other reservation services activities
9. Cultural services	9. Cultural activities
10. Sports and recreational services	10. Sports and recreational activities
11. Country-specific tourism characteristic goods	11. Retail trade of country-specific tourism characteristic goods
12. Country-specific tourism characteristic services	12. Other country-specific tourism characteristic activities
<b>Tourism sector</b>	The tourism sector is the cluster of production units in different industries that provide consumption goods and services demanded by visitors. Such industries are called <i>tourism industries</i> .

<b>Tourist (or overnight visitor)</b>	A <i>visitor (domestic, inbound or outbound)</i> is classified as a <i>tourist (or overnight visitor)</i> , if his/her <i>trip</i> includes an overnight stay.
<b>Travel / tourism</b>	<i>Travel</i> refers to the activity of travellers. A traveller is someone who moves between different geographic locations, for any purpose and any duration. The visitor is a particular type of traveller and consequently tourism is a subset of travel.
<b>Travel party</b>	A <i>travel party</i> is defined as <i>visitors</i> travelling together on a <i>trip</i> and whose expenditures are pooled.
<b>Trip</b>	A <i>trip</i> refers to the travel by a person from the time of departure from his/her usual residence until he/she returns: it thus refers to a round trip. Trips taken by visitors are tourism trips.
<b>Usual environment</b>	The <i>usual environment</i> of an individual, a key concept in <i>tourism</i> , is defined as the geographical area (though not necessarily a contiguous one) within which an individual conducts his/her regular life routines.
<b>Vacation home</b>	A <i>vacation home</i> (sometimes also designated as a holiday home) is a secondary dwelling that is visited by the members of the household mostly for purposes of recreation, vacation or any other form of leisure.
<b>Visit</b>	A <i>trip</i> is made up of visits to different places. The term <i>tourism visit</i> refers to a stay in a place visited during a <i>tourism trip</i> .
<b>Visitor</b>	A <i>visitor</i> is a traveller taking a <i>trip</i> to a main destination outside his/her <i>usual environment</i> , for less than a year, for any main purpose (business, leisure or other personal purpose) other than to be employed by a resident entity in the country or place visited. A <i>visitor (domestic, inbound or outbound)</i> is classified as a <i>tourist (or overnight visitor)</i> , if his/her <i>trip</i> includes an overnight stay, or as a same-day <i>visitor (or excursionist)</i> otherwise.