



# COMMUNITY TOURISM

## AS AN ECONOMIC DEVELOPMENT STRATEGY

*Analysis and Recommendations for Puerto Rico's Route 123 Region*



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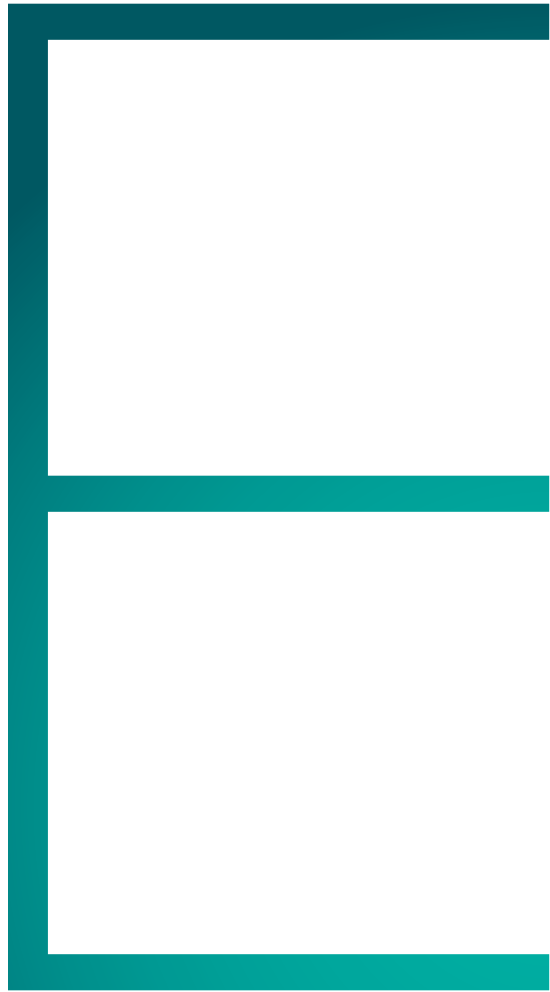






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# EXECUTIVE SUMMARY

Puerto Rico's Route 123 runs through the rural Castañer region, which is located in the central, mountainous part of southwestern Puerto Rico. In the context of high unemployment and poverty in the region, the nonprofit PathStone Development Corporation of Puerto Rico is leading a multi-faceted and collaborative development initiative with support from the U.S. Department of Housing and Urban Development's Rural Innovation Fund. The project aims to combat regional economic decline by strengthening the Castañer coffee industry, developing small businesses, offering training, and constructing high-quality, affordable new housing. As part of this work, PathStone asked a team at the Massachusetts Institute of Technology (MIT) Community Innovators Lab (CoLab) to analyze the potential market, both on the island and abroad, for "niche" tourism, such as cultural, agro, and eco-tourism, and the implications of that potential for local economic development strategies.

We begin with a brief look at trends, opportunities and challenges posed by the ever-evolving global tourism industry, with emphasis on niche—rather than "mass"—tourism as a strategy for capturing economic benefits locally; examine the current tourism "offer" (products) of the Castañer region—places to visit and stay, things to do—centered on Route 123, and demand for those products (to the extent possible, given limited data); analyze potential demand, both local and non-local, in the latter case mining our online survey of Puerto Ricans living on the U.S. mainland; analyze relevant cases of rural and community tourism development worldwide; and make recommendations.

## **Tourism Worldwide—Trends, Opportunities and Challenges**

The tourism industry continues to grow worldwide. Though particular regions may suffer longer down-cycles, the long-run post-war expansion of the industry barely paused to register the latest recession. This growth is largely driven by costs coming down—improvements in transportation and communication technologies have made travel cheaper and more accessible to a wider variety of

**“ Any community tourism strategy must carefully consider and address business types, the concentration of ownership, and the quality of employment and wages in the local tourism industry. ”**

In general, while mass tourism remains an important component of the industry, at least in terms of volume, demand for niche tourism experiences has been growing since the 1980s, with even sharper growth in the latest decade. This is an important trend, given that niche tourism segments such as eco-tourism, heritage and cultural tourism, community tourism, and rural tourism hold the promise of generating more economic benefits for local communities while also being less environmentally and culturally disruptive.

However, capturing the benefits of niche tourism is not guaranteed or straightforward. Even if a new or relatively under-developed destination manages to improve its offering and market itself effectively, it may be challenging to "capture the gains" locally, versus see them captured by non-local interests, and also to promote equitable gains between local suppliers and their workers. While tourism tends to be labor intensive and present low barriers to entry for key business types, there is a flip side to the coin. Job insecurity, excess competition among local suppliers, low wages, and weak to non-existent job ladders are widespread.

As such, any community tourism strategy must carefully consider and address business types, the concentration of ownership, and the quality of employment and wages in the local tourism industry. As a foundation for the broader strategy outlined below, we highlight several actionable priorities:

- Organizing small suppliers to mitigate excess competition and also address quality, shared marketing and other services, and other collective benefits;

- Addressing training needs early and often, so as to avoid the industry’s chronic lack of job ladders and professional development, which limit upward mobility; and
- Maximizing local sourcing by tourist operators, to create more local spending and thus induced job creation.

### Tourism along Route 123 Now

Ponce is an asset-rich gateway to the region. It offers most of the “endorsed” lodging options and a wide array of cultural and historical attractions. Beyond Ponce, Adjuntas is a focal point and Castañer a quiet endpoint for Route 123. These areas offer scenic beauty, hiking, fishing and other recreation, and opportunities to buy locally grown food and coffee and to learn about the history and production methods of coffee.

For now, facilities along the route do limited marketing, mostly via TripAdvisor or other web sites, and the small hotels and guest houses attract mostly Puerto Ricans—locals and Diaspora tourists, often via word-of-mouth referral or direct family ties. Repeat visitors drawn to the rustic way of life and slow pace appear to make up a significant share of tourists. But some sites, such as Casa Pueblo in Adjuntas, draw in global tourists and educational or other groups. Many visitors to the area are day-trippers, and most others stay for a night or two, on average.

As a foundation for our survey analysis and global case studies below, we note a few implications of the current picture:

- **Who is served:** Most visitors are from the San Juan metro area, followed by Diaspora travelers, suggesting that those are the customer bases to serve first, better and in greater numbers. With the exception of Casa Pueblo, there is little evidence that the region draws Global tourists now or offers the amenities, way-finding and marketing needed to draw and serve them effectively;

- **Where to stay:** Outside of Ponce, lodging options are limited and uneven, but they offer a clear, perhaps rustic appeal, to current customers—something to build on, or augment, rather than replace. This holds implications for both enterprise development and marketing; and
- **What to do:** Within the region, the “product” is highly developed in Ponce and very unevenly so, beyond that gateway city, for Route 123. From the standpoint of route building, there are fairly clear nodes and gaps, as well as way-finding and other information supply priorities to tackle.

“Diaspora travelers of all ages are relatively adventurous and willing to try new places and new things, but they are constrained by time and family responsibilities while visiting Puerto Rico.”

### Market Analysis—Estimating Potential Demand

Given the current market and character of the region, we recommend that tourism development initially focus on better serving the on-island market and the U.S.-based Puerto Rican Diaspora, as steps to a more global strategy, if conditions allow, in time. The area’s tourism infrastructure is relatively basic, and capacity to manage tourism is limited, making it unable to compete—in the near term—with more developed and globally recognized niche tourism destinations. Yet the region is well positioned to attract more Puerto Rican visitors.

Given the limitations of available data, we launched an online survey of U.S.-resident adults, ages 18 and over, in the Puerto Rican Diaspora. Main findings:

- Heritage and agro-tourism experiences can be a significant draw for the Diaspora population, particularly for middle-aged travelers. But to attract younger tourists and families with children, such experiences need to be part of a wider offer of affordable amenities, including restaurants, hotels, festivals, and, especially, outdoor activities;



- Diaspora travelers of all ages are relatively adventurous and willing to try new places and new things, but they are constrained by time and family responsibilities while visiting Puerto Rico. Therefore, visitors to the Castañer region are likely to come as part of groups of family members and/or friends, and stay for a short period of just one or two days, except for the limited share with local ties, who may spend a week or longer get-away there, with family in the area;
- Many potential visitors lack good information about the Route 123 region and what it offers. This is all the more important since potential visitors—see the point above—are on tight time budgets; and
- The people of Castañer are one of the region’s greatest assets, as their kindness and hospitality often leave a lasting impression on visitors.

## Scanning the Globe—Rural and Community Tourism Initiatives

The Castañer region is not alone in exploring tourism as a strategy to address linked challenges such as agricultural decline, out-migration, and poverty. To the contrary, many rural communities around the world, in both high and low-income countries, face similar challenges. And quite a few have pursued tourism as one promising strategy.

But community tourism can be more than a response to decline or threat. It can be a strategy for cultural preservation, for example, for upgrading traditional crafts or other industries, and even for community building. Tackling tourism—especially if a destination lies off the beaten, better-known path of popular destinations—requires local cooperation, learning, innovation and entrepreneurship. It is not without risk, but the rewards can be substantial, particularly in chronically low-income areas.

In an effort to canvass widely for lessons, our analysis ranged from Ireland’s intensive effort to develop heritage tourism focused on that nation’s large diaspora to France’s long-run rural strategy—centered

not only on cultural assets but agriculture-related products—to coffee tourism, “slow” tourism and other efforts in Nicaragua, Jamaica, Grenada, and other low to middle-income countries in Latin America and the Caribbean.

“ Multi-sector partnerships have been crucial to the success of rural and community tourism initiatives. ”

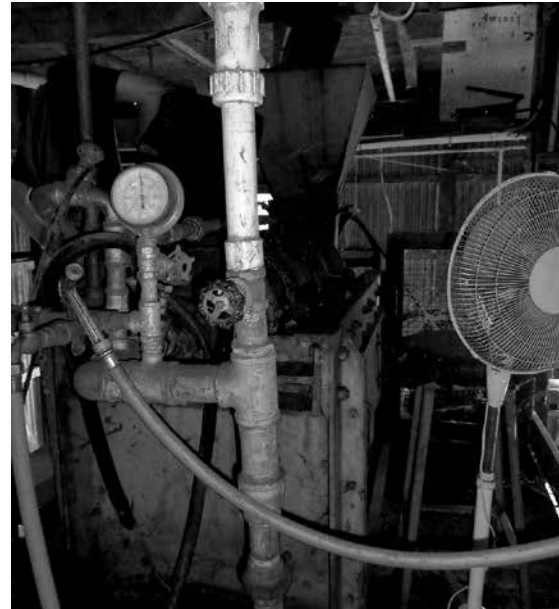
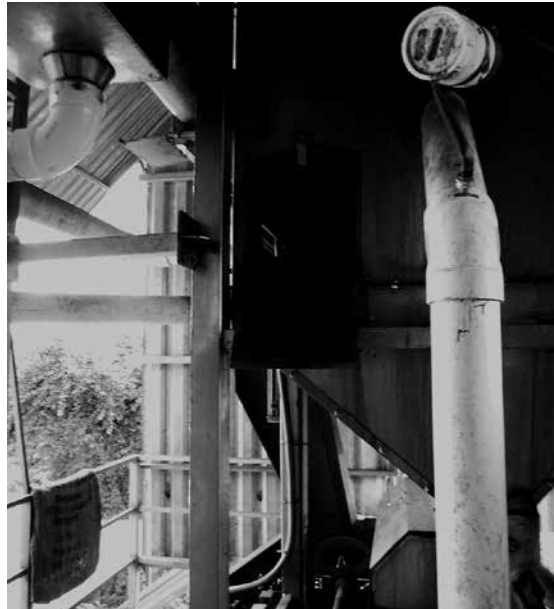
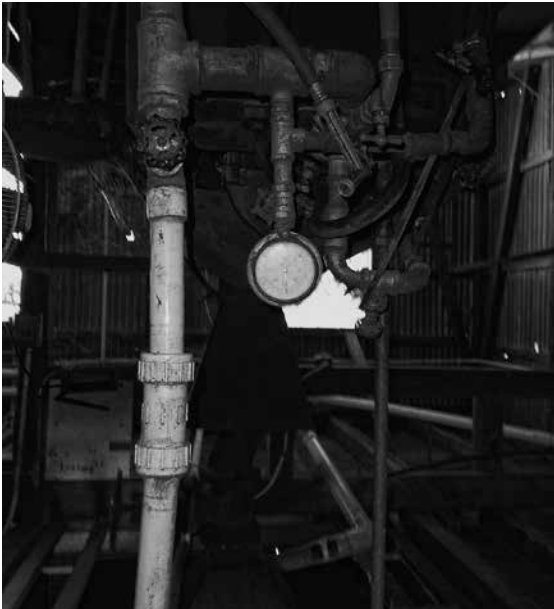
Here are the main lessons of our global scan:

- **Partnering:** Multi-sector partnerships have been crucial to the success of rural and community tourism initiatives, for a variety of strategic reasons. For example, they help players pool common resources, share services, connect the grassroots to globally networked activity, and—where they link enterprises specifically—provide tourists with the requisite mix of goods and services. Effective partnerships have been organized both through grassroots action and also with the support of local or national governments, depending on the context.
- **Government involvement:** Government often plays a primary role in facilitating market analysis and a key role in supporting the preservation of natural or heritage sites and certifying the quality of local products. Depending on the context, government may play additional, helpful roles, for example supporting global marketing, training, ongoing knowledge exchange among local businesses, and more.
- **Product development:** In many cases, both tangible and intangible assets and liabilities—historical sites and mountain views are tangible, a large diaspora of potential visitors from abroad is intangible—have helped tourism planners determine the best mix of products and services to offer.
- **Developing supportive infrastructure:** Basic, supportive infrastructure, such as clear signage and tourist information centers, is crucial to guide tourists to tourism products and services on offer.

Hacienda Buenaventura, Ponce



Hacienda Pons, Castañer Region



- **Marketing firms and “the place:”** Effective marketing is crucial at several levels:
  - Firms—Even entrepreneurs with limited financial and/or technical capacity can reach out to potential visitors, now more than ever thanks to the Internet, for example through aggregated tourism service websites.
  - The place—Deploying a marketing strategy on a regional level: National marketing campaigns may be effective at reaching a large domestic and international audience, but they often do not focus on marketing specific places—distinctive rural regions of a country and the tourism product offered in those regions. Therefore, regional tourism initiatives should engage in their own marketing activities that complement national campaigns.
- **Developing a diversified funding base:** Many of the cases of rural tourism we examined drew on diverse sources of funding to support new product development, maintain tourism infrastructure, and engage in marketing activities.
- **Economic benefits:** They tend to be more substantial in lower-income regions—and constrained everywhere. The economic benefits of rural tourism initiatives, particularly in terms of generating additional income, were most notable for cases in lower income, rather than higher income. But most, if not all, cases show important limits to income and wealth generation, for reasons we previewed above.
- **Producing and protecting “extras”—amenities for locals too:** Effective rural tourism initiatives have produced valuable local amenities for use by both tourists and residents.

Puerto Rico’s Route 123 region does not enjoy the level of national government support that has backed rural tourism in France or heritage tourism in Ireland. Nonetheless, we highlight several functions for which public sector support or leadership can be particularly helpful, if not crucial. In the context of limited government resources, those functions—market analysis, historic preservation, and certifying the quality of local products—should be prioritized.

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In addition, in terms of starting points, there are clear parallels between the Route 123 region and Treasure Beach, Jamaica (e.g., Caribbean location, limited resources, rustic and rural setting). In the Treasure Beach case, forming effective partnerships and establishing a clear marketing message were critical to success—as they are likely to be for the Route 123 as well.

## Recommendations

We present our recommendations under four (4) main action headings, not as steps in a linear sequence but parts of an integrated development strategy, with details in the main report:

- A. *Organize the stakeholders, and help them partner strategically.* Partnering is especially important for off-the-beaten path rural areas that have historically relied heavily on agriculture. One key reason is that as a rule, such areas are not dominated—or animated—by large tourism operators, such as hotel chains and rental car companies, or the infrastructure that supports mass tourism. We recommend organizing purposeful and reasonably representative stakeholder groups (which naturally tend to have limited interests and priorities) and, from them, an inclusive, multi-stakeholder group focused on planning and implementing the region’s overall tourism development efforts.
- B. *Develop the products, and improve way-finding.* This includes upgrading and broadening area attractions and lodging, improving signage and creating information nodes along the route, educating and shepherding the visitor (e.g., through low-cost smartphone apps), creating suggested itineraries for visitors,

exploring package options with several local operators (small to medium-size enterprises), and advocating for certification of local products.

C. *Develop the brand and market the products.* PathStone and local partners should: Develop and disseminate the region’s brand, centered on the route and referencing coffee culture, beautiful natural surroundings, and a rural Puerto Rican way of life; build out the content and functions of a portal website, where the brand “lives” and focuses the visitor (our global scan featured several working models); develop skills for online marketing, taking advantage of online training, in particular; identify and develop local hubs, such as popular eateries or cultural attractions, for word-of-mouth marketing within the region; and find low-cost easily repeated ways for gathering data on visitor experiences and preferences—the foundation for any effective marketing strategy and also for product improvement over time.

D. *Map out strategies for capturing the gains and sharing them as broadly as possible.* As we noted above, capturing and equitably sharing the economic benefits of niche tourism is not assured or straightforward, even with a community economic development organization such as PathStone helping to spearhead tourism development. It may be challenging to “capture the gains” locally, versus see them captured by non-local interests, and also to promote

equitable gains between local suppliers and their workers. As such, any community tourism strategy must carefully consider and address business types, the concentration of ownership, and the quality of employment and wages in the local tourism industry.

As of now, the area enjoys a key advantage: A development path emphasizing local ownership. The Route 123 region has not (yet) attracted the attention of chains and other large businesses. Its tourism products, while limited, are offered by small, locally owned providers, including key nonprofit organizations, such as Casa Pueblo. This is very important from the perspective of capturing and distributing gains going forward.

But several issues deserve particularly close attention, including skills for sustainable niche tourism, job quality and upward mobility, and the dynamics of local sourcing and competition. Creating mechanisms and norms that address these now, at the outset of community tourism development, would have obvious advantages.

**As of now, the region enjoys a key advantage: A development path emphasizing local ownership.**

Specifically, PathStone and its partners should: prioritize facility upgrades and enterprise development—financing,

technical assistance and training, in particular—and organizing SMEs. Organizing is critical to mitigate excess competition and address job quality, not only to support shared marketing and other services, policy advocacy and other collective benefits for firms. Tourism development should also address training needs early and often, so as to avoid the industry’s chronic lack of job ladders and professional development opportunities, which limits upward mobility. Finally, the development effort should seek to maximize local sourcing by tourist operators, to create more spending and “induced” job creation in the region. Sourcing food supplies (including high quality coffee) locally rather than non-locally would tap the area’s agricultural assets and align with the push toward niche tourism, including agro and agro-linked activities, of course. There may be less obvious opportunities, i.e. beyond food, as well. If pursued, such efforts should be made visible to visitors, for example as part of branding a community tourism operators association, not just branding the region.

# INTRODUCTION

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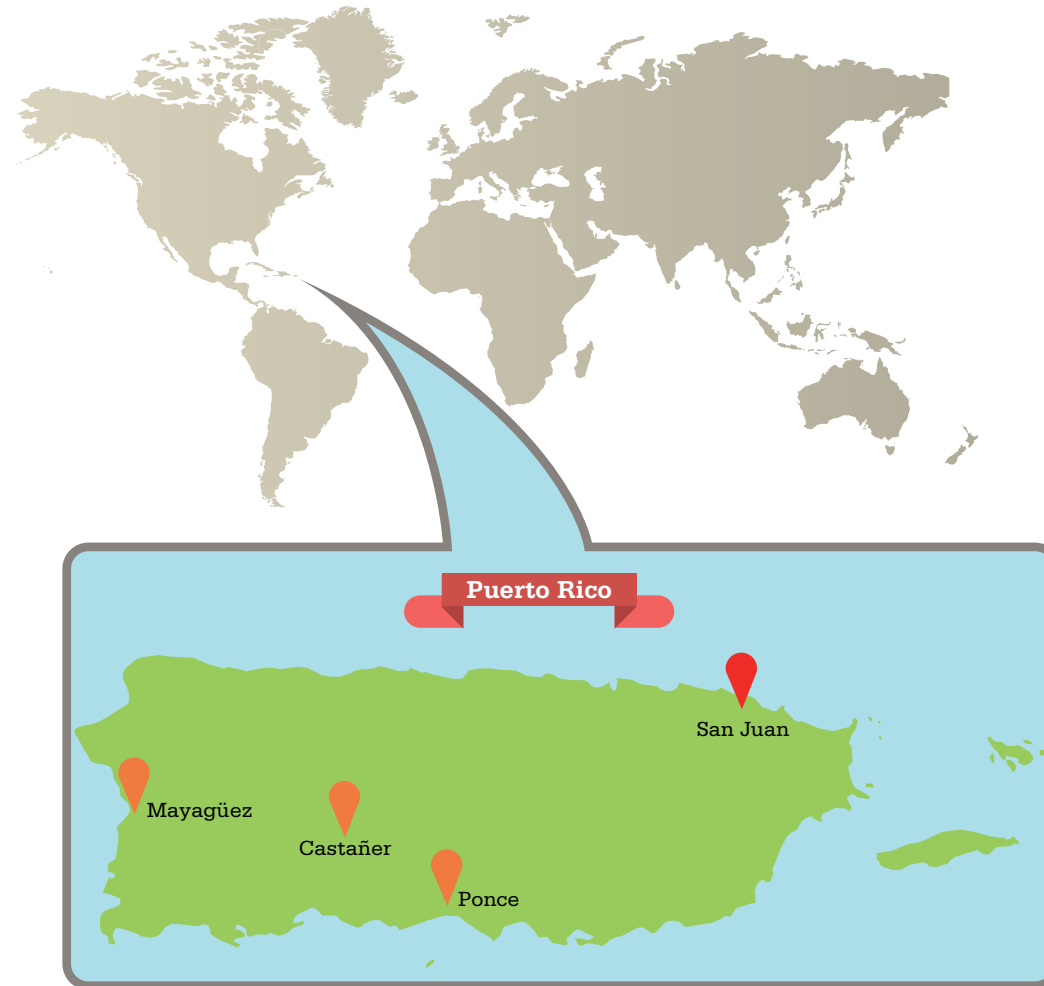
Puerto Rico's Route 123 runs through the rural Castañer region, which is located in the central, mountainous part of southwestern Puerto Rico. At the intersection of the municipalities of Adjuntas, Lares, Yauco and Maricao, the town of Castañer and the surrounding region have historically been a center of coffee production on the island. The area is also more dependent on agriculture than any other region. Yet the Puerto Rican coffee industry is severely threatened due to relatively high production costs and other competitive pressures.

What is more, Puerto Rican agriculture in general, including fruit and vegetable production, is suffering. As a result, unemployment is high in Castañer, ranging from 16.6% in Yauco to 23% in Adjuntas as of March 2012. This significantly exceeds unemployment for the island as a whole, which stood at 15% then.<sup>1</sup> And over half of the population lives below the poverty line.

In this context, the nonprofit PathStone Development Corporation of Puerto Rico is leading a multi-faceted and collaborative development initiative with support from the U.S. Department of Housing and Urban Development's Rural Innovation Fund. The project aims to combat regional economic decline by strengthening the Castañer coffee industry, developing small businesses, offering training, and constructing high-quality, affordable new housing.

Local coffee producers, university experts, and others have identified tourism as a way

## Puerto Rico in Global Context



to bolster agriculture (including coffee), highlight the natural beauty and cultural traditions of the region, generate additional sources of income, and thereby expand investment and economic opportunity for residents. Many coffee-farmers have begun offering tours of their haciendas and production facilities as a way to supplement their income from coffee sales, for example, but these efforts remain small-scale, largely informal, and disconnected. In addition, tourism marketing is very limited as of now—a major limiting factor, since the region is “off the beaten path.”

To inform its collaborative work with partners, PathStone commissioned a study of the coffee industry in Castañer conducted by the Center for the New Economy, and an economic analysis of the target region, completed by team of graduate students at the Universidad de Puerto Rico (UPR), Recinto de Rio Piedras, led by Professor Criseida Navarro. In addition, teams at the Pontificia Universidad Católica de Puerto Rico in Ponce and Mayaguez have been analyzing and developing tourism concepts for Route 123, which runs from Ponce to Adjuntas and Castañer ([www.ruta123.com](http://www.ruta123.com)).

PathStone also asked a team at the Massachusetts Institute of Technology (MIT) Community Innovators Lab (CoLab) to analyze the potential market, both on the island and abroad, for “niche” tourism, such as cultural, agro, and eco-tourism.





This report summarizes the findings and recommendations based on that analysis. We begin in Chapter two with a brief look at trends, opportunities and challenges posed by the ever-evolving global tourism industry, with emphasis on niche rather than “mass” tourism. Chapter three then overviews the current tourism “offer” (products) of the Castañer region—places to visit and stay, things to do—centered on Route 123. Here we also outline what we know, based on available data, about the types and levels of current visitor demand for those products. Next, in Chapter four, we analyze potential demand, both local and non-local, in the latter case mining data from an online survey, which we conducted in April, of Puerto Ricans living on the U.S. mainland. Chapter five then examines relevant cases of rural and community tourism development worldwide—from neighboring destinations in the Caribbean to Nicaragua, Ireland and beyond—with emphasis on agro-tourism and heritage-related development strategies. The final chapter outlines our recommendations.



# **TOURISM WORLDWIDE:**

## **TRENDS, OPPORTUNITIES & CHALLENGES**



We begin with an overview of historical and contemporary trends in global tourism, describing how the preferences of consumers and tourism providers have evolved over time. In general, trends lead from the development of mass tourism to that of niche tourism, for example offerings and travel behavior based on distinctive cultural traditions, ecosystem assets, and locally grown food. Niche tourism emerged thanks to both need and opportunity: a need to develop forms of tourism with greater local benefits and fewer environmental, social and other costs; and the opportunity to serve new kinds of consumer demand with more unique and memorable experiences.

The second section of the chapter examines four specific types of niche tourism that may be particularly relevant for the Route 123 development strategy, given the Castañer region's natural, cultural, and historical assets. The final section of the chapter discusses the economic impacts of tourism and the challenges associated with maximizing local benefits.

## The Rise of Mass Tourism and Its Discontents

As a practice and an industry, tourism is ancient, but widely accessible tourism is not. While elites have engaged in leisure travel at least since the rise of the ancient Greek and Roman empires, tourism for middle and lower-income groups is a far more recent development, beginning only in

the 19th century.<sup>2</sup> Until the First World War, in fact, only aristocrats, highly educated professionals (doctors, lawyers, etc.), and other white-collar workers traveled for leisure on any regular basis.<sup>3</sup>

Beginning in the 1920s, however, changes in labor laws and rising incomes allowed for middle and even lower income workers to enjoy weekend retreats.<sup>4</sup> Later, following the Second World War, rising incomes, continued urbanization, advances in communication and transportation technologies and networks, and other changes allowed tourism in Europe and North America to grow dramatically, incorporating most social groups other than the very poor.<sup>5</sup>

“Mass tourism” is defined in part by what it is not: It is not niche, specialized, or customized, and it is not exclusive.

It was during this expansionary, post-war period—some observers have emphasized a “leisure tourism boom” of the 1960s and 1970s, in particular—that “mass tourism” took root worldwide and in Puerto Rico. There is no widely employed, industry-standard definition of mass tourism, not even from leading organizations, such as the United Nations World Tourism Organization (UNWTO) or the World Travel and Tourism Council. But for the purposes of this report,

mass tourism refers to affordable vacation experiences that are accessible to consumers at most income levels and that center on relaxation and recreation, broadly defined.

“Mass” is therefore defined in part by what it is not: It is not niche, specialized, or customized, and it is not exclusive. Mass tourism implies a degree of standardization, meaning that mass tourism products maintain a quality standard and are similar in content with regards to accommodations and amenities on offer. This standardization allows mass tourism consumers to base their consumption decisions primarily on price.

The post-war boom in mass tourism included rapid changes in tourism industry infrastructure. Many travel agencies were established, especially in higher income nations, and they created and marketed vacation “packages” that included airfare, accommodation, and meals. Packages made leisure travel easy even for the most inexperienced of tourists, though initially, many packages were for domestic vacations.

Between the mid-1970s and the mid-1990s, the percentage of tourists traveling from the indisutralized to the developing world increased from 8% to 20%.

In the 1970s, the introduction of wide-bodied, high-speed jets made it possible for large numbers of tourists to travel further afield, leading to a substantial increase in international tourism. Between 1951 and 1991, the number of teenagers and adults traveling internationally for leisure grew from 9 to 32 million.<sup>6</sup>

Advances in air travel also made it possible for more Europeans and Americans to travel more easily to destinations in the developing world. Between the mid-1970s and the mid-1990s, that market share—the percentage of tourists traveling from the industrialized to the developing world—increased from 8% to 20%.<sup>7</sup>

Initially, this wave of tourism was welcomed by developing nations. Compared to manufacturing and other industries, tourism was seen as a “clean” way to create jobs and fuel economic development without damaging the environment.<sup>8</sup> By the late 1970s, however, developing country policymakers and analysts were becoming skeptical of the benefits and costs of the tourism industry. Observers began to associate mass tourism with a simple set of demand components known as the 4 S’s: sun, sea, sand, and sex. Studies indicated that tourism focused on procuring the 4 S’s did little to spur economic development apart from creating low-wage service jobs. Furthermore, far from being a clean industry, tourism led to increases in pollution and, in some hot spots, marked overdevelopment.<sup>9</sup>

### **The Manila Declaration and the Ongoing Growth of Tourism Worldwide**

In response to these concerns, in 1980, the United Nations World Tourism Organization (UNWTO) held a conference in Manila to discuss the state of the tourism industry and what could be done to reverse harms done to destination communities. Delegations from 107 nations participated in the conference, which led to the Manila Declaration on World Tourism:

The satisfaction of tourism requirements must not be prejudicial to the social and economic interest of the population in a tourist area, to the environment thereof, or above all, to natural resources which are the fundamental attraction of tourism, and historical and cultural sites.<sup>10</sup>

The Declaration called for government policymakers as well as leaders in the tourism industry to explore tourism strategies that would offer greater benefits to local populations than mass tourism while minimizing environmental damage. The Declaration was thus a pre-cursor to the emergence of new “niche” forms of tourism that emphasized respect for the environment, communities, and the history and culture of tourist destinations.

In spite of these developments—we return to niche tourism below—mass tourism continues to play a very important role in the industry globally. Cruise ship travel, a popular form of mass tourism in the Caribbean and

other regions, has increased significantly since the signing of the Manila Declaration. Between 1980 and 2004, cruise passenger arrivals to the Caribbean more than quadrupled.<sup>11</sup> According to a recent report by *The Telegraph*, almost half of all British adults booked at least one holiday package tour in 2012, an increase of 10% over 2010.<sup>12</sup>

The global economic recession impacted tourism growth in 2009, but the sector has since recovered. Between January and April 2009, the UNWTO reported an 8% decline in international tourism.<sup>13</sup> But by 2010, tourism was growing again.<sup>14</sup>

In 2012, international tourism receipts grew by 4% to reach \$1.075 trillion, and the Americas had the highest growth in receipts, at 7%. International tourist arrivals also grew at 4% worldwide, the same rate in the Americas and the Caribbean specifically, and passed an important benchmark, reaching one billion arrivals for the first time ever.<sup>15</sup> Analysts forecast almost twice as many—a total of 1.8 billion international travelers annually—by 2030.<sup>16</sup>

### **Niche Tourism: Types and Opportunities**

While mass tourism clearly continues to grow in many parts of the globe, since the 1980s, the tourism industry has diversified to offer travelers new, specialized options. Niche tourism operates on a much smaller scale than mass tourism, as the labels imply.

Unlike the broad, recreational bent of mass tourism, niche tourism focuses on attracting smaller groups of tourists with specific interests in the natural environment, culture, history, gastronomy, and people of the communities visited, while minimizing environmental impact. In principle, a wide variety of interests could provide the bases for attracting visitors to a given destination.

Below, we focus on four specific types of niche tourism—ecotourism, heritage and cultural tourism, community tourism, and rural tourism—because of their relevance to the Castañer region. We explore the scope, visitor trends, and economic impacts of each type.

Note, however, that niche tourism is a fluid and still emergent marketplace. Many types of niche tourism lack a tight, consistent definition, so there is significant overlap between types. Some forms of niche tourism are defined by the product offering, while others are defined by the population providing said products. For example, a community-led ecotourism initiative would qualify as both “community” and “eco.” *The labels are less important than the focus on developing distinctive visitor experiences, protecting the natural environment, and expanding local benefits in ways that mass tourism typically does not.*

### **Ecotourism**

The International Ecotourism Society defines ecotourism as “responsible travel to natural areas that conserves the environment and

improves the well-being of local people.”<sup>17</sup> Ecotourism has enjoyed substantial growth over the past two decades. According to a 2009 report by the Netherlands Development Organization and the Center for Responsible Travel (CREST), in the 1990s, ecotourism was the fastest growing sector of the tourism industry, with eco-oriented travelers increasing by 20-34% annually (i.e., doubling every few years), compared to overall tourism growth of about 9% per annum at the time. Likewise, a 2005 UNWTO report found that ecotourism was growing three times faster than the tourism industry as a whole.<sup>18</sup> The Netherlands Development Organization- CREST report also indicates that some 20-40% of all international travelers seek out some form of “nature-based” tourism.<sup>19</sup> This may point to the “greening” of mass tourism or to some fragmentation of mass tourism into niches, starting with the very broad “nature-based” category.

**“ Studies by the U.S. Department of Agriculture and the Collaborative Partnership of Forests show that the share of revenues returned to local economies (destination communities) can be three to four times higher for ecotourism than for standard, all-inclusive package tours. ”**

Consistent with those data, the 2012 National Travel and Tourism Strategy of the U.S. reported that 20% of international tourists to the United States seek out opportunities to visit national parks. Further, in 2010, more than half of U.S. travelers abroad took part in eco or other niche tourism activities.<sup>20</sup>

In general, travelers are becoming more environmentally conscious and are seeking travel options that suit their “green” living preferences. A 2010 survey by TUI AG, a leading European travel agency cited by CREST, found that of 4,000 vacationers surveyed, 71% expressed an interest in pollution issues, 64% in biodiversity and animal protection, 63% in climate change and carbon emission, 62% in fair trade and labor standards, and 61% in social and community issues.<sup>21</sup> A 2012 TripAdvisor Survey found that 30% of travelers “would choose a destination for a trip because it is considered eco-friendly.”<sup>22</sup> It is likely, though, that all of these surveys reflect an underlying tendency for respondents to answer in a way that others would view favorably (“social desirability bias”), e.g. to give the “eco-friendly” response in this context. So these data probably overstate demand somewhat. Nonetheless, these data are consistent with many other studies indicating that environmental concerns have gone mainstream.

As demand for ecotourism activities expands, communities in eco tourist destinations appear to benefit more from this form of tourism than mass tourism. There are big gaps in data and relatively few careful studies

so far. But there is some evidence, from studies by the U.S. Department of Agriculture and the Collaborative Partnership of Forests, that the share of revenues returned to local economies (destination communities) can be three to four times higher for ecotourism than for standard, all-inclusive package tours, for example.<sup>23</sup>

The greater local economic benefits from ecotourism appear to result from the fact that community members tend to be involved in ecotourism initiatives as the owners and operators of guided tours, restaurants, and lodging. If local businesses can source locally too—purchasing the goods and services they need to serve visitors—so much the better, in terms of capturing the gains locally. Mass tourism, on the other hand, often relies upon large international hotel and restaurant chains and cruise companies, with minimal economic links to local communities.

“Some 68% of cultural heritage travelers to the U.S. visited “historic places” in 2010, while 41% visited “cultural heritage sites.”

### *Heritage and Cultural Tourism*

According to the Cultural Heritage Tourism Organization, cultural heritage tourism is “traveling to experience the places and

activities that authentically represent the stories and people of the past and present. It includes irreplaceable historic, cultural, and natural resources.”<sup>24</sup>

This form of niche tourism is likewise growing at a steady clip. A 2010 survey by the Office of Travel and Tourism Industries (OTTI) of the U.S. Department of Commerce shows that the number of overseas cultural heritage visitors to the U.S. increased by 45% between 2004 and 2010. Some 68% of cultural heritage travelers to the U.S. visited “historic places” in 2010, while 41% visited “cultural heritage sites” (the difference being that cultural heritage sites are not necessarily “historic” in nature).<sup>25</sup> And a 2003 survey by the U.S. Travel Association (TIA) reports that 62% of American travelers think it’s important “to learn about other cultures when they travel.”<sup>26</sup>

In terms of capturing the benefits, a 2012 U.S. National Park Service study examining National Heritage Areas (NHAs) found that heritage tourism can make a big impact on local economies, again depending on the structure of supply for goods and services. NHAs are federally designated sites whose natural, cultural, and historic assets make them “nationally important landscapes.”<sup>27</sup> The 49 NHAs examined in the report supported \$12.9 billion in economic activity, 148,000 jobs, and \$1.2 billion in tax revenue as of 2012.<sup>28</sup> These economic benefits are realized primarily within the food service, retail, lodging, and amusement sectors that are in many cases, though certainly not all, locally owned and operated.<sup>29</sup>

### *Community Tourism*

Community tourism is defined by the Netherlands Development Organization as “tourism that is initiated, owned and operated by local residents.”<sup>30</sup> Hands Up Holiday, a travel agency that promotes volunteer tourism, and is cited in a report by the Netherlands Development Organization defines community tourism as “tourism that maximizes benefits to the local community.”<sup>31</sup> Again, community tourism could overlap with many other forms of niche tourism depending upon the product on offer. For example, a community tourism initiative that involves providing tours of local heritage sites would qualify as both community and heritage tourism.

Similar to ecotourism and heritage tourism, interest in community tourism appears to be on the rise. A 2002 survey by the Tear Fund, a U.K. based charity, showed that 27% of British travelers surveyed “were interested in knowing how to support the local economy and meet the local people while on holiday.”<sup>32</sup> A CREST report cites a 2011 reader survey by *CondéNast Traveler*, which found that 58% of respondents would allow their hotel choice to be influenced “by the support the hotel gives the local community.”<sup>33</sup>

Reliable evidence on the economic benefits of community tourism are difficult to come by, because many initiatives are not able to conduct regular traveler surveys and track traveler expenditure data. But given what we know about the impact of local ownership and supply, community tourism will tend to

capture, for the local economy, a relatively high share of whatever benefits are produced. Reinvesting those benefits locally—for example, by developing a wider range of competitive local suppliers for tourism providers—is of course another matter.

### Rural and Agro Tourism

According to the University of California Small Farm Program, rural tourism includes visits to “off-site farmers’ markets, non-profit agricultural tours, and other leisure and hospitality businesses that attract visitors to the countryside.”<sup>34</sup> More broadly, rural tourism can be defined as travel outside of urban areas to observe, learn about, and immerse oneself in rural lifestyles and agricultural traditions. The term “rural tourism” is also seen in conjunction with rural development initiatives.

**“ Evidence from the case studies later in the report suggests that rural tourism can provide a strong income supplement, generally not enough to replace income earned through regular farming activities. ”**

According to a 2002 report by the Agricultural Marketing Resource Center (AGMRC), rural tourism has been on the rise since the 1980s.<sup>35</sup> The U.S. Department of Agriculture’s 2007 *Census of Agriculture* shows that the number of U.S. farmers participating in agro-tourism (which is closely linked with rural tourism) grew substantially between 2002 and 2007, along with gross income generated from such activity (see table I-1). Agro-tourism is defined by the USDA to include recreational services such as hunting, fishing, farm or wine tours, and hay rides.

Evidence from the case studies later in the report suggests that rural tourism can provide a strong income *supplement*, generally not enough to replace income earned through regular farming activities.

**Table 2-1. Gross income from farm-related sources: Agro-tourism and recreational services**

| Farms with receipts of... | 2007  |                 | 2002  |                 |
|---------------------------|-------|-----------------|-------|-----------------|
|                           | Farms | Value (\$1,000) | Farms | Value (\$1,000) |
| \$5,000 - \$9,999         | 3,118 | 20,614          | 3,492 | 23,066          |
| \$10,000 - \$24,999       | 3,494 | 52,245          | 3,011 | 44,455          |
| \$25,000 or more          | 3,637 | 473,294         | 1,901 | 106,696         |

Source: 2007 USDA Census of Agriculture

### Shaping the Economic Impact of Tourism

Tourism is now one of the world’s most important economic activities. At a global scale, the tourism sector directly generates 5% of global GDP and one in twelve jobs are in tourism.<sup>36</sup> It accounts for 30% of the world’s services exports and 6% of overall goods and services exports, and it is the fifth most important export category after fuels, chemicals, food, and automotive products. For many smaller and developing nations, moreover, tourism is *the* most important economic sector.<sup>37</sup>

At a national scale, there is evidence that tourism, on the whole, contributes to economic growth and poverty reduction. But the scale and distribution of benefits is highly contingent, as a growing body of research underscores.

Capturing the Gains (CTG) is an international research network formed to analyze the impact of global production networks on poor workers and producers in the global South. In a March 2013 CTG working paper, Michelle Christian and Dev Nathan outline some of the mechanisms through which tourism can potentially reduce poverty, particularly in rural, predominantly agricultural areas:

- The tourism sector is labor intensive and creates jobs for relatively low skilled workers, as drivers, restaurant workers, and tour guides.

- Tourism in rural areas, if it is based in villages or on farms, can generate income for the rural residents that provide services such as guesthouses, tours, etc.
- Businesses along the route that leads to a destination, such as restaurants and shops, can also benefit from the increased flow of visitors.
- As highlighted in the introduction to this report, tourism may provide additional income to supplement agricultural income. Tourism-related employment can be thought of as directly augmenting agricultural employment.<sup>38</sup>

Our analysis suggests that in order to generate and more equitably “capture the gains,” any locally-driven strategy should take into account the tourism ecosystem, the concentration of ownership, and employment.

“ The increasing use of social media marketing and web-based sales let suppliers directly access customers. And websites such as TripAdvisor put more power in the hands of consumers, as opposed to the intermediaries. ”

#### *Ecosystem: Tourism Global Production Network*

Value capture in tourism, as in other industries, revolves, to a great degree, around the structure and dynamics of competition in what are now globalized chains.

Figure 2-1 is a CTG rendering of the “tourism global production network.”<sup>39</sup> Beyond the characteristics of the tourist destination (inputs), and the trip components, the diagram highlights the role of intermediaries (who facilitate the connection between a tourist and the trip components) and the supporting industries, which are local, national, and global.

Within the production network, Christian and Nathan argue that there are two sources of power: (a) the ability to secure customers and bundle services and (b) branding.<sup>40</sup> Intermediaries such as tour operators derive their power from the first factor—in particular, the ability to aggregate clients. They use their control over clients to set prices and standards among suppliers: the hotels, restaurants, attractions, etc. where the intermediaries send their clients. Where this dynamic is pronounced, the value-chain can be said to be *buyer-driven* and, as a practical matter, often *price-driven*.

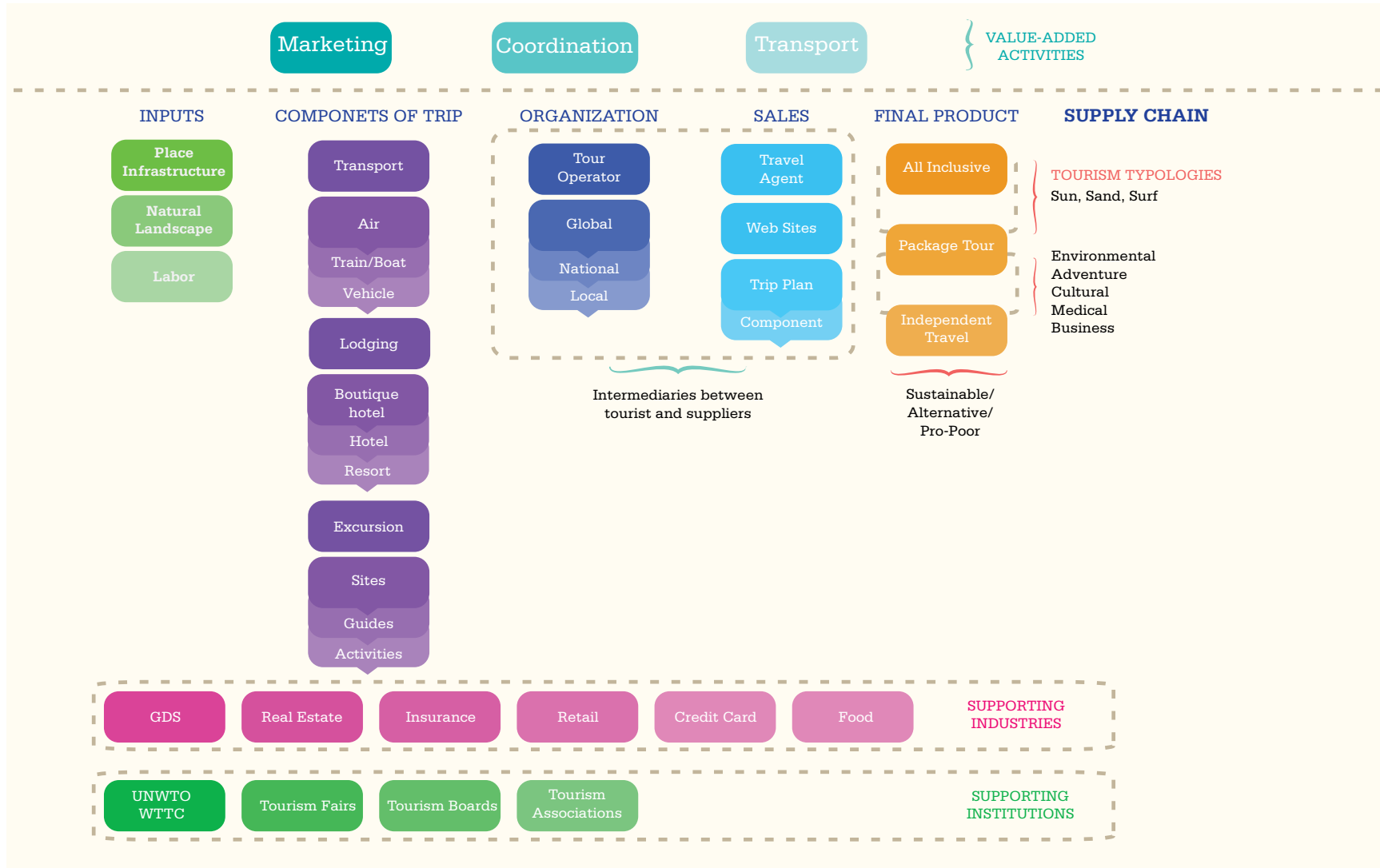
In niche tourism, the power to aggregate and control clients is less potent, given the type of traveler who is likely to want a niche experience. Some niche tourism clients fall in the “independent travel” category in the figure. They are unlikely to purchase tour packages sold by large global tour operators. For such travelers, trusted branding—serving a well-known hotel or restaurant, for example—can thus tip the balance of power towards *suppliers* at the destination location. Having a recognized brand allows suppliers to compete on product *quality* more than price.

Having multiple channels through which to market and sell their products can also tip the balance towards suppliers. The increasing use of social media marketing and web-based sales let suppliers directly access customers. And websites such as TripAdvisor put more power in the hands of consumers, as opposed to the intermediaries. This can further benefit suppliers, though it also puts them on the hook to be quickly and visibly responsive to customer requests and complaints.

The types of businesses that operate in the production network vary in terms of scale, products sold, firm organization, market structure, and value added. At the high end are branded establishments that require a relatively large capital investment (e.g., hotels) and usually have a more permanent workforce. At the lower end are businesses that require little capital investment, such as tour guides and vendors. In between is a wide range of businesses, from gas stations to souvenir shops.



Figure 2-1. Tourism Production Network



\*GDS stands for global distribution system, or computer reservations systems, used for booking travel.

Adapted from: Christian, Michelle. *Tourism Global Production Networks. Briefing Note 4. Capturing the Gains 2013, February 2012.*

There may also be a divide between firms that cater to the local market and those that serve primarily foreigners, especially in developing countries. The space with the highest value-added in the international tourism production network is occupied by firms with direct access to international travelers via marketing and sales, coordination and logistics.<sup>41</sup> This is due to the specialized skills required (language, for example), the higher purchasing power of foreign tourists, and, at least in mass tourism, linkages to large tour operators who have a monopoly on the foreign market.

The growing trend of “green” tourism also has the potential to create more jobs and keep wealth local. “Green” supply chains emphasize local hiring and sourcing, which increases the spillover effects of tourism development and the amount of tourist spending that stays in the local economy.<sup>42</sup>

### ***Concentration of Ownership: The Competitive Structure***

Within the tourism supply chain, there are three segments of productive activity: trip components (lodging, travel, and excursions), organization (tour operators), and sales (travel agents and web sites). At each level, there may be a variety of firm sizes, ranging from large to micro. Based on CTG analysis, at each level there is the potential for the largest firms, and/or firms from outside the destination region, to control the segment and “capture the gains,” returning income to owners or investors far from the destination.<sup>43</sup>

**“ Small-scale, local ownership of hotels, tour operators, restaurants, and other tourism-related businesses tends to increase the share of visitor spending that is retained locally. ”**

Research underscores that one way to increase local ownership is to support the development of small and micro-enterprises, as PathStone does now. Small-scale, local ownership of hotels, tour operators, restaurants, and other tourism-related businesses tends to increase the share of visitor spending that is retained locally.<sup>44</sup>

Notably, within the global niche tourism market, there is increasing fragmentation of ownership. Micro-enterprises are emerging and competing with large, established tour operators and hotel chains. This is driven by an increase in travelers with diverse needs, the growing, disruptive use of information and communications technology, particularly the Internet, and the proliferation of social media marketing and tourist networking.<sup>45</sup>

There is also an emerging-markets effect: In relatively undeveloped tourist markets, there tends to be more space for locally owned micro-enterprises to develop. However, as the tourism industry in a region develops and gets more sophisticated, there is the potential for outsiders with more management and/or business skills to enter and displace locals.<sup>46</sup>

For these reasons and more, cultivating effective, small, locally owned enterprises presents a range of opportunities and risks.

On one hand, as previewed above, tour guides, street vendors and some other business types do not present high barriers to entry, for example large, up-front capital investment. These types of businesses also often overlap with own-account work or self-employment. On the other hand, that ease of entry can create intense competition among entrepreneurs, which in turn drives down prices and earnings.

One way to get around or at least mitigate this race to the bottom is to organize collectively. As Christian and Nathan argue, associations of own-account workers can—just like farmer cooperatives—help reduce competition and get better prices for their services.<sup>47</sup> Such associations can also usefully pool their demand and risk in a variety of ways, for example via shared marketing and other shared services.

The trick is striking a balance between maximizing incomes and allowing healthy levels of competition, which in turn enhance variety, affordability and quality.

### ***Employment and Wages: Managing for Quality as well as Quantity***

The tourism industry is very labor intensive and occupationally diverse. There are multiple job categories, and there is a significant multiplier effect. An International Labor Organization (ILO) study reports that one job in the hospitality industry indirectly creates 1.5 related jobs.<sup>48</sup> Tourism creates jobs of varying skill levels and can provide easy access to employment for youth. However, the quality of jobs is variable. When thinking about the employment benefits of tourism development, therefore, it is important to consider wages, access to jobs, and opportunities for advancement through career ladders.

📌 **Tourism creates jobs of varying skill levels and can provide easy access to employment for youth. However, the quality of jobs is variable.** 📌

#### *Wage Determinants*

Some of the most important, in tourism as in other sectors, are:

- **Area prevailing wages** - Wages in the local tourism industry are in part set by what workers can earn in other local industries or other parts of the region, country, or abroad. If wages in the tourism industry are lower than other local industries that are hiring, workers will be unlikely to seek jobs in tourism. Similarly, if workers can earn more in other parts of the country or abroad, and the costs of relocating are not too high, there will likely be an outmigration of labor. Castañer, as a historically low-wage region, is all too familiar with this dynamic.

- **Type of business** - In high-end, well-branded establishments, such as luxury hotel chains and international tour operators, a higher proportion of permanent staff receives salaries and benefits, such as health insurance. At the other end are establishments that employ workers on a casual or seasonal basis, usually for low wages with no benefits. These may be small shops that need extra staffing during high seasons or the drivers and tour guides that hotels contract to serve their guests.
- **Type of occupation** - Within any firm, there can be quite a range of occupations and wage levels. These divisions are most stark in hotels and restaurants. In both of these industries, there is segmentation by department/occupation and employment status/payscale. For example, in hotels, front-desk managers are usually permanently employed and receive decent salaries. Occupations such as housekeeping and dishwashing, however, have relatively less employment security. These workers are often employed only when there is high enough occupancy and earn lower wages. Other workers, such as tour guides and drivers, are hired on a casual basis and usually receive very low wages, which may be supplemented with tips from clients. In restaurants, there is a similar division between front-of-the-house staff, such as the managers and waitstaff, and the back-of-the-house staff such as the cooks and dishwashers. Often in the U.S., these occupational divisions are also separated along racial or ethnic lines, with less secure and lower paying occupations staffed disproportionately by minorities.<sup>49</sup>
- **Employment status** – The flip side of employment flexibility is the “casualization” of work. As ILO notes, “the predominance of on-call, casual, temporary, seasonal and part-time employment is related to insecurity, comparatively low pay ... job instability, limited career opportunity, a high level of subcontracting and outsourcing, and a high turnover rate.”<sup>50</sup> As described above, the status of employees also affects wages and benefits. Generally speaking, there are two kinds of workers in the tourism industry: wage-earning employees and own-account or self-employed workers. Many employees in tourism-related businesses are hired on a casual basis because of the low skill level required for many positions and the seasonality of tourism work. These workers generally receive lower wages and fewer benefits.<sup>51</sup> We discussed

own-account workers above: Given the relative ease of entry into many tourism-related businesses, there are often a number of self-employed workers selling food, acting as tour guides, or making crafts in the region around tourist destinations.

- **Unionization** – Though they present challenges, unions can have a positive impact in terms of how firms organize work and how that affects job quality, for example by raising wages and increasing job security, reducing racial and gender discrimination, and providing a space for worker voice.<sup>52</sup> There is evidence from the U.S. hospitality industry that the density of unionization in a particular region helps determine wage and benefit levels, net of cost of living and other inter-regional differences. San Francisco and Las Vegas, for example, have much higher union densities than Miami or New Orleans, and the former set have some of the nation's highest hospitality wage rates.<sup>53</sup> For reasons outlined above, and especially in the near to medium term, organizing entrepreneurs is likely to be much more crucial, at least in the near to medium term, in the Castañer region than organizing wage-earning workers.

**“ The poor working conditions and low wages associated with many entry-level and casual occupations in tourism would not be such big and chronic problems if there were more opportunities for advancing upward through career ladders in tourism-related businesses. ”**

#### *Access to jobs*

This is particularly important in high unemployment rural areas, such as Castañer, that struggle to retain young workers. Globally, the hospitality, catering and tourism industries have a high proportion of young workers, aged 16 to 35 years.<sup>54</sup> Here again, we see the flip side of the coin: occupations that tend to offer low-quality work also provide many entry-level opportunities for workers, including youth, with little former training or work experience.

#### *Career ladders*

The poor working conditions and low wages associated with many entry-level and casual occupations in tourism would not be such big and chronic problems if there were more opportunities for advancing upward through career ladders in tourism-related businesses. This is especially relevant for businesses such as hotels and restaurants, which are comprised of many different job categories.

The U.S. experience is cautionary. First, the historical record of internal promotions is not good, at least in the hotel industry. The one path for upward mobility to managerial positions is usually through the front-desk, as opposed to the housekeeping and food and beverage sectors. This is due in part to the job structure. Hotel job structures are very flat. There are many entry-level positions such as housekeepers, but relatively few managerial positions. The result is many workers competing for just a few higher-level occupations.

Second, there is also a poor record of internal managerial training in hotels. Most managerial positions tend to be filled by external hires. Third, there may be discrimination. In the U.S., hotels' occupational structures, like those of restaurants, tend to be divided along racial and ethnic lines, with minorities over-represented on the bottom rungs.<sup>55</sup>

**“ Addressing skill needs early and often is crucial to any effective strategy for community tourism. ”**

For both reasons, then, addressing skill needs early and often is crucial to any effective strategy for community tourism. While less developed rural destinations do not tend to present the extractive dynamics associated with big-chain, buyer-dominated mass tourism—at least not at the outset of tourism development—the dynamics of the industry are such that a big, flat occupational structure of many low-quality jobs could emerge anywhere.

## Summary and Implications

As we showed in this chapter, the tourism industry continues to grow worldwide. Though particular regions may suffer longer down-cycles, the long-run post-war expansion of the industry barely paused to register the latest recession. This growth is largely driven by *costs* coming down—improvements in transportation and communication technologies have made travel cheaper and more accessible to a wider variety of people—but growth also reflects a rapid rise in *incomes* in China, India and other nations over the past two decades. There are more leisure travelers—and perhaps most notably, more international travelers—than ever, with significant additional growth projected over the next two decades. International arrivals could double by 2030, and we do not know how these macro trends might affect demand for mass tourism versus particular types of niche experiences.

In general, while mass tourism remains an important component of the industry, at least in terms of volume, demand for niche tourism experiences has been growing since the 1980s, with even sharper growth in the latest decade. This is an important trend, given that niche tourism segments such as eco-tourism, heritage and cultural tourism, community tourism, and rural tourism hold the promise of generating more economic benefits for local communities while also being less environmentally and culturally disruptive.

However, capturing the benefits of niche tourism is not guaranteed or straightforward. Even if a new or relatively under-developed destination manages to improve its offering and market itself effectively, it may be challenging to “capture the gains” locally, versus see them captured by non-local interests, and also to promote equitable gains *between* local suppliers and their workers. While tourism tends to be labor intensive and present low barriers to entry for key business types, there is a flip side to the coin. Job insecurity, excess competition among local suppliers, low wages, and weak to non-existent job ladders are widespread.

As such, any community tourism strategy must carefully consider and address business types, the concentration of ownership, and the quality of employment and wages in the local tourism industry. We highlighted the following actionable priorities:

- Organizing small suppliers to mitigate excess competition and also address quality, shared marketing and other services, and other collective benefits;
- Addressing training needs early and often, so as to avoid the industry’s chronic lack of job ladders and professional development, which limit upward mobility; and
- Maximizing local sourcing by tourist operators, to create more local spending and thus induced job creation.
- Later in the report, we consider lessons for Castañer from efforts worldwide to develop rural tourism—effectively and equitably, to varying degrees.

But we turn next to the baseline picture: What does the Castañer region, centered on Route 123, offer visitors now?

# TOURISM ALONG ROUTE 123 NOW

3



In this chapter, we briefly overview tourism offerings, infrastructure and current demand in the region, with emphasis on Route 123 and nearby destinations, including Ponce and Adjuntas. We draw on prior work by the Universidad de Puerto Rico and the Pontificia Universidad Católica de Puerto Rico (PUCPR), as well as data provided by the Tourism Company, municipalities, and tourist destinations.

## Key Facilities and Activities that Serve Visitors

Route 123 is a scenic, two-lane road that connects Ponce to the mountain towns of Adjuntas and Castañer. PathStone and the PUCPR have proposed this corridor as the focal point for tourism development in the region ([www.ruta123.com](http://www.ruta123.com)). It contains a number of attractions that draw local and foreign tourists throughout the year.

**Ponce** is the second largest city in Puerto Rico and the starting point for the Route 123 corridor. It has an airport with daily international flights to destinations in the U.S. and has seven hotels that are endorsed by the Tourism Company. The principal attractions in and around Ponce are:

- The city center, which features Spanish colonial architecture, churches, plazas, and fountains;
- Seasonal festivals such as *Las Mañanitas* in December, the *Festival de Bomba y Plena* in August, Carnival (always the week before Ash Wednesday), and *Danza Week* in March;
- Art, history, and culture museums;
- Proximity to the coast and Caribbean beaches;
- Hotels with convention hosting capacity and a total of about 720 beds;<sup>56</sup> and
- Outside of the city, on Route 123, Hacienda Buena Vista is a coffee plantation that has been restored by the Conservation Trust of

Puerto Rico. The hacienda, which the Conservation Trust operates, offers tours highlighting the history of coffee production in the region and the production process used by the plantation when it was operational. The Conservation Trust hosts individual visitors and groups, including students who attend overnight camps and stay in the restored home.

**Adjuntas** is a municipality and mountain village that sits about 20 miles from urban Ponce and 11 miles from rural Castañer. The principal attractions in and around Adjuntas are:

State parks, lakes, and rivers, including:

- The *Bosque Estatal De Monte Guilarte*, which comprises seven individual parks. There are cabins for overnight stays located near the trails that lead up Mount Guilarte, the third largest peak in Puerto Rico at approximately 4,000 feet. Along these trails are a rare eucalyptus forest, over 100 native plant species, and over 26 endemic bird species (i.e., species found only in the area);
- *Bosque del Pueblo* and *Bosque La Olimpia*, which are both administered by Casa Pueblo and camping is allowed in La Olimpia; and
- *Lago Peñuelas*, which offers fishing.
- The town center, which features a plaza with a rock with pre-Columbian carvings and an early 19<sup>th</sup> century church;
- The headquarters of Casa Pueblo, a community environmental organization, which offers guided tours of its craft store, library, antique collection, gallery of historic photos, coffee grinding and packaging operation, solar power system, greenhouse, and community radio station;
- The *Finca de Ecoturismo Madre Isla* (Mother Island Ecotourism Farm), run by Casa Pueblo, which has capacity for 40 people and includes educational activities that combine volunteerism, community economic development, and ecology;
- *Villas de Sotomayor*, a hotel with 36 beds, outside of town, close to hiking trails, kayaking, horseback riding, and rappelling;

- Ten coffee plantations, at least three of which offer tours of the production process, tastings, and restaurants with scenic views. Those that offer tours are La Balear, Luz de Luna, and Sandra Farms. The other plantations are La Arbela, Rosario, Bianchi, Santa Elena, Oliver, El Muerto, and Pietra Ruinas; and
- An annual coffee festival in July.

The non-incorporated town of **Castañer** is at the end of the Route 123 corridor. It has the following attractions:

- Lago Guayo: Located on private land, it currently gets few visitors;
- Close proximity to the ten coffee plantations in the municipality of Adjuntas, as well as at least two more in Lares, that offer tours to visitors: Hacienda La Porvenir and Hacienda La Lealtad; and
- Ruins of the historic Hacienda Casa Grande, located in town. PUPCR has recommended that this become a museum and/or info center.

### **Amenities and Drawbacks**

Fieldwork by the local universities has highlighted the following amenities and drawbacks along Route 123:

- *The road network.* For visitors coming from the San Juan metropolitan area, the highway connection between Ponce and San Juan is important. The quality of the highway is good. Depending on traffic, the trip by car can take between 2 and 4 hours. Between Ponce and Castañer, most of the day-to-day traffic travels on Route 10, leaving the scenic Route 123 traffic-free and open to tourist travel. The road is very curvy as it climbs into the mountains. This creates beautiful views but also can be challenging for drivers not familiar with the route. While generally well maintained, in places the road needs repairs.

- *Public Transportation, Walking, and Biking.* There is currently no public transportation service along the Route 123, so all travel is by private motor vehicles. The towns do not appear to be linked by hiking trails (at least none that are maintained and used currently), and there are no dedicated biking lanes or other biking infrastructure.

- *Signage.* The signage along Route 123 between Adjuntas and Castañer is either non-existent or poorly maintained, making way-finding an issue.

- *Airports.* The busiest airport on the island is in the San Juan metropolitan area, 116 kilometers (72 miles), or about 1.5-2 hours with light traffic, from the start of Route 123 in Ponce. Closer to Route 123 are the Ponce and Aguadilla airports. Ponce gets about 2.2 percent of all air traffic in Puerto Rico, which equaled about 100,000 people in 2010.<sup>57</sup> There are daily flights to and from San Juan, New York and Orlando. The Aguadilla airport is the same distance from the start of Route 123 in Ponce as the airport in San Juan. It gets approximately 5 percent of all air traffic and has daily flights to and from New York, Newark, and Orlando.

- *Lodging.* Ponce has a variety of hotels, but options are limited along the rest of 123. Adjuntas has one hotel, Villas de Sotomayor, which offers a range of activities and has been reviewed on TripAdvisor. Castañer has no marketed lodging options, but anecdotal evidence suggests at least three small owner-proprietors rent out their properties, which average 6 beds, to visitors, for a total of 15-25 beds.

- *Topography.* The mountainous terrain makes for beautiful scenery and a feeling of tranquility in the Adjuntas and Castañer regions. It also makes access more difficult and time consuming and can lend an isolated feeling to Route 123.

### **Marketing**

As of this writing, the marketing of destinations, facilities and activities along the upper portion of the Route 123 (Adjuntas and Castañer) is relatively passive, either by limited online advertising or



by word-of-mouth. Many of the coffee plantations along the Route 123 that offer tours, lodging, and/or sell their own gourmet coffee have websites and Facebook pages. Two of these are illustrative of current marketing in the area:

*Casa Pueblo*, in the town of Adjuntas, attracts visitors through its website, but also through its presence on Facebook and Twitter. In addition, according to the organization, many of its visitors initially discover Casa Pueblo through friends and acquaintances.

The *Casa Grande Hotel*, located in Utuado, is near but not on Route 123. In many ways, it represents what new lodging options in Castañer and the surrounding areas could be—offering isolation and quiet, mountainous terrain, the intimacy of a small-scale inn, and proximity to natural and heritage attractions. The hotel has a Facebook page and a website that allows for reservations. However, all marketing is currently done through Tripadvisor.com, with which the hotel has a Business Listing account. According to the owner, this drives most of the hotel's sales.

## Demand

This section focuses on current visitorship and occupancy. We begin by disaggregating tourism demand in two ways. First, we disaggregate by *geographic origin and ethnic background* and second, by the *type of tourism experience*. For the first division we segment the market into three categories:

On-island, U.S.-based Puerto Rican Diaspora, and Global. In the term we used in the prior chapter, both the Diaspora and Global segments are “international.” The key difference, of course, between these two international segments is that the former is limited to those with kin-based or other personal connections to the island and its cultural heritage. As we explore in a later chapter, this is enormously important for marketing, product development, and other purposes—perhaps even for financing tourism development.

“ On-island travelers make up a large share of visitorship to the Castañer region. ”

By *type of tourism experience* we mean day-trippers vs. overnight stayers, agro-tourism versus cultural tourism activities, etc. We discuss the strategic importance of each of these segments in greater detail in the next two chapters. For now, we use them simply to understand current demand, as a foundation for thinking about potential demand.

### *By Geographic Origin and Ethnic Background*

**On-island or local tourism** encompasses residents of Puerto Rico who travel within the island for business or recreational purposes. Though there are substantial gaps in the data currently available, it is clear that on-island travelers make up a large share of

visitorship to the Castañer region. “Endorsed” hotels are officially recognized by the Puerto Rico Tourism Company, which publishes monthly occupancy and room rate data for all such hotels. Between 2007 and 2012, for example, 64% of registrations in the seven endorsed hotels in Ponce were on-island visitors. In three hotels in the interior mountain region (Villas de Sotomayor in Adjuntas, Hacienda Gripiñas in Jayuya, and Casa Grande Mountain Retreat in Utuado), nearly three-quarters (73%) of all registrations were on-island. Local tourists come from towns all over the island. But according to a hotel owner in Utuado and data collected by the town of Lares, most visitors come from in and around San Juan.

“ Tourism Company hotel registration data indicate that most foreign visitors (80-90%) come from the U.S. mainland. ”

**The Diaspora** comprises 4.6 million persons of Puerto Rican heritage living in the 50 States, according to Census 2010. As we analyze below, many of these individuals travel at least once per year to Puerto Rico to visit family and friends. The Tourism Company's *Encuesta de Viajeros* (Traveler Survey) showed that during 2011-2012, the majority of tourists from abroad that visited the region around Adjuntas and Castañer stayed in private homes. Most stayed with family or friends, some stayed in homes they

Historical Center, Ponce



## Town Center, Castañer



## Castañer and Route 123



own, and a few others rented a house for their visit. These data indicate that many of these visitors have ties to the region and are likely to be part of the diaspora. In the next chapter, we present the findings of our online survey of the Diaspora. The survey allowed us to examine current travel behavior, travel preferences, and even assessments of the Castañer region.

**Global tourists** are foreign visitors to Puerto Rico who have no (known) ethnic ties to the island. Tourism Company hotel registration data indicate that most foreign visitors (80-90%) come from the U.S. mainland. These data include travelers of Puerto Rican heritage, though unfortunately, we do not know the Diaspora share of the total; the data are not disaggregated by ethnicity or national origin. Data from Casa Pueblo indicate that dozens of foreign nationals visit the organization's headquarters in Adjuntas every year. Foreign visitors are recorded from the U.S., Mexico, Europe, South Africa, South America, Central America, elsewhere in the Caribbean, and East Asia (Japan and Hong Kong).

### *Type of Tourism Experience*

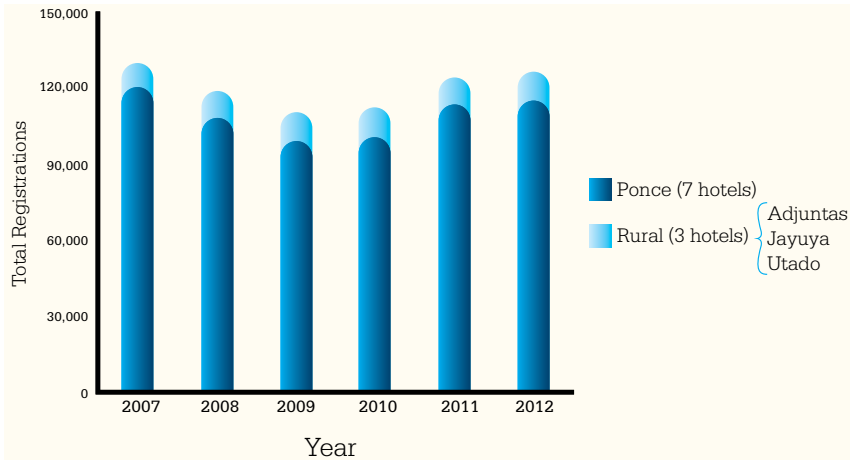
#### *Overnight vs. Daytrip*

Our own online survey (next chapter) shows that a significant proportion of Diaspora tourists who have visited the region did so as part of a daytrip. As mentioned above, we also know that many visitors who stay overnight stay with friends or family. Meanwhile, overnight visitors who stay in hotels are recorded by the Tourism Company, which tracks annual hotel registrations in all of the island's endorsed hotels.

Figure 3-1 shows the annual hotel registrations for seven hotels in Ponce and three rural hotels, one of which is in Adjuntas and two of which lie beyond Route 123. Some of these registrations are off the route, and others capture visitors who do not proceed beyond Ponce, the route's principal gateway. On the other hand, the data likely

underestimate the total number of *visitors* to the region, because the data do not include either overnight visitors who stay in private homes, hotels and inns (that are not endorsed by the Tourism Company) or day-trippers.

FIGURE 3-1. Source: Puerto Rico Tourism Company, 2012



Additional data indicate that endorsed Route 123 hotels have the capacity to accommodate more visitors. Over the period 2007-2012, the seven Ponce hotels had an average annual occupancy rate of 57 percent. The rural hotels, in particular, have very low annual occupancy rates. Over the same period they had an average occupancy rate of just 32 percent.

Second, the average length of stay is consistently higher in Ponce than in the rural hotels, though only by half a night. In the rural hotels, the average visitor stays for less than 2 nights (in Ponce, the average stay is just under two and a half nights). This may be due to the relative isolation, lack of activities, lack of marketing, visitors' time constraints (a point to which we return in our survey chapter), or a combination of these factors.

### Agro-tourism, including coffee tourism

As a center of the Puerto Rican coffee industry and an important region for agriculture generally, the Route 123 region attracts tourists who want to visit working farms, purchase locally grown food, and see first-hand how coffee is grown and processed. Many coffee farmers in the region began offering tours of their facilities in response to requests from visitors. The farmers have found that it is a good way to boost their income (consistent with patterns for niche tourism worldwide, which we presented in the last chapter) and also share their love for what they do.

“ Many coffee farmers in the region began offering tours of their facilities in response to requests from visitors. ”

For example, *Sandra Farms*, a coffee farm in the municipio of Adjuntas, offers tours of its facilities. The owners estimate that they receive 40 groups of visitors every year, mostly during the high season of December to March. And in Lares, the municipal government records tourist arrivals at a variety of agricultural sites, including production facilities for cheese, citrus, vegetables, and coffee. Between January and May 2012, these facilities received 20 groups of varying sizes.

### Cultural tourism: Way of life, art and history

Most of the recorded visitors in this segment focus on **Ponce**, the gateway to Route 123. The Municipio recorded 344,736 total visitors to 11 historic and cultural attractions in the city in 2010, specifically to:

- *Parque de Bombas*, located in the Plaza de las Delicias in the historic district of Ponce. This distinctive red and black building served for over 100 years as Ponce's official firehouse. It is now home to a museum dedicated to Ponce's firefighters. In 2010, some 91,219 people visited the site;

- *Museo de Arte de Ponce*, an art museum housing European and contemporary Latin American artwork, among other holdings. The collection includes about 4,500 pieces, and in 2010, 56,028 people visited the museum;
- *Cruceta de El Vigia*, a large cross built to commemorate the site where there once stood a tower to help guide merchant ships into the port of Ponce and keep watch for pirates. The cross is located in the Japanese Garden. In 2010, 48,986 people visited the Garden and Cruceta;
- *Castillo Serrallés*, a 1930s mansion that has been converted into a museum on the Puerto Rican sugar cane and rum industries and their economic impact on the island. In 1980, the mansion, which overlooks downtown Ponce from El Vigia hill, was listed on the National Register of Historic Places. In 2010, 47,887 people visited;
- *Centro Ceremonial Tibes*, an indigenous ceremonial center that was built and used by Igneri and Taino peoples. It is one of the most important archaeological sites in the Antilles, the oldest such site discovered in Puerto Rico, and is listed on the National Register of Historic Places. In 2010, 29,345 people visited;
- *Museo de la Historia de Ponce*, located in the historic district of Ponce, close to the Plaza de las Delicias. The museum traces the history of Ponce from the pre-Columbian Taino to the present. In 2010, 22,210 people visited;
- *Hacienda Buena Vista*, the historic coffee plantation located just outside of the city, which offers tours of the premises and production facilities. In 2010, 19,156 people visited. Both tourists and on-island school groups make trips to the hacienda. Between 2009 and 2011, students made up around half of all annual visitors. The Conservation Trust has also used the hacienda to host retreats for its members
- *Museo Francisco “Pancho” Coimbre*, a sports museum named after Ponce’s own baseball great, Pancho Coimbre. The museum features information about famous ponceño athletes. In 2010, 14,337 visited;
- *Panteón Nacional Román Baldorioty de Castro*, an old cemetery that was restored as a National Pantheon in 1991. It is the final

resting place for many illustrious Puerto Ricans, including Román Baldorioty de Castro, the political activist most famous for his role as an abolitionist and proponent of Puerto Rican autonomy from Spanish rule. In 2010, 9,109 people visited;

- *Museo de la Música Puertorriqueña*, a museum that traces the history of Puerto Rican music. In 2010, 4,922 people visited; and
- *Teatro La Perla*, a historic theater located in Ponce’s historic district. It was inaugurated in 1864 and continues to operate as an active venue for concerts, plays, operas, and other activities. In 2010, 1,537 people visited.

Table 3-1 ranks these attractions, from most to least visited in 2010.

**Table 3-1: Visitors to Ponce, 2010**

| Site  | Visitors |
|---|----------|
| Parque de Bombas                            | 91,219   |
| Museo de Arte de Ponce                      | 56,028   |
| Cruceta de El Vigia                         | 48,986   |
| Castillo Serrallés                          | 47,887   |
| Centro Ceremonial Tibes                     | 29,345   |
| Museo de la Historia de Ponce               | 22,210   |
| Hacienda Buena Vista                        | 19,156   |
| Museo Francisco “Pancho” Coimbre            | 14,337   |
| Panteón Nacional Román Baldorioty de Castro | 9,109    |
| Museo de La Música Puertorriqueña           | 4,922    |
| Teatro La Perla                             | 1,537    |
| Total Visitors                              | 344,736  |

Source: Municipality of Ponce, *Oficina de Fomento Turístico, Industrial y Económico (Office of Tourism, Industrial, and Economic Development)*

Two sites in **Adjuntas** also provided visitorship data. Between 1999-2012, Casa Pueblo averaged about 6,600 visitors per year (with data missing for two years). They host school groups from across the island and the U.S. mainland, and receive individuals and groups of visitors from around the world. They had large spikes in visitorship in 2008 (18,875 visitors) and in 2012 (12,413 visitors). We do not have information to explain these increases, but such information could provide clues on the potential, say, to grow institutional, group-based tourism through specific kinds of outreach.

Some data are also available for municipalities adjacent to Adjuntas that comprise parts of **Castañer**. The Municipality of **Yauco** tourism office estimates that approximately 10,000 people visit the town center and museum annually. The Municipality of **Lares** gets an estimated 2,000 visitors annually. The majority of visitors surveyed between January and May 2012 came from the Northeast of the island, in and around San Juan. Sites they visited included museums, the *torrefacción* (processing plant) of Café Lareño, vegetable and fruit farms, and a cheese production facility.

## Summary and Implications

In this chapter, we examined what the Route 123 region currently offers and—to the extent the data reveals—to whom. Ponce is an asset-rich gateway to the region. It offers most of the “endorsed” lodging options and a wide array of cultural and historical attractions. Beyond Ponce, Adjuntas is a focal point and Castañer a quiet endpoint for the route. These areas offer scenic beauty, hiking, fishing and other recreation, and opportunities to buy locally grown food and coffee and to learn about the history and production methods of coffee.

For now, facilities along the route do limited marketing, mostly via TripAdvisor or other web sites, and the small hotels and guest houses attract mostly Puerto Ricans—locals and Diaspora tourists, often via word-of-mouth referral or direct family ties. Repeat visitors drawn to the rustic way of life and slow pace appear to make up a significant share of tourists. But some sites, such as Casa Pueblo in Adjuntas,

draw in Global tourists and educational or other groups. Many visitors to the area are day-trippers, and most others stay for a night or two, on average. It is not clear how seasonal demand is, but it is likely less so for much of Route 123 than, say, for major hotels in San Juan. For families with children, many of whom are Puerto Ricans on-island or off, school breaks likely matter more than warmer weather mid-winter.

As a foundation for our survey analysis and global case studies in the two chapters to come, we note a few implications of the current picture:

- **Who is served:** Most visitors are from the San Juan metro area (day-trippers and short-stay overnighters) followed by Diaspora travelers, suggesting that those are the customer bases to serve first, better and in greater numbers. With the exception of Casa Pueblo, there is little evidence that the region draws Global tourists now or offers the amenities, way-finding and marketing needed to draw and serve them effectively;
- **Where to stay:** Outside of Ponce, lodging options are limited and uneven, but they offer a clear, perhaps rustic appeal, to current customers—something to build on, or augment, rather than replace. This holds implications for both enterprise development and marketing; and
- **What to do:** Within the region, the “product” is highly developed in Ponce and very unevenly so, beyond that gateway city, for Route 123. From the standpoint of “route building,” there are fairly clear nodes and gaps, as well as way-finding and other information supply priorities to tackle. The work by local universities is exploring this in much greater detail than we can, but clearly, the gaps suggest opportunities for small, locally owned tour operators, for example, and other types of new businesses, as well as directions for enhancing established enterprises.



# MARKET ANALYSIS:

ESTIMATING POTENTIAL DEMAND





In this chapter, we examine in greater detail the segments of tourism demand for the region, and we outline a recommended sequencing for product development and marketing—in broad terms, for now. *We recommend that tourism development initially focus on better serving the on-island market and the U.S.-based Puerto Rican Diaspora, as steps to a more global strategy, if conditions allow, in time.* Given the limitations of available data, we launched an online survey of adults, ages 18 and over, in the Diaspora.

### Main survey findings:

- *Heritage tourism experiences can be a significant draw for the Diaspora population, particularly middle-aged travelers, but to attract younger tourists and families with children, such experiences need to be part of a wider offer of affordable amenities, including restaurants, hotels, festivals, and, especially, outdoor activities;*
- *Diaspora travelers of all ages are relatively adventurous and willing to try new places and new things, but they are constrained by time and family responsibilities while visiting Puerto Rico.* Therefore, visitors to the region are likely to come as part of groups of family members and/or friends, and stay for a short period of just one or two days, except for the limited share with local ties, who may spend a week or longer get-away there, with family in the area;
- *Many potential visitors lack good information about the Route 123 region and what it offers.* This is all the more important since potential visitors—see the point above—are on tight time budgets; and
- Local residents are one of the region's greatest assets, as their kindness and hospitality often leave a lasting impression on visitors.

**“ We recommend that tourism development initially focus on better serving the on-island market and the U.S.-based Puerto Rican Diaspora, as steps to a more global strategy. ”**

### Key Market Segments—Definitions and Sequencing

As we noted in the previous chapter, demand for visits to the region can be split into three sources: on-island, U.S.-based Puerto Rican Diaspora, and Global. On-island refers to residents of Puerto Rico who travel within the island. The Diaspora market is composed of people of Puerto Rican heritage living in the United States. And the second “international” category, the Global market, includes all non-Puerto Rican visitors who travel to the island from any point origin.

While some on-island visitors may not be of Puerto Rican heritage (e.g., foreign officials and businesspeople who reside in the San Juan area), for the most part, on-island and Diaspora travelers share a cultural heritage. As such, Diaspora visitors may be thought of as much like on-island visitors but with (a) a plane ride added to the requisite drive; and (b) distinct time constraints because of competing obligations while on island. It is true that on-island visitors include school and business groups and other institutional sources of demand that may be challenging, even impractical, to replicate in the Diaspora market. However, the shared traits of the region's two major visitor segments nonetheless facilitate both product development and marketing. In contrast, a major push to attract the Global visitor would, we believe, present quite distinct challenges in the near to medium term.

Tourism development efforts in the region can thus be staged or sequenced in a very specific way: 1) *Improve service to the on-island market*, 2) *begin to market more intensively both on-island and to the Diaspora*, and 3) *lay foundations for a more global strategy, if warranted, in the longer term.*

In the near term, efforts should focus on growing from the on-island market for two reasons. First, the area's tourism infrastructure is relatively basic, and capacity to manage tourism is limited, making it unable to compete in the near term with more developed and globally recognized coffee-tourism destinations in places such as Costa Rica. And second, as we reviewed in the prior chapter, Ponce, the region's gateway, already attracts a significant number of

on-island visitors. Tapping into this demand—drawing into Route 123 even a small share of those who do not currently venture beyond Ponce—would substantially increase visitorship to the small towns along the route, including Castañer at its endpoint.

📌📌 **Given the Route 123 region's position at the center of the island's coffee industry and heritage, the region is well positioned to develop heritage-based tourism products that build on the area's scenic beauty and welcoming inhabitants, among other assets.. 📌📌**

In the near and medium-term, product development and marketing should likewise target the Diaspora. Given the Route 123 region's position at the center of the island's coffee industry and heritage, the region is well positioned to develop heritage-based tourism products that build on the area's scenic beauty and welcoming inhabitants, among other assets. Given all these factors, the area is a natural fit for web-based and word-of-mouth social marketing. In the next chapter, we explore the case of Ireland to show what an effective, heritage-based tourism strategy can look like.

And over the longer term, the region could grow into a global destination by serving the increasing demand for niche tourism experiences designed around agro, eco, and cultural experiences.

Having outlined the segments and a strategy for staged development in broad terms, we look next at the diversity within the major segments.

## Understanding the On-Island Market

There are two useful ways to understand the on-island market. One is by the *type of tourist*:

- Recreational travelers, including groups of friends or family-members that make single or multi-day trips;

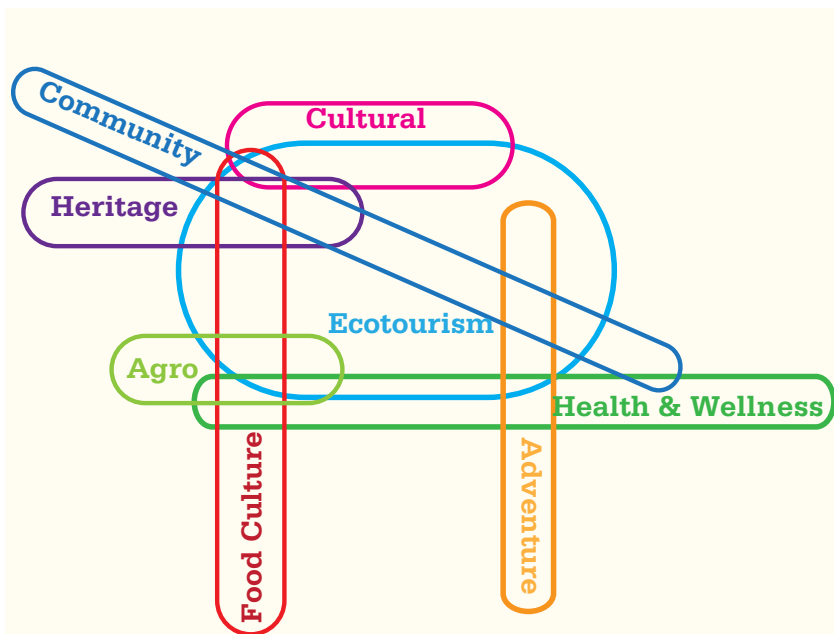
- Business travelers, who visit the area to do business with local firms; and
- Institutional travelers, including the corporate, educational, governmental, non-profit sectors.

Demand can also be described by the *type of tourism experience*. Many of these experiences overlap and can be consumed by different types of tourists. For example, a coffee-farm tour may attract a group of friends who make a day-trip to Castañer from San Juan in order to taste gourmet coffee products at their source, a school group that is learning about the agricultural history of Puerto Rico, or a corporate group taking a break from a weekend strategy meeting hosted at a hotel in Ponce. Our Value Space diagram (Figure 4-1) shows how these experiences overlap and what types of tourists consume them:

- **Agro-tourism** includes tours of farms and production facilities for a range of agricultural products; visits to farmers markets to purchase locally produced food; and farm-to-table dining experiences. This category includes gourmet coffee tours and tastings: in response to demand from visitors, many of the coffee producers in the region have begun offering tours of their farms and facilities that focus on the history of coffee production in the region; coffee tastings; and on-site stores where they sell their products.
- **Eco-tourism** encompasses a wide variety of experiences, which, generally speaking, are defined by experiencing nature first-hand:
  - **Active eco-tourism** includes bird watching, hiking, camping, spelunking, rock climbing, kayaking, and similar activities.
  - **Passive eco-tourists**, on the other hand, are content to rest and relax at hotels and inns that have eco-friendly practices and scenic natural surroundings.
- **Adventure tourism**: includes some of the experiences listed above under “active eco-tourism,” but can also involve activities such as riding all-terrain vehicles (ATVs) and hang gliding, which are not considered eco-tourism.

- **Cultural tourism** includes visits to working coffee farms and trips to museums, crafts fairs, and the festivals that towns in and around Route 123 host annually. These experiences are defined by a desire to learn more about distinctive facets of Puerto Rican history and culture.
- **Educational and scientific research:** The agricultural industry and national parks of the region offer groups of students and researchers opportunities to study Puerto Rican history, agriculture, ecology, and a range of other subjects “in the field.”
- **Retreats** are defined by individual or institutional customers, such as companies, looking for a break from their everyday surroundings in a quiet, attractive and accessible location. Currently, some hotels and special destinations, such as Hacienda Buena Vista, serve corporate, church, non-profit, or other groups. This segment can be further divided into “work-play” (those who hold “off-site” meetings) versus pure leisure.

Figure 4-1: Value Space Diagram



## Understanding the Diaspora Market

In collaboration with Parranda, a network of U.S.-based Puerto Rican professionals, we designed and administered an online survey to study the travel behavior and preferences of adults in the Diaspora. The behaviors and preferences of this group are not well studied, and we were not able to find any source of data on them either on the island or in the U.S.

In April 2013, Parranda, the National Puerto Rican Chamber of Commerce, Inquilinos Boricuas en Acción and Puerto Rican student groups at U.S. colleges and universities helped us promote the survey, primarily by email. Our brief recruitment message for the survey emphasized the history and status of the Castañer region, including its high poverty and unemployment rates, and the strategic importance of the PathStone initiative (see Appendix A). The message led with a simple question: “Will you take 10 minutes to help rural Puerto Rico thrive?”

In the survey, we asked about general travel behavior and preferences as well as views more specific to travel in Puerto Rico—how much, where, why, with what constraints and priorities. We also asked respondents whether they had ever been to the Castañer region (for which we listed all municipalities, to aid recall and reduce erroneous reporting) and, if so, what they considered positives and negatives of the area as a destination.

Over two weeks in late April, 328 people responded to the survey. After cleaning the data of incomplete responses and non-U.S. residents, there were N=246 complete, eligible responses—a sample size that provides us with sufficient statistical power to compare the responses of subgroups of respondents, which we do below.

### Sample overview

See Table 4-1: Our 246 survey respondents are mostly women and primarily between the ages of 26 and 55 years, with just 4% over age 65. They are highly educated and relatively high income. The largest contingent of respondents lives in the DC/Maryland/

Virginia region and in Massachusetts, but Florida and New York/New Jersey/Pennsylvania are also well represented. Over half of respondents report having a spouse or partner, but less than half have children living at home. Of those children living at home, about one-third are between the ages of 5-10.

As such, women are somewhat over-represented in our sample as compared to the adult Diaspora population as a whole, as are younger to middle-aged adults and the more educated.<sup>58</sup> Not surprisingly, in light of these rates, the sample respondents are more likely than all adults in the Diaspora to be currently employed or running a business and to be high income. Geographically, Massachusetts is over-represented, as are DC/Maryland/Virginia, while Florida’s Diaspora population is under-represented, as is the Northeast corridor of NY/NJ/PA/CT.

Clearly, this online survey should be read primarily as a source of insight into a well-educated, higher income stratum of the potential visitor market in the Puerto Rican Diaspora. It provides a point of reference for planning, including more targeted and representative follow-up research. Based on statistical tests, the key patterns we highlight below do not vary significantly by place of residence, though not surprisingly, some vary by income group and household status, as reported.<sup>59</sup>

Beyond being only somewhat representative demographically of adults in the Diaspora, our sample may be select in other, unobserved ways. For example, we cannot know whether those who learned about and chose to complete our survey are more adventurous or more interested in cultural or agro/food tourism than demographically similar adults in the Diaspora as a whole.<sup>60</sup> On the other hand, these data may be reasonably interpreted as reflecting the views of the very adults in the

**Table 4-1: The sample versus the Puerto Rican Diaspora Population: Basic Demographic Traits**

|  | Sample                  | US Puerto Rican Diaspora |
|--|-------------------------|--------------------------|
| <b>Gender</b>                          |                         |                          |
| Male                                   | 37%                     | 49%                      |
| Female                                 | 63%                     | 52%                      |
| <b>Age</b>                             |                         |                          |
| 18-25                                  | 9%                      | 13%                      |
| 26-65                                  | 88%                     | 77%                      |
| 65+                                    | 4%                      | 11%                      |
| <b>Education</b>                       |                         |                          |
| Graduate School or Professional Degree | 50%                     | 5%                       |
| 4-year College/Bachelor’s Degree       | 30%                     | 11%                      |
| Some College/Associate’s Degree        | 17%                     | 29%                      |
| High School Graduate/Equivalent (GED)  | 2%                      | 30%                      |
| Less than high school diploma          | 0%                      | 25%                      |
| <b>Employment</b>                      |                         |                          |
| Employed or running a business         | 78%                     | 51%                      |
| <b>Income</b>                          |                         |                          |
| Median Household Income                | \$75,000<br>- \$100,000 | \$36,460                 |
| <b>State of residence</b>              |                         |                          |
| Massachusetts                          | 13%                     | 6%                       |
| DC/Maryland/Virginia                   | 47%                     | 3%                       |
| Florida                                | 9%                      | 18%                      |
| NY/NJ/PA/CT                            | 14%                     | 46%                      |

Puerto Rican Diaspora that a community tourism strategy in the Castañer area would need to reach first—*relatively educated, socially and culturally motivated people with money to spend on leisure travel who are active in social and professional networks and online.*

## Major findings

### Travel behavior and preferences

- **Current travel to the island:** Survey respondents travel often to Puerto Rico, on average once per year, mainly to spend time with family and friends. About half of all trips last 3-7 days, the other half shorter or longer.
- **Interests:** The large majority of respondents (90%) would like to “experience more of Puerto Rico’s cultural heritage,” and this varies with age and gender, as outlined below. A likewise large majority of respondents (82%), with no significant difference across demographic categories, would also like to spend more time visiting national forests and reserves. Older respondents and women feel more strongly about being able to experience more of Puerto Rico’s heritage (both for themselves and their families), while younger respondents tend to prioritize having a wider range of activities available when they visit Puerto Rico, in addition to agro and heritage attractions, such as adventure sports.
- **Time constraints:** However, despite the desire to discover out-of-the way places, respondents report being pressed for time while visiting the island, so convenient access to destinations for short stays (one or two days) is crucial.
- **Sources of information:** a healthy majority of respondents (63%) report depending on web-based information for knowing where to go and what to do when they travel. This varies by age group. The youngest (18-25 years) and oldest (65 and older) respondents report less dependence on web-based information than 26-65 year-old respondents.

👉 **A large majority of our survey respondents (88%) have visited the Castañer region at least once, and in general, they comment favorably on the natural beauty, tranquility, and friendliness of the people.** 👉

### Travel to Castañer

- **Exposure to date:** A large majority of our survey respondents (88%) have visited the Castañer region at least once, and in general, they comment favorably on the natural beauty, tranquility, and friendliness of the people. This not only highlights key assets but suggests the possibility of a “check-out-what’s-new” message for marketing to return visitors, perhaps emphasizing new amenities and enhanced navigability as well as what remains unchanged and unspoiled (rustic charm).
- **Priority concerns:** Respondents reported convenient access, diversity of activities, affordable lodging options, and having a clear tour route as the most important factors affecting any future decision to visit the region. Having a range of activities other than agro or historic sites was especially important for younger respondents, and steadily decreased in importance with respondent age. This corresponds to the global finding that younger respondents are more likely to take part in adventure sports. These priorities are reflected in some of the critical comments about the region, which overwhelmingly focused on the difficult access, lack of amenities and activities, and lack of clear information about what to do or where to go.

Many of the survey responses differed significantly by age group, and some by gender. Interestingly, responses did not vary significantly by most of the other demographic factors, such as household income, place of residence in the U.S. (State), educational attainment, and so on. We provide a more detailed discussion of our survey results below and a fuller discussion of implications at the end of this chapter.

### *Travel Behavior and Preferences: In General and in Puerto Rico*

#### *Behavior*

Survey respondents travel to Puerto Rico once per year on average, and over half of these trips revolve around family and friends (Table 4-2 and Figure 4-2). Respondents usually stay with family when

they visit the island, stay for under a week, and their primary activity is socializing, either in homes or at restaurants and bars. *Age and having children living at home* with them both affect the frequency of travel.

Table 4-2 shows the frequency of travel to Puerto Rico overall and by age group. The majority of survey participants travel to Puerto Rico at least once a year, and nearly one-third visit 2 or more times every year. Younger respondents visit the island more often. However, 40% of the 18-25 age group reported living abroad while maintaining their primary residence on the island, which suggests they are students at U.S. colleges and universities whose families are still on the island (student groups took part in disseminating the survey, so this fact is not surprising).

**Table 4-2: Respondents visit the island relatively often:**  
Frequency of Travel to Puerto Rico, full sample and by age group

*“About how often do you visit Puerto Rico?”*

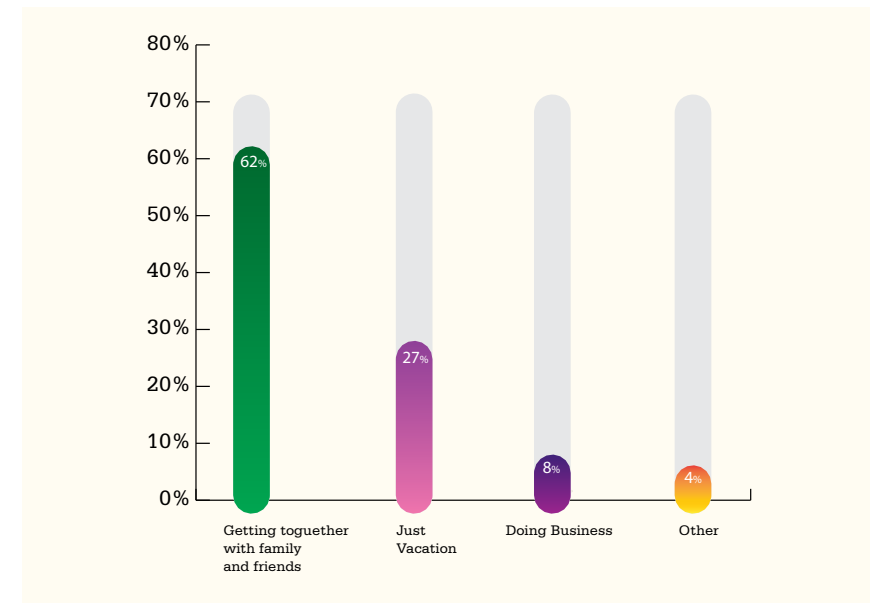
|                              | Full sample | 18-25 year-olds | 26-35 year-olds | 36-65 year-olds | 65+ year-olds |
|------------------------------|-------------|-----------------|-----------------|-----------------|---------------|
| Once every few years or less | 30%         | 5%              | 21%             | 35%             | 44%           |
| At least once per year       | 70%         | 95%             | 79%             | 65%             | 56%           |
| About once per year          | 39%         | 18%             | 43%             | 41%             | 33%           |
| Two or more times per year   | 31%         | 77%             | 36%             | 24%             | 22%           |

About half of all reported trips are between 3-7 days, and the rest are for longer periods. About one half of those respondents with spouses/partners and/or kids, report travelling with them “always or almost always” on their trips to Puerto Rico.

Respondents with children are less likely to travel 3 or more times per year to Puerto Rico, even if they do not tend to travel with their children. Of the respondents who reported having children who live at home with them, only 1% report traveling 3 or more times per year to Puerto Rico (versus 11% for those without children at home).

Over 60% report “getting together with family and friends” as their primary reason for visiting Puerto Rico (Figure 4-2). Consistent with this, over half (56%) report staying with family and friends as their typical lodging option. And just over one-third (36%) report that socializing with family and friends, either in a private home or at a restaurant/bar, is a typical activity during their visits (Figure 4-3).

**Figure 4-2: Why they visit**

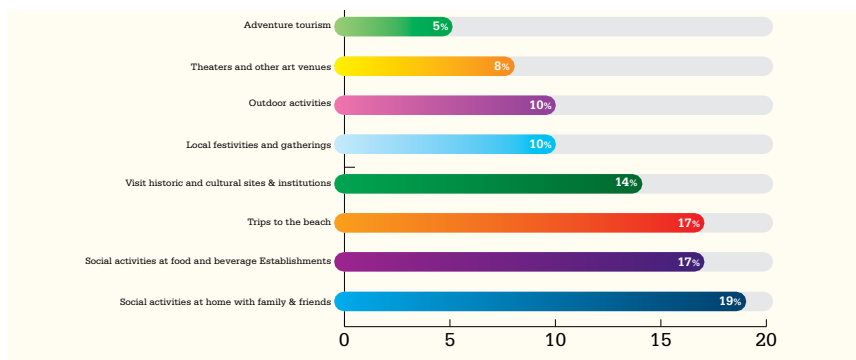


*Interests—Culture and History of Puerto Rico*

Overwhelmingly, survey respondents want to experience more of Puerto Rico’s cultural heritage, history, and traditions than they currently do on trips to the island, and they prioritize these activities over others when describing what they want more of. This varies by age and gender, with older respondents and women feeling more strongly about heritage activities.

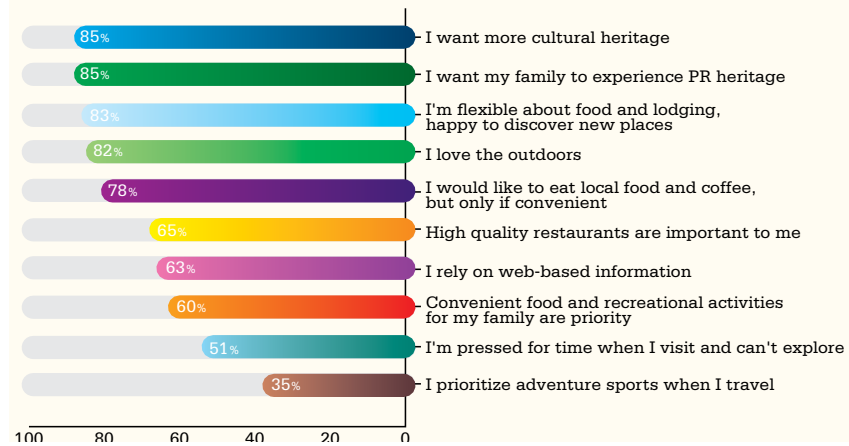
As Figure 4-3 shows, fewer survey respondents reported visiting cultural and historic sites and institutions while visiting Puerto Rico than reported making trips to the beach. However, as Figure 4-4 indicates, almost 90% of respondents agreed with the statements: “I’d like to experience more of Puerto Rico’s cultural heritage” and “I’d like my family to experience more of Puerto Rico’s cultural heritage.” Far fewer said they would rather hang out on the beach than do things that involved learning more about the island’s history and traditions. Women, in particular are more likely to prefer learning about Puerto Rican history and traditions than hanging out and relaxing on the beach (70%, compared to 50% of men, data not shown).

**Figure 4-3: What do they like to do**

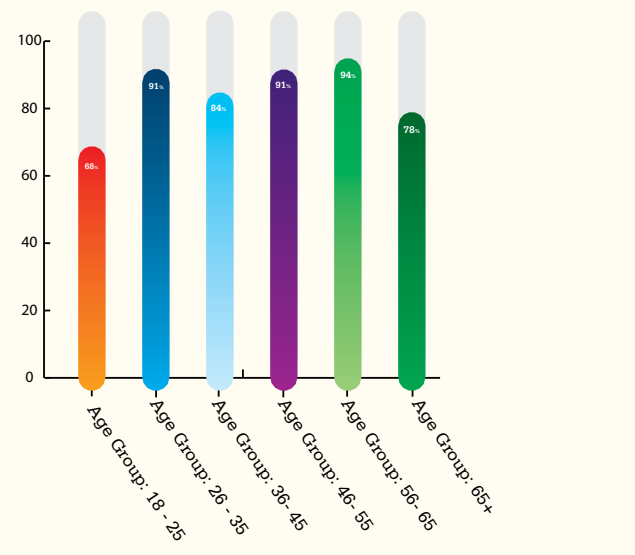


Respondents of all ages overwhelmingly want their families to experience more of Puerto Rico’s cultural heritage, but middle-aged adult respondents feel particularly strongly about it. Fully 90% of respondents ages 26-65 reported wanting their families to experience more of Puerto Rico’s cultural heritage (Figure 4-5).

**Figure 4-4: What they prefer to do**



**Figure 4-5: Appetite for heritage travel**



### *Interests—Nature*

A majority of our respondents report wanting to spend more time visiting national forests and reserves.

A large majority (82%) of survey respondents agree with the statement, “I love the outdoors. I’d like to spend more time visiting national forests and reserves...” There is no significant variation by age, income, educational attainment, or other differences.

### *Willing to explore*

Survey respondents are open to new experiences (visiting a place whether or not it is a “known quantity”), especially those in the 56-65 age group, but convenience is important, and time constraints hold travelers back.

Over 80% of respondents say they are “flexible about eating and dining, content to discover out-of-the-way places.” Nearly all (94% of) respondents ages 56-65 agree with this statement, and half strongly agree.

However, about half (52%) of our respondents say they are usually too pressed for time when they visit the island to go exploring; almost 80% say it would be nice to eat locally grown food and coffee, but only if it didn’t require more travel time; and 60% say that convenient food and recreation options for kids and/or a spouse/partner are a priority when they travel. Along these lines, many of

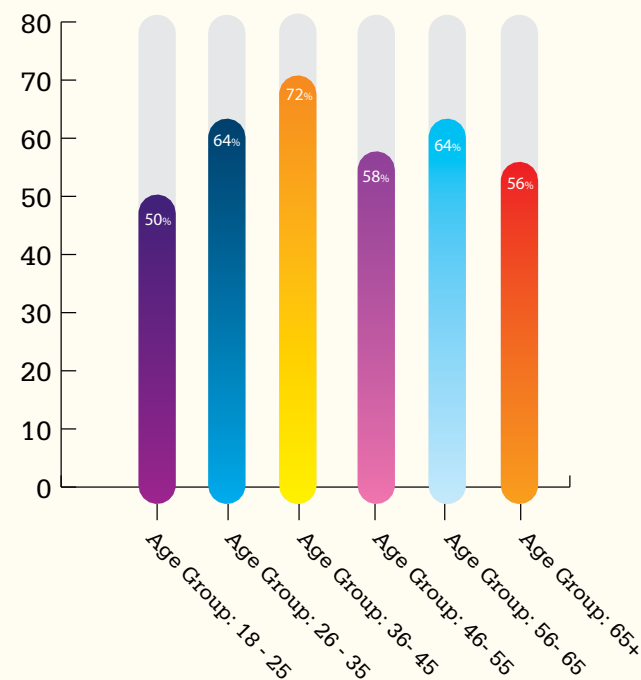
the negative comments about the Castañer region (discussed below) were about the difficulty of access and its distance from wherever survey respondents are based. Moreover, “convenience” was ranked a top priority where we asked respondents what would make them more likely to visit the Castañer/Route123 region.

### *Getting information*

Survey respondents, particularly young adults and middle-aged respondents, rely heavily on web-based information to decide where to go and what to do.

About two-thirds of survey respondents “rely significantly on web-based information” to decide where to go and what to do (data not shown). The age cohort most reliant on the web was 36-45 year-olds (Figure 4-6).

**Figure 4-6: Reliance on web for travel**





## Travel to Castañer

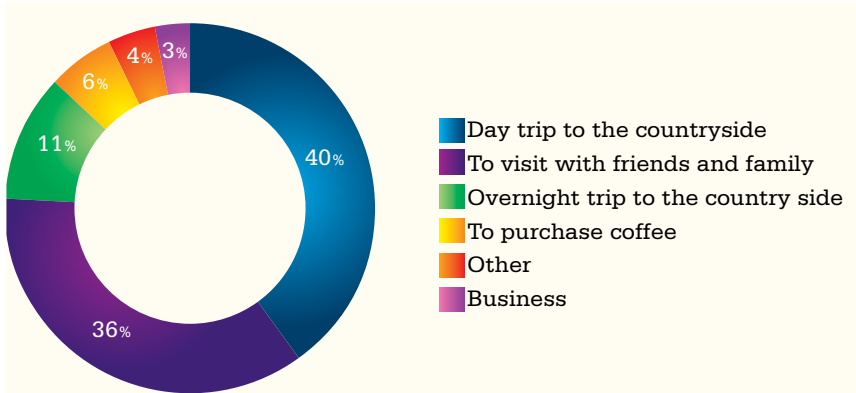
### Exposure

A large majority of survey respondents have visited the Route 123 region at least once, usually to visit family and friends or take a day trip to the countryside, some specifically to buy coffee.

Some 88% percent of survey respondents have visited the Route 123 region at least once, and 67% have been more than once.

About one-third (36%) visit for family and friends—a share that may reflect some selection bias, i.e. that those with personal ties to the region were more likely to complete our survey—while 40% go there to take a day trip to the countryside, and 6% go to purchase coffee (Figure 4-7).

**Figure 4-7: Primary reason for visiting Castañer and RIF Region**



### Priorities

When considering travel to the Route 123 region, respondents ranked convenience, diversity of activities, affordable lodging options, and having a clear tour route as priorities. But the rank order varied by age and gender.

When asked to rank their priorities for travel to the region, survey respondents ranked “easy driving access from San Juan or another airport” and “diversity of activities apart from agricultural or historical sites” highest overall (Table 4-3). Yet “having a clear tour route” received the most top priority rankings (26% of respondents).

**Table 4-3: Regional “draws”  
Ranked priorities: Mean rankings**

“What would make you more likely to visit Castañer? Please rank (in order from 1-6) your travel priorities.”

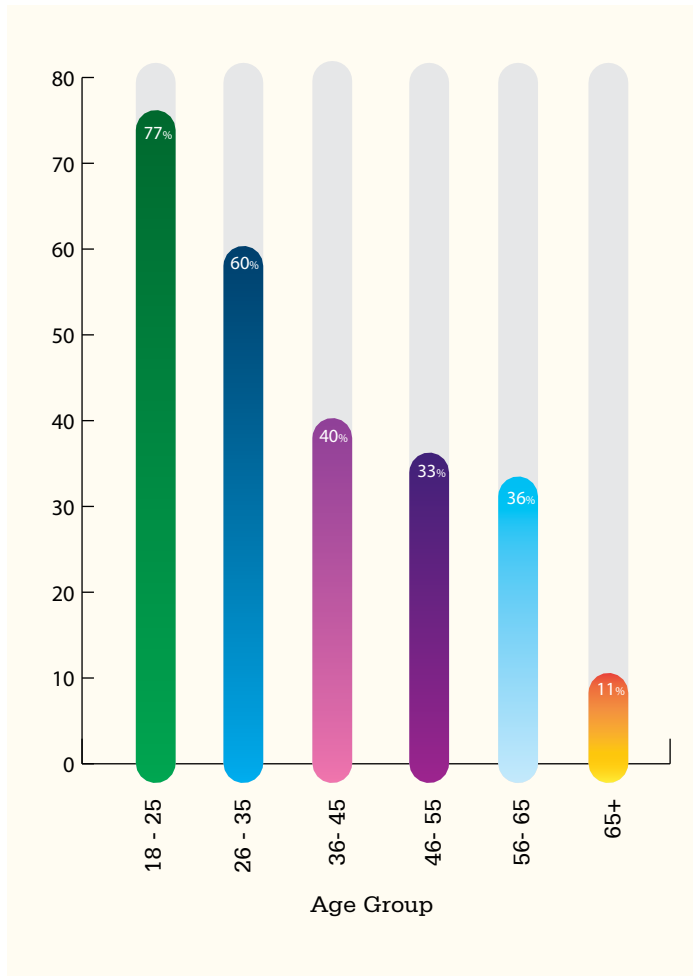
|   | Mean ranking |
|---|--------------|
| That accommodations and attractions are within an easy driving distance of San Juan or another airport.                           | 3.00         |
| The diversity of activities available apart from agricultural or historical sites, such as adventure sports or festivals.         | 3.00         |
| The availability of affordable and clean lodging options in Castañer.   | 3.12         |
| The existence of a clear tour route or package to follow when visiting Castañer haciendas and other heritage or historical sites. | 3.13         |
| The availability of dining options.   | 4.10         |
| The availability of luxury lodging in Castañer.   | 4.64         |

Figure 4-8 shows the percent of respondents who ranked “diversity of activities” as their first or second priority when considering travel to the region. Younger respondents ranked the “diversity of activities” (other than agro or historic sites, such as adventure sports, festivals, etc.) very highly.

This corresponds to reported travel preferences: Younger respondents tend to seek out adventure sports such as boating, diving, white water rafting, surfing and rock climbing more than older respondents. Over

half (52%) of young adults ages 26-35 in our survey report prioritizing such activities, and almost half (45%) of those ages 36-45 do so as well. In general, this percentage drops with age of respondent, but it is also lower (36%) for the youngest age group (18-25).

**Figure 4-8: The importance of a range of activities**



Male respondents are more likely than female respondents (19% versus 9%) to prioritize luxury lodging options for travel to the area.

### Perceptions

Respondents were generally very positive about the region, citing its distinctive charms and friendly people, but conversely, they cite limited accessibility, limited (known) activities and lodging options, and lack of good way-finding and travel info as turn-offs.

Of the 215 survey respondents who report having visited the region, about two-thirds (65%) provided specific feedback to our open-ended question about their experiences. The most common positive comments are related to the region's beauty and the things that distinguish it from San Juan. Specifically, the comments refer to the following attributes of the region:

- Natural and scenic beauty;
- Deep history, distinct culture, and “authenticity,” which has not been commercialized;
- Friendly and hospitable people;
- Tranquil and relaxed way of life;
- Good food, including several mentions of ice cream from the Lares plaza; and
- Locally grown coffee.

Many of the negative comments reflect the flip side of seclusion and non-commercialization. Common critiques include:

- Difficult access: the region is far away, the roads are in bad condition, and there are no signs to point the way;
- Lack of amenities: there are limited lodging options, few good restaurants, and not many activities available; and

- There is limited information available about the region and what to do there.

**“ Though the region does not welcome a large volume of visitors or have a well-developed infrastructure for tourists, it serves a remarkably wide array of visitor interests—and thus potential market segments. ”**

## Summary and Implications

Though the region does not welcome a large volume of visitors or have a well-developed infrastructure for tourists, it serves a remarkably wide array of visitor interests—and thus potential market segments. Recreation, business, and institutional tourists come to the area to consume a variety of overlapping experiences ranging from coffee-tourism, to outdoor adventure sports, to scientific research in national forests.

*In the world of niche tourism, as we have explored, this suggests room for complementary, inter-related offerings that build on and highlight the area's natural, agricultural, cultural and social assets.*

Diaspora travelers represent a key segment already—and a major target for staged strategy: better serving and informing the on-island visitor and Diaspora visitor, then the Global visitor if and when the product develops and becomes more widely known.

Our online survey of a relatively well-educated, middle to upper-income stratum of the Puerto Rican Diaspora in the U.S. produced several relevant findings:

- Heritage tourism experiences can be a significant draw for the Diaspora population, particularly middle-aged individuals, but to attract younger tourists and families with children, such experiences need to be part of a wider offer of affordable amenities including restaurants, hotels, festivals, and, especially, outdoor activities;

- Diaspora travelers of all ages are relatively adventurous and willing to try new places and new things, but they are constrained by time and family responsibilities while visiting Puerto Rico. Therefore, visitors to the region are likely to come as part of groups of family members and/or friends, and stay for a short period of just one or two days, except for the limited share with local ties, who may spend a week or longer get-away there, with family in the area. On the other hand, there may be opportunity in this apparent constraint, for example to have on-island visitors bring their Diaspora friends and relatives, to show off the region, over time, as a more and more interesting and navigable place to visit. That is, one can market to the Diaspora in part through the locals (and perhaps vice-versa);
- Many potential visitors lack good information about the Route 123 region and what it offers. This is all the more important since potential visitors—see the point above—are on tight time budgets. The fact that younger survey respondents rely less on web-based information than older adults may point to a greater reliance on their personal networks for travel information; and
- Local residents are one of the region's greatest assets, as their kindness and hospitality often leave a lasting impression on visitors.

Equipped with this understanding of promising directions and key caveats, we turn next to key cases of rural tourism development worldwide before concluding with recommendations for the region.



# SCANNING THE GLOBE: RURAL AND COMMUNITY TOURISM INITIATIVES



The Castañer region is not alone in exploring tourism as a strategy to address linked challenges such as agricultural decline, out-migration, and poverty. To the contrary, many rural communities around the world, in both high and low-income countries, face similar challenges. And quite a few have pursued tourism as one promising strategy. This chapter examines cases of rural and community tourism initiatives that were developed in settings broadly similar to the Castañer region and highlights lessons learned.

We examined:

- Community tourism in Treasure Beach, Jamaica
- Agro-tourism in Buff Valley Bay, Jamaica
- Agro-tourism with the Grenada Chocolate Company in Grenada
- Ecotourism in Costa Rica
- Agro-tourism with the Coffee Route (Ruta del Café) in Nicaragua
- Agro/Rural tourism in Chiloé, Chile
- Agro-tourism with the Coffee Triangle (Triángulo del Cafénis) in Colombia
- Rural tourism in Portuguesa, Venezuela
- Rural or “geotourism” in the Northeast Kingdom, Vermont
- Rural tourism in France
- Heritage tourism in Ireland

“ Our global scan suggests that forming an effective partnership is crucial for accomplishing key tasks such as product development and marketing. ”

We begin by discussing the players involved and structure of their work together, i.e. partnerships among tourism actors. Our global scan suggests that forming an effective partnership is crucial for accomplishing key tasks such as product development and marketing. We discuss these tasks as well as the task of securing financial support. The chapter concludes with a discussion of the lessons of this scan about potential economic, social and other benefits and risks associated with tourism. While we illustrate with reference to specific cases throughout, the chapter also includes sidebars that offer more detail on how efforts evolved and how they performed in specific places—from France to Ireland and Jamaica to Vermont.

“ Government often plays a primary role in facilitating market analysis and a key role in supporting the preservation of natural or heritage sites and certifying the quality of local products. ”

Here are the **main lessons** of our global scan:

- **Partnering is key:** Multi-sector partnerships have been crucial to the success of rural and community tourism initiatives, for a variety of strategic reasons. For example, they help players pool common resources, share services, connect the grassroots to globally networked activity, and—where they link enterprises specifically—provide tourists with the requisite mix of goods and services. Effective partnerships have been organized both through grassroots action and also with the support of local or national governments, depending on the context.
- **Government involvement can be crucial:** For example, government often plays a primary role in facilitating market analysis and a key role in supporting the preservation of natural or heritage sites and certifying the quality of local products. Depending on the context, government may play additional, helpful roles, for example supporting global marketing, training, ongoing knowledge exchange among local businesses, and more.

- **Product development:** In many cases, both tangible and intangible assets and liabilities—historical sites and mountain views are tangible, a large diaspora of potential visitors from abroad is intangible—have helped tourism planners determine the best mix of products and services to offer.
- **Developing supportive infrastructure:** Basic, supportive infrastructure, such as clear signage and tourist information centers, is crucial to guide tourists to tourism products and services on offer.
- **Marketing firms and the place as a whole:**
  - **Firms—Leveraging the Web to market small and medium enterprises:** Even entrepreneurs with limited financial and/or technical capacity can reach out to potential visitors, now more than ever thanks to the Internet, for example through aggregated tourism service websites such as Tripadvisor.com and AirBnB.com.
  - **The place—Deploying a marketing strategy on a regional level:** National marketing campaigns may be effective at reaching a large domestic and international audience, but they often do not focus on marketing specific places—distinctive rural regions of a country and the tourism product offered in those regions. Therefore, regional tourism initiatives should engage in their own marketing activities that complement national campaigns.

“ Effective rural tourism initiatives have produced valuable local amenities for use by both tourists and residents in many cases. ”

- **Developing a diversified funding base:** Many of the cases of rural tourism we examined drew on diverse sources of funding to support new product development, maintain tourism infrastructure, and engage in marketing activities.
- **Economic benefits tend to be more substantial in lower-income regions—and constrained everywhere:** The economic benefits of rural tourism initiatives, particularly in terms of

generating additional income, were most notable for cases in lower income, rather than higher income areas. But most, if not all, cases show important limits to income and wealth generation, for reasons we previewed in Chapter 2.

- **Producing and protecting “extras”—amenities for locals too:** Effective rural tourism initiatives have produced valuable local amenities for use by both tourists and residents in many cases.

## Mobilizing Partners and Resources

While the global cases we examined encompass a great deal of variety in terms of their settings, product offerings, and organization, one theme is common to all—*partnership as the organizing structure*.

That is, in none of the cases was a single actor responsible for the tourism industry’s success or failure in a target region. Strong product offerings and marketing efforts evolved out of myriad partnerships between actors in the public, private, and nonprofit or nongovernmental sectors. Here, we explore the need for collaboration, the various forms collaboration can take, and challenges associated with forming effective partnerships.

### High-level lessons learned:

- Successful rural tourism partnerships involved a wide array of actors, from hotel owners and local non-profits focused on community and economic development to industry (e.g. agro) associations in some cases to regional and national governments. Each player makes a relatively unique contribution to the development of viable tourism.
- Given the limited resources available to any individual tourism entrepreneur, collaboration between the actors described above can help to pool the funding, manpower, and local and technical knowledge necessary to accomplish sector-wide goals.

- While the involvement of local and national governments—and even international agencies—can be instrumental in bringing together diverse actors to support new initiatives and mobilize resources, strong partnerships can, under the right conditions, also form in the absence of active government involvement.

**“ In none of the cases was a single actor responsible for the tourism industry’s success or failure in a target region. Strong product offerings and marketing efforts evolved out of myriad partnerships between actors in the public, private, and nonprofit or nongovernmental sectors. ”**

### *Main Players*

These types of actors played central roles in most if not all of the cases we examined:

- **Small and medium-size enterprises (SMEs):** Provided a large proportion of tourism products and services in many cases. Note: In cases of agro-tourism, farmers fall into this category.
- **Government:** Including municipal, regional, national, and international government agencies. We found national ministries of agriculture and tourism, in particular, to be prominent players in many cases.
- **Nongovernmental intermediaries:** Includes local, community-based organizations and international nongovernmental organizations (INGOs) that can offer local and technical knowledge, respectively, to help trigger and guide tourism development.

### *Partnerships among enterprises*

In many of the cases we examined, SMEs, including farmers, played the predominant role in offering tourism products, including entertainment, lodging, and meals to visitors. This was the case

in both community tourism initiatives, i.e. wherein local organizations took the initiative to develop the tourism industry, and initiatives that were heavily supported and in some cases triggered by government.

Ireland is a key example of the latter case. While the Irish national government has played a decisive role in supporting the development of the tourism industry, SMEs offer the vast majority of lodging, food and beverage, and entertainment options to visitors.

Despite the important role they play, SMEs rarely have both the financial and human resources required to engage in large-scale marketing campaigns, procure training, or act as advocates for local tourism efforts to local and national government. Performing these crucial tasks thus demands cooperation among locally based and operated SMEs.

Furthermore, in all of the cases of rural tourism we examined, no single entity was able to provide guests with all the essential components of their visit, including transport, lodging, and dining. No enterprises were horizontally integrated enough to do so. This too demands cooperation—and ideally seamless referrals or other transfers—among SMEs.

In sum, partnerships among tourism entrepreneurs is vital for two main reasons:

- **To secure common-pool benefits:** To engage in actions to procure industry wide benefits such as marketing campaigns, training for tourism workers, information on market (sector-wide) trends, and advocating the local tourism industry to policymakers, whether local, national, or both.
- **For connectivity:** To ensure that visitors have easy access to the variety of goods and services they seek as part of their vacation experience.

Entrepreneurs can form partnerships in a variety of ways. In some cases, SMEs clearly recognize the need to collaborate and make active efforts to engage in “grassroots” joint initiatives, led by members of the community.

For example, in the case of Treasure Beach, Jamaica, local leaders brought together SMEs, including local hotels, restaurants, and artists, to collaborate on marketing initiatives. One key initiative is a website that allows potential visitors to easily explore many of the lodging, dining, and entertainment options available to them.

Another example of collaboration there is led by Treasure Tours, a local booking agent in Treasure Beach. This privately-owned booking agent, with strong roots in the local community, works with a wide array of SMEs, including hotels, guesthouses, restaurants, Appleton Rum Estates, and a Rastafari community to offer tourists a complete package of goods and services.

“Despite the clear benefits of collaborating, initiating and maintaining collaboration can be challenging when members lack trust in one another and/or lack experience in the tourism industry—and especially where they lack both.”

But in other cases, where no grassroots partnership among SMEs developed, an intermediary such as local or national government agency established particular incentives or operational frameworks that supported such collaboration. For example, a national charter established *Gîtes de France*, a network for vacation rental homeowners in rural France.

Despite the clear benefits of collaborating, initiating and maintaining collaboration can be challenging when members lack trust in one another and/or lack experience in the tourism industry—and especially where they lack both. This is one reason that government intervention appears to be influential, at least at the start.

In the case of the Agro-tourism Network of Chiloé in Southern Chile, for example, where no “natural” partnership occurred between rural tourism SMEs, government took the lead in establishing a partnership. Over time, participants in the Agro-tourism Network reported that their comfort levels working with one another had increased as they got to know the other participants better, perhaps negating the need for government intervention in the partnership in the long run (see the **Agrotourism Network of Chiloé** inset).<sup>61</sup>

This is not to say that government intervention is in itself responsible for building trust among SMEs; rather, it is entrepreneurs’ experiences working together over time that builds trust. This has evolved organically in some communities, but in other cases, such cooperation and trust were triggered by outside intervention.

### *Partnerships with Government*

In addition to encouraging collaboration among tourism entrepreneurs, governments can support rural tourism through a wide variety of channels. Our global scan indicates that all levels of government including regional, national, and international can become involved in partnerships to drive tourism development. Furthermore, while national ministries of tourism are perhaps the most natural players, other agencies, such as ministries of agriculture, have also played key roles.

The level of government and type of agency involved can impact the type of partnership formed and the nature of the support that government offers to the rural tourism sector. For example, in the Northeast Kingdom of Vermont, the regional planning commission, known as the Northeastern Vermont Development Association (NVDA), supports tourism by working on infrastructure improvements. NVDA also works in direct partnership with the Northeast Kingdom Travel and Tourism Association, an NGO that supports tourism education and marketing. Meanwhile, at the national level, the government of France has become involved with the rural tourism industry through a wide array of partnerships and is responsible for



providing certain fiscal relief to tourism SMEs (see **Rural Tourism in France** inset). On the international level, the European Union has provided significant financial support for farmers and other actors in the rural tourism industry in a number of member nation-states.

In sum, governments at various levels can offer a wide array of support to the rural tourism industry, including but not limited to:

- Bringing together diverse actors, including SMEs;
- Supporting heritage preservation;
- Supporting both traditional agricultural practices and extensions into agro-tourism intended to diversify farmers' sources of revenue;
- Developing regional and local visitor centers;
- Certifying the quality of authentic regional products, such as special foods and beverages;
- Funding and procuring tourism training;
- Market analysis: Tracking trends in local, national, and international tourism;
- Supporting knowledge exchange among tourism industry participants;
- Creating special legislation regarding land use and taxes; and
- Funding tourism development through direct transfers between levels of government and/or grants or loans to private and non-profit enterprises

In our global scan, we found that while governments can engage in any and all of the activities described above, their participation is particularly crucial in several key areas. First, market analysis on a broad scale is a uniquely public sector function. While individual enterprises or tourism organizations can undertake market analysis

on a more limited and focused scale, this does not compare with government's ability to place tourism surveyors in airports and collect data on occupancy from all of the hotels and guesthouses in an area, for example. Government has greater reach and authority.

Furthermore, the cases demonstrate that government plays a crucial role in heritage and natural preservation and certifying the quality of local products. While there are many private actors that may engage in these tasks—individuals that preserve historic properties, the Rainforest Alliance, etc.)—government involvement tends to lend greater legitimacy and enforceability.

One of the main challenges associated with tourism partnerships initiated by governments is keeping local needs and desires at the forefront. For example, in Treasure Beach, Jamaican regulations prevent the development of more than 15 rooms for tourist accommodation per acre.<sup>62</sup> This density-capping regulation is in line with the local desire to maintain a small, community-oriented tourism industry. In other areas of Jamaica, however, accommodation development is permitted on a much larger scale. That may or may not be in line with what residents and local businesses in these other areas want for tourism. One way to help ensure that government-initiated partnerships and tourism initiatives are aligned with local goals and preferences is through the formation of a local stakeholder group to identify interests and priorities and keep policymakers informed. In some cases, an SME partnership, for example in the form of a Route 123 community tourism operators association, could take on this role (on which more in the final chapter).

While government can be helpful, then, it does not follow that a lack of government involvement, let alone active and sustained leadership, guarantees failure. For example, other than the zoning regulation described above, government is not very involved in supporting tourism development in Treasure Beach, Jamaica. Nonetheless, local civic leaders and entrepreneurs have formed a community-oriented tourism industry by collaborating to market unique and authentic tourism experiences—what the *New York Times* hailed as “quiet, rural character”—to the international market.<sup>63</sup>

## AGRO-TOURISM NETWORK OF CHILOÉ

The Agro-tourism Network of Chiloé, located in southern Chile, was formed in 1997. The Network was initially a project of the Institute for Agricultural Development (INDAP, which is part of the Ministry of Agriculture), the National Tourism Service (SERNATUR), the Solidarity and Social Investment Fund (FOSIS, which is part of the Ministry of Social Development), and the Bishop of Ancud. Today, it is considered an official “guild association.”<sup>64</sup> The Network consists of about 19 families from the island of Chiloé who participate in accommodating tourists in their homes and including these guests in typical local activities such as agriculture and fishing.

According to a report by the Economic Commission of Latin America (CEPAL), one of the main objectives of forming the network, says the Bishop, was “to promote contact between farmers and tourists on a level playing field.”<sup>65</sup> The Bishop hoped this contact would help tourists become familiar with the unique knowledge and practices of local farmers while at the same time helping farmers to rediscover the value of their work through interactions with tourists—rather than let traditional practices fall into disuse otherwise. INDAP shared the Bishop’s goals but also sought to increase participating families’

income levels. SERNATUR sought to develop a new type of product—rural tourism—to offer visitors to Chile.

The Network has had its challenges. As participants suffered health problems or found new jobs, membership dropped from the original 26 to the current 19 some two years after the Network’s founding. According to the CEPAL report, some participants left the group because they had doubts about whether fellow entrepreneurs could be counted on to provide support through the Network.<sup>66</sup>

CEPAL also reports that the members who stayed involved now have fully booked accommodations during the high tourist season (February) and sometimes receive reservations a year in advance from repeat visitors. The leadership of the organization, by a president elected from among members, has been strong. And in 2000, the Network won a prize that allowed several of its members to travel to Spain to study agro-tourism practices there. The group’s president at the time reported that “friendships are growing between participants [many of whom did not know each other before the Network was formed], things will go better and it will be easier to act as a unit.”<sup>67</sup>



photo: skyscraperlife.com

## RURAL TOURISM IN FRANCE

Government has been closely involved in the development of the rural tourism industry in France from the earliest stages. In 1935, the national government created the National Institute of Appellations of Origin (INAO). The INAO is the only organization in the country that can certify that a wine comes from a certain French terroir (region), for example, and possesses the characteristics typical of the region in question. The appellations allow rural regions of France to distinguish themselves from one another based upon the high quality and distinctiveness of the goods they produce—both for the export market and for visitors drawn to fine, locally made products.

Beyond establishing certified appellations, one of the earliest formal efforts at promoting rural tourism was the establishment of Gîtes de France by national charter in 1954. A *gîte* is a vacation home that can be rented out for short periods of time. The network of gîtes acts as a broker, connecting owner-operators and vacationers.

The late 1970s through the '80s saw the creation of Syndicats Intercommunal a Vocation Unique Touristique (SIVUT). SIVUTs are government entities that establish public cooperation between French localities to develop tourism. For example, the SIVUT of Pieds de Nied joins together 89 French localities to coordinate tourism programs and promotions, provide technical advice, establish a network for local actors in the sector, and conduct market research.

By the early '90s, as the agricultural sector continued to decline, the national government took even more decisive action to promote rural tourism. SOURCE, the National Center for Tourism Resources and Rural Heritage, was founded by the Ministry of Agriculture in 1991. This organization's main objectives are "to collect information, to communicate in the area of rural tourism and rural heritage, and to support the development of rural tourism."<sup>68</sup> As part of this mission,

every year since 1991, SOURCE has held a summer school that draws players across the rural tourism sector.

In the late '90s, government also began to offer certain fiscal benefits in hopes of encouraging more farmers to diversify their product offering. Beginning in 1998, for example, tax benefits were offered to individuals who developed new tourism residences within pre-established "rural revitalization zones." And a 1999 law established fiscal benefits for the reconstruction, expansion or repair of tourist establishments more than 15 years old.<sup>69</sup>

In 2001, France established a Commission Permanente pour Tourisme Rurale (Permanent Commission for Rural Tourism, CPTR). It convenes players from public and private sectors, including the Ministries of Agriculture and Tourism, to promote development.



photo: *The Telegraph newspaper*

### *Partnerships with Other Intermediaries*

In addition to partnerships among SMEs and between such enterprises and government, intermediary organizations—typically nonprofits—have also become actively involved in rural tourism in certain parts of the world. The intermediary might be a local organization focused on community development or an international organization seeking to further a global cause, such as poverty reduction or better ecosystem management, that is related to tourism.

The Northeast Kingdom (NEK) of Vermont provides an example of the local intermediary playing a key role. The Nulhegan Gateway Association (NGA), a local non-profit, was founded in 2002 in reaction to the sale of 132,000 acres of woodlands in the NEK. Local leaders realized that the sale was large enough to impact NEK's way of life and formed NGA to support sustainable community economic development. NGA has since worked with local government and other civic groups to encourage the development of geotourism, which is defined by the National Geographic Center for Sustainable Destinations as “tourism that sustains or enhances the geographical character of a place – its environment, culture, aesthetics, heritage, and the well-being of its residents.”<sup>70</sup>

Organizations such as NGA offer unique local knowledge and commitment. They may also bring strong bonds with the community and may be helpful in bringing together diverse interests to coordinate action. In the best of cases, NGA-like groups can offer organizational skills, capacity building, and technical know-how to other organizations, such as in forestry and other specialized domains.

The Rainforest Alliance (see **Rainforest Alliance in Costa Rica** inset) and the National Geographic Center for Sustainable Destinations (CSD) are international non-profit organizations (INGOs) that partner with other entities to work on tourism initiatives. The CSD works with tourism bureaus, governments, travel companies, tourism specialists, and conservation and preservation groups “to preserve distinctive places.” The Rainforest Alliance is dedicated to preserving the world's rainforests. The Alliance works with tourism entrepreneurs to provide training and

### CASELET #3

## RAINFOREST ALLIANCE IN COSTA RICA

The Rainforest Alliance, an international nonprofit dedicated to preserving rainforests, has played an important role in the development of eco-tourism in Costa Rica.

For example, the Alliance has worked with the Titi Conservation Alliance, a non-profit organization that works to preserve the habitat of the Titi monkey around the Manuel Antonio National Park to conserve forest near the park, which receives about 150,000 visitors per year.<sup>71</sup> In this tourism-dependent area, the Rainforest Alliance has helped demonstrate how tourism can be effectively combined with conservation efforts.

The Rainforest Alliance was also involved in certifying coffee quality in the countries where it operates, including Costa Rica. For example, the Alliance has worked in partnership with Coopedota, a local cooperative. One hundred of the cooperative's members have received a Rainforest Alliance Certified seal certifying their sustainable agricultural practices.



photo: <http://www.discoverybeachouse.com>

marketing support, to educate travelers, and to promote verify sustainable agricultural and forestry practices. These organizations draw on a global base of knowledge and experience to offer business assistance as well as more specialized knowledge, for example about ecosystem preservation and sustainability.

In sum, nonprofit intermediaries may or may not be equipped to spearhead tourism development initiatives. But such organizations can be valuable partners.

## Developing the Tourism Product(s)

The development of appropriate, attractive tourism products is obviously critical to any successful tourism industry. In this context, we use “products” broadly to refer to the goods and services, including more or less structured activities, that comprise the tourist experience in a place. In many of the cases we examined, the product development process typically, but not always, unfolded in three (3) stages:

Identifying starting point assets and liabilities within the targeted destination (region);

Identifying core tourism products to be developed based on assets and liabilities, market demand, and availability of funding; and then

Developing supportive infrastructure—lodging, transportation, tourism information centers, etc.—that allow visitors easy access to the tourism products on offer.

### *Stage A—Identifying Initial Assets and Liabilities*

The decision to invest in developing a region’s tourism industry was often based on the realization that the area was home to certain “assets” that could be appealing to tourists.

For example, a large system of well-protected national parks established in the 1970s was an obvious starting point for Costa Rica’s ecotourism industry. In the case of Ireland, a wealth of historical sites, some more than 5,000 years old, was a foundational asset.

Some important assets, like those mentioned above, are tangible and easy to identify, but other important ones may be intangible. For example, beyond its abundant historical sites, Ireland also has a vast diaspora, estimated to include 70 million individuals of Irish descent, living around the world.<sup>72</sup> In effect, a pre-existing market base of tourists around the world—who may be interested (or interest-able) in learning more about their cultural roots—is an immense asset. Ireland has confirmed this through highly successful initiatives to attract members of the Irish diaspora as tourists.

We highlighted another example of an intangible asset in the case of France, above, in the form of appellations of origin that recognized and enhanced centuries of local craft traditions. While the system of certifying wine was not created specifically to foster wine tourism, that system—now expanded to include many other food and beverage products—has helped to solidify the global reputation of French gastronomy and thereby draw large numbers of tourists, both domestic and international.

In sum, assessing an area’s starting-point assets well requires looking beyond the obvious beach, mountain, or historical site. Many of the global cases show that intangible assets can be powerful drivers of successful tourism development.

**Assets** in the cases we examined include:

- A strong agricultural or other production tradition (e.g., artwork and crafts, coffee production);
- Rich, distinctive cultural heritage in the form of recognizable practices, arts, dress, etc.;
- Natural assets, including protected forests, beaches, etc.;

## DEVELOPING THE COFFEE ROUTE IN NICARAGUA

In 2007, the Nicaraguan Tourism Institute (INTUR) formed a partnership with the government of Luxembourg, which provided funding to develop a coffee tourism route (Ruta del Café) in the north of Nicaragua.<sup>73</sup> The Ruta del Café was developed as part of a broader effort to create tourism routes focused on natural assets (e.g., water, volcanoes) and cultural heritage.<sup>74</sup>

Specifically, the Ruta del Café was envisioned to support the country's northern provinces, where the majority of Nicaraguan coffee is produced and where heavy reliance on agriculture leads to economic insecurity for many farmers and their families. Nicaraguan policymakers hoped that introducing tourism via the Ruta del Café would help to provide a more stable source of income for agricultural workers.

In designing the Ruta del Café, INTUR capitalized on existing assets.



photo: <http://www.ecotravelguide.eu>

For example, INTUR worked with coffee farmers in Jinotega in opening up their farms and homes to visitors. Another region along the route, Matagalpa, is home to four nature reserves that are being developed to accommodate tourists with new hiking trails and campgrounds.<sup>75</sup>

In 2008, shortly after the Ruta del Café project began, INTUR collaborated with tourism entrepreneurs from the Ruta del Café and LuxDev, Luxembourg's development cooperation agency, to develop rural tourism quality guidelines. Rural tourism entrepreneurs found in-place national standards infeasible to implement given the infrastructure and resources required. The new guidelines aimed to ensure a strong but "realistically rustic" product offering.<sup>76</sup>



photo: <http://hostalrurallasmercedes.com>

- Historical sites, including old churches, haciendas, castles, and farms;
- A national branding mechanism for traditional products;
- A pre-existing base of tourists with a cultural or other special connection to a place.
- Pre-existing partnerships between actors with an interest in the tourism industry (see **Mobilizing Partners and Resources**); and
- A good base of physical infrastructure (accessible airports or other ports, roads, public transport, etc.).

Similarly, pre-existing **liabilities** can be tangible or intangible. A lack or a shortage of paved roads is one kind of tangible barrier to tourism development. Intangible liabilities may include a shortage of workers with experience in the hospitality industry, a lost cultural heritage (e.g. because practitioners have died off or can no longer successfully transmit traditions to younger generations), or a lack of cooperation between members of the community. In some cases, a difficult past—such a famously exploitative labor structure or highly unequal land ownership—acts as an intangible liability. Planners must consider how to address such liabilities in developing heritage tourism products, for example (see the **Big Houses in Ireland** inset).

Determining liabilities can stimulate an early search for solutions and more realistic assessments about which products are likely to be viable in the short term versus the medium to long term, after changes have been made. For example, the lack of infrastructure and resources needed to meet national tourism quality standards pushed planners in Nicaragua to develop special new rural tourism standards, working with coffee farmers and others along a new tourism route (see the **Developing the Coffee Route in Nicaragua** inset). Of course, in many of the cases examined, tourism development itself aimed to address serious liabilities, such as out migration of workers and declines in a region's agricultural productivity.

**Liabilities** in the cases we examined include:

- Lack of adequate physical infrastructure (clear road signage, telecommunications infrastructure, etc.);
- Lack of cooperation and/or high levels of distrust between tourism operators;
- Agricultural systems in decline;
- Lack of skilled labor and/or out-migration; and
- Difficult aspects of history that must somehow be incorporated into heritage tourism products and sometimes into marketing materials.

### *Stage B—Developing Specific Offerings*

In the cases we examined, partners in the tourism industry took both assets and liabilities into consideration as part of the product development process. To determine an appropriate product mix, planners also considered competition, demand for certain types of products, and availability of funding and other forms of support.

Consider the case of rural tourism on the island of Chiloé in Southern Chile (see **Agrotourism Network of Chiloé** inset). The founders of the Agrotourism Network recognized key assets known to attract tourists, including several wooden churches that were designated UNESCO World Heritage sites. The founders also identified the island's agricultural and fishing traditions as assets. Liabilities included a lack of cooperation between community members, the decline in traditional agricultural practices, and a shortage of infrastructure, including appropriate accommodations.

In terms of analyzing the competition, Chile's National Tourism Service (SERNATUR), wanted to support the development of the Agrotourism Network, because it was seen as a unique complement to other forms

## BIG HOUSES IN IRELAND

Ireland has struggled to—and sometimes avoided—incorporating parts of its history that are linked with the British rule of Ireland prior to independence in 1922. In particular, despite numerous efforts to preserve and promote Irish heritage sites, no plan was devised for preserving “big houses,” the former homes of the British gentry. According to a study by Nuala Johnson, more than 500 of these homes were destroyed in the years following independence.<sup>77</sup>

One interesting exception is the Strokestown Park House. The private owner of Strokestown, who purchased the property from the original landowners who had since migrated to Britain, took it upon himself to transform the property into a museum. This was an unusual decision since, as the owner himself acknowledges, public opinion in Ireland was that these homes should be “wiped off the face of the earth” just like the “poor cottiers who were wiped out in the [Potato] Famine.”<sup>78</sup>

Nonetheless, the owner moved forward with plans to preserve this piece of history and develop a tour narrative that explores the topics of “economic and architectural history of the early estate, the house during the Famine years, gender relations and family history, and social relations between gentry and servant classes.”<sup>79</sup>

Rather than present from the perspective of the British landowners, the tour decidedly favors the perspective of the servant classes. Some visitors have criticized the tour for offering an overly biased perspective in this regard. However, the tour’s emphasis on displaying history from the perspective of the common Irishman, and the unique and intimate window on the past that the house represents, help explain why it has become a popular attraction among the Irish, who account for 80% of visitors.<sup>80</sup>



photos: <http://www.ireland.com>





of tourism in Chile, including the ecological and adventure tourism activities that are popular in the Southern region. Further, there were no other known providers in the area offering an authentic “stay-on-the-farm” experience to visitors.

Determining market demand was likely more challenging. It is unclear just how much this was taken into account. In general, judging by the cases examined, demand for tourism products, similar to demand for most consumer products, can be difficult to estimate with any precision. Staging, experimentation, rapid feedback, and other strategies can help a region take calculated risks and, if possible, learn from them.

Finally, in terms of product development in Chiloé, the Institute for Agricultural Development (INDAP) made funding available to support Network members who wished to upgrade their homes to accommodate visitors (as did Nicaragua to support small providers along its coffee route). Without this funding to support needed home renovations, the Network’s founders may not have been able to include intimate “homestay” experiences in their product offering.

### *Stage C—Developing Supportive Infrastructure*

In addition to developing tourism products, the cases we examined demonstrate the need to develop an infrastructure around the tourism products on offer that allows them to grow and to thrive. Clearly, a tourism route that includes visits to several historic and heritage sites is unlikely to be successful if the roads are impassable, confusing to navigate, and offer no place to stay or to eat along the way.

Forms of **supportive infrastructure** included:

- Accommodations;
- Restaurants (some serving local culinary specialties);
- GPS guides, signage and other way-finding, visitor information centers, and tour guides to help visitors reach destinations; and

- Improved transportation options, including airport pickups and transfers between tourist destinations.

As with tourism product development, partnerships between different actors can play an important role in the development of supportive infrastructure. Multiple interests across the tourism industry are likely to benefit from supportive infrastructure, and so there are strong incentives to act collectively to improve and maintain that infrastructure.

Notably, while some forms of supportive infrastructure require large capital investments—major highway improvements or the construction of an elaborate new visitor center, for example—others are relatively low cost and easy to implement as well as update. Digital walking guides are one example (see **Digital Tour Guide** inset).

## **Marketing Tourism Products**

Even great tourism products do little to generate visitors in the absence of an effective and well-implemented marketing strategy. Passive marketing, such as relying on positive traveler experiences and word-of-mouth endorsement, can play an important role in an overall marketing strategy. But in the age of social media and wireless broadband, planners can deploy a variety of tools in innovative ways—continuously learning and responding to the market.

The cases we examined showed a variety of marketing practices at work. And the marketing approach depended on the lead actor involved, their financial resources and marketing know-how. In this section of the chapter, we analyze the marketing activities of the three most prominent types of actors:

- A. **Enterprise-level marketing:** By small and medium-sized enterprises (SMEs);

## DIGITAL TOUR GUIDES

In several of the cases studied, simple, low-cost interventions were made to provide visitors with an enjoyable and stress-free experience. Smartphone walking guides, for example, are currently in use in North America and Europe.

The Mobile Technology Team, a Boston-based mobile application developer, created the “Freedom Trail Walking Tour” app as a free download for iPhones. The app guides visitors along the city’s famed historic trail using maps, pictures, and descriptions to teach visitors about the role Boston played in the American Revolution.<sup>81</sup>

Similarly, the nonprofit Trail Kilkenny in Ireland has developed an app to guide visitors to Kilkenny County along a series of walking trails. The app uses Google Maps and the GPS system in smartphones to point visitors to trails nearest their current

location. App users can then download maps, route descriptions, and photographs.<sup>82</sup>

Travelers can download apps such as “Locacious,” which lets any iPhone user develop their own tour route including pictures, audio, and notes.<sup>83</sup> Tours can then be uploaded and shared with other Locacious users.

Such smartphone tour guides are relatively easy and low-cost (or even free) to produce. These guides can serve as supportive infrastructure in tourist regions where there is a lack of signage, for example. As long as visitors have smartphones and access to cellular service, they will be able to find their way to tourist attractions and services on offer—and even know a good deal about what they will see and why it’s special.



Photo: Booking portal at [travelthekingdom.com](http://travelthekingdom.com)

B. **Place-level (Local or regional):** By partnerships among SMEs and others; and

C. **National level:** By national tourism agencies.

With particular emphasis on on-line marketing, we describe and analyze marketing techniques by their strengths, weaknesses, and opportunities.

“ With the explosion of web-based and/or social media marketing tools, even enterprises with modest budgets and limited prior marketing know-how can practice savvy approaches. ”

#### A. *Enterprise-level marketing by SMEs*

While SMEs form the backbone of many tourism initiatives, they have limited financial and technical capacity—at least when compared, say, to national tourism agencies—to engage in large-scale marketing campaigns. Nonetheless, with the explosion of web-based and/or social media marketing tools, even enterprises with modest budgets and limited prior marketing know-how can practice savvy approaches.

In several of the cases, SMEs created websites to advertise their products or services. These websites varied in appearance, from quite professional quality to more basic and obviously “home-made.” At worst, some SME websites were so poorly designed as to make one wonder about the quality of the goods and services on offer. At best, the SME sites, even simpler ones, were accompanied by vivid photos and descriptions that would allow a potential visitor to form a clear picture of the product or service on offer. Some of the more functional and professional-looking sites also offered on-line booking tools.

Many of the individual SME websites had “About” sections that explained the unique history of the business, including personal information about the current owners and operators. Jakeshotel.com in Treasure Beach, Jamaica and Selvanegra.com in the Ruta del Café region of Nicaragua are good examples.

“ Relatively simple to create, the “About” section of a business website can help visitors to learn about the SME owners and the community of which they form a part. ”

Relatively simple to create, the “About” section of a business website can help visitors to learn about the SME owners and the community of which they form a part. A potential visitor’s understanding of the tourism community and its members could impact his or her choice of whether or not to buy. As we noted in Chapter 2, a 2011 reader survey by CondeNastTraveler found that 58% of respondents would allow their hotel choice to be influenced “by the support the hotel gives the local community.”<sup>84</sup>

In many cases, however, SMEs did not have an individual website. Rather, they participated in a wide variety of tourism-service aggregated websites such as TripAdvisor.com. This was a particularly common practice among owners of individual rental homes. Owners of small properties, typically sleeping 2-6 people, participated in aggregated booking websites such as FlipKey.com and AirBnB.com. These websites are simple to use and reach a large international audience. Participants in aggregated booking sites must, however, pay a sales commission to the site operator. As of this writing, the commission is 3% of each booking with AirBnB.com and Flipkey.com.

#### B. *Place level—Partnerships among SME operators and others*

In some cases, SMEs in a tourist destination formed partnerships to conduct online marketing. For example, in the Northeast Kingdom of Vermont, the Northeast Kingdom Travel and Tourism Association (NEKTTA) cooperates with over 180 area businesses and is in charge

of operating Travelthekingdom.com, a website that advertises the local tourism industry and provides an online booking option. Similarly, a group of small businesses in Treasure Beach, Jamaica market area tourist attractions via Treasurebeach.net.

This approach to on-line marketing offers two important benefits. First, it allows the tourism destination in question to form a common identity or brand. For example, the following text on the homepage of Treasurebeach.net seeks to sharply differentiate the community (destination):

*What We Are:*

- A string of sleepy fishing villages located off the beaten track on Jamaica's desert south coast.

*What We Are Not:*

- A resort town with jet skis, para-sailing, and glitzy nightlife.
- Competing in the rat race.

**🔗🔗 By projecting a strong identity, a place-level, cross-operator website helps potential visitors distinguish the product from competitors—and form a clear set of expectations for their visit. 🗨️🗨️**

By projecting a strong identity, a place-level, cross-operator website helps potential visitors distinguish the product from competitors—and form a clear set of expectations for their visit. It also allows SMEs operating at the destination to confront common marketing challenges. For example, in the case of Treasure Beach, the town's location "off the beaten track" for visitors to Jamaica creates an obvious challenge: attracting visitors who are more familiar with popular, highly developed resort towns located near an international airport. Beyond confronting the challenge, the branding above reframes a liability as an asset—a draw. It says, "We're different, we're special."

In addition, a shared, place-level common website allows visitors to more easily plan and even book their vacations. Instead of visiting individual SME sites, visitors can find the information they need on accommodation, dining, and recreational or other activities all in one place. In the case of Visitthekingdom.com, guests can even do their booking online.

### ***C. National level—Tourism agencies***

In most if not all parts of the world, national tourism agencies, such as the Puerto Rico Tourism Company, are unique actors in that they have the ability to market a destination through a wide variety of media, not just online, and even to systematically study and redirect marketing over time. In terms of resources for garnering publicity, national agencies can also maintain strong connections with local and international news media.

In the case of Ireland, a single public agency—Tourism Ireland—is dedicated to marketing Ireland as an international destination. Tourism Ireland operates DiscoverIreland.com and advertises the country's tourism industry via TV commercials. The agency also runs a publicity program with targeted media outreach, i.e. to generate stories. According to the Tourism Ireland website, in 2010 the agency hosted 1,500 media visits to Ireland, generating 7,500 articles and broadcasts.

Similar to Tourism Ireland, the National Institute of Tourism (INTUR) in Nicaragua has a diverse online strategy that includes YouTube videos, Twitter, and Facebook, in addition to a website. The agency also hosts press visits, though these appear to be geared mainly to local journalists.

**🔗🔗 For community tourism in rural communities to succeed, it is important to develop and pursue an area-specific marketing strategy and leverage national agency efforts creatively, where possible. 🗨️🗨️**

## THE GRENADA CHOCOLATE COMPANY AND LESSONS IN RESOURCEFULNESS

Mott Green, an American who founded the Grenada Chocolate Company, moved to Grenada, a small island nation located in the southeastern Caribbean, in 1998.<sup>85</sup> On prior visits, he had become fascinated with cocoa tea, a local chocolate drink. His interest in cocoa tea led him to interact with cocoa farmers on the island and to study cocoa production carefully.<sup>86</sup>

Prior to relocating permanently to Grenada, Green was based in Oregon, where he continued to study chocolate production while working with a friend to restore old chocolate processing machines and build new ones by hand.<sup>87</sup> Green and his friend shipped the old chocolate machines to Grenada, where Green, after relocating, used his own meager resources to lease 100 acres of land from an estate and establish the Grenada Organic Chocolate Cooperative in 1999.<sup>88</sup>

Known for a relentless work ethic and passion for “tinkering” with machinery, Green successfully fostered the co-op’s growth, yielding annual production of 9-10 tons of organic local chocolate by 2004.<sup>89</sup> Today, the Grenada Chocolate Company, which is owned by the co-op, has 50 employees who receive salaries and are also shareholders.<sup>90</sup>

The chocolate has received a number of prestigious awards from the Academy of Chocolate in London, in recognition of its quality and taste.<sup>91</sup> The company emphasizes ethical labor standards for cocoa workers and sustainable agricultural practices.

But beyond producing high-quality coffee for export, the company was among the first to promote agro-tourism in the Caribbean.<sup>92</sup> The company began offering tours of its factory and farm shortly after opening in 1999. And now, Grenada Chocolate works in partnership with the Belmont Estate, a nearby spice plantation, to offer day-long tours at about \$64 per person. On these tours, visitors tour the Estate and eat lunch at its restaurant before visiting the chocolate factory. At the factory, guests are offered free samples and the opportunity to purchase.<sup>93</sup>

Grenada Chocolate does not offer luxury to its visitors. As a journalist from The Telegraph wrote, “I’ve seen the gleaming state-of-the-art plant owned by chocolate giants Valrhona in France, and the grand frescoed building where the antique machinery of northern Italian boutique operation Amedei is housed. The Grenada Chocolate

Company is just a house, painted in bold Caribbean colors, over the road from the prime minister’s modest residence. The only difference from the other wooden houses in the street are the solar panels among the palms in the front garden...”<sup>94</sup>

The Grenada Chocolate Company only recently began to register a profit, thanks to the combination of agro-tourism activities and chocolate exports.<sup>95</sup> According to The Telegraph, Green, despite being the head of operations, slept on a mattress in the employee stock room.<sup>96</sup>

When it comes to long-run economic benefits, only time will tell. But the Grenada Chocolate Company case highlights how a determination to engage members of the community in ethical agricultural practices and share this experience with the world—via tourism—helped overcome many of the challenges associated with limited visibility and resources.



*The Grenada Chocolate Company, The Guardian*



*Photo: <http://www.thirdworldgrassrootsjournal.org>*

Notwithstanding their national or international reach, however, and perhaps not surprisingly, in the cases we examined, national agencies did not often market niche products, such as rural tourism, in particular regions or towns. Instead, national agencies show images of a wide variety of destinations throughout the country.

For community tourism in rural communities to succeed, it is important to develop and pursue an area-specific marketing strategy and leverage national agency efforts creatively, where possible. The Chile case is telling in this regard, since the national government provided support for a community tourism effort specifically to help fill a gap in the *nation's* tourist product (experience) offering.

### Developing Financial Resources

While access to financial resources is not everything—*resourcefulness* matters in countless other dimensions (see **The Grenada Chocolate Company and Lessons in Resourcefulness** inset)—the success of any effort clearly depends in part the availability of funding to develop products and do effective marketing.

In the cases we examined, planners and operators accomplished these tasks using a wide array of funding mechanisms. Each effort relied on a mix of sources, for example:

- Government grants and tax breaks (various structures);
- Private and subsidized loans, from large to micro;
- Fundraising and private donations from visitors and Diaspora communities;
- Self-financing; and
- Other forms of private investment.

#### ***Government grants and tax breaks***

These were more common, not surprisingly, where government played a very active role in promoting the tourism industry. For example, as mentioned briefly above, since the late 1990s, the French government has actively promoted rural tourism by offering fiscal benefits to encourage more farmers to diversify their product offering. Beginning in 1998, tax benefits were offered to individuals who developed new tourism residences within pre-established “rural revitalization zones.” Further, a 1999 law established fiscal benefits for the reconstruction, expansion or repair of tourist establishments more than 15 years old.<sup>97</sup>

More recently, rural tourism initiatives in France have received more financial support from the European Union than the French national government. A major support for the sector at the moment is the European Funds for Agriculture and Rural Development (FEADER), created by the European Union. These funds provide for

direct cash transfers to farmers as well as market interventions to ensure minimum prices for agricultural goods. They are also used to promote agricultural products and to collect and distribute information on the agriculture sector.<sup>98</sup>

Similarly, the U.S. government provided funding in some cases, including geotourism in the Northeast Kingdom region of Vermont. The Northeast Kingdom Travel and Tourism Association used funding from the U.S. Department of Agriculture’s Rural Development office to construct the region’s online booking site—[travelthekingdom.com](http://travelthekingdom.com).

At the time of this writing, USDA was inviting grant applications for “rural business opportunity grants” and “small, socially disadvantaged producer grants.” Based on eligibility guidelines, rural business opportunity grants are available to public bodies, nonprofit corporations, and rural cooperatives. They can be used for “community economic development, feasibility studies and business plans, leadership and entrepreneur training, rural business incubators, and long-term business strategic planning.”<sup>99</sup> Small socially-disadvantaged producer grants (SSDPG) are available to cooperatives and cooperative development centers. They can be used “to provide technical assistance to socially-disadvantaged agricultural producers in rural areas.”<sup>100</sup>

## FUNDING NICARAGUA'S COFFEE ROUTE

As described above, beginning in 2007, the Nicaraguan Institute of Tourism (INTUR), a public agency, launched a major effort to develop a coffee tourism route (Ruta del Café) through five of the country's northern provinces—far from Nicaragua's major tourist destinations on the southwest coast.<sup>101</sup> The project required significant investment in infrastructure, site development, promotional activities, and funding for small businesses, such as hotels, restaurants, and coffee farms receiving visitors.

The Nicaraguan government, together with development assistance from Luxembourg, provided \$5.2 million for the first phase of the project (2007-2011).<sup>102</sup> The second phase of the project (2012-2016) received \$1.9 million in funding from the Nicaraguan government and \$7.2 million from Luxembourg.<sup>103</sup>

Some of this funding went to an INTUR fund held by Caruna, a bank. The fund provides loans to initiatives that help develop the coffee tourism route. However, tourism cooperatives and individually owned enterprises have reported that accessing these funds is challenging given the bank's demanding requirements.<sup>104</sup> And there is still significant unmet demand for financing. As of March 2013, the Cooperative Union of Tourism Services for the Northern Region

of Nicaragua (Unicootur) claimed that only nine of the coop's 52 associates had received support from the INTUR fund since it began in 2007.<sup>105</sup> In total, there are almost 400 small tourism businesses along the coffee route, with each business requiring an average investment of \$3,000 to upgrade facilities.<sup>106</sup>

Unicootur is now seeking to address the financing challenge for micro and small businesses by submitting its own funding request to INTUR. If successful, i.e. by taking out the bank as middle man, Unicootur plans to support business development for its own members and for other small and micro businesses through a recently formed network—the Council of Micro, Small, and Medium Tourism Businesses of Nicaragua (*Consejo de las Micro, Pequeña y Mediana Empresas Turísticas de Nicaragua*). The Council's main goal is to better promote and develop the coffee tourism route.<sup>107</sup>

The case of coffee tourism in Nicaragua demonstrates that funding for agro-tourism can be structured to link national and foreign assistance to micro loan funds that target very small operators. However, this case also highlights the challenges of directing funding effectively to those who need it most even after significant resources have been committed.



photo: <http://www.vapues.com>



photo: <http://raleighcostarica.blogspot.com/>

### *Microloans*

Microloans were used to support entrepreneurs in several of the cases we examined, including Nicaragua's Ruta del Café (See **Funding Nicaragua's Ruta del Café** inset). Similarly, families participating in the Agrotourism Network of Chiloé in Southern Chile received small loans for the home renovations needed to accommodate guests.

In both cases, funding for microloans came from the national government and/or international donors. Of course, the microfinance industry has evolved significantly and on a global scale. So there are many other options for tourism entrepreneurs seeking to procure microloans apart from micro-lending programs that are sponsored by governments.

### *Fundraising and Private Donations from Visitors and Diaspora Communities*

In at least one of the cases examined, a rural community was successful at mobilizing resources from visitors and other non-locals, through fundraising campaigns, to support tourism and other development initiatives. In Treasure Beach, Jamaica, a nonprofit community organization known as BREDS was able to raise more than half the cost of a new ambulance by advertising a fundraising campaign on [Treasurebeach.net](http://Treasurebeach.net), the area's website for visitors. BREDS had similar success after Hurricane Ivan in 2004, when

## THE NORTHEAST KINGDOM CONFRONTS LOW WAGES FOR TOURISM WORKERS

Despite a thriving tourism business, the rural Northeast Kingdom (NEK) of Vermont offers unusually low wages for tourism workers. According to a report by Economic & Policy Resource, Inc., average wages in the sector are \$20,500, below state and national average income for tourism workers.<sup>108</sup> The analysts attribute the below-average wages to the prevalence of part-time and seasonal work in the tourism industry.

While many community tourism initiatives generally aim to create jobs and stable income, the fact is that many destinations experience seasonal fluctuations in visitor numbers. Furthermore, if many tourism providers are SMEs, there may be limited capacity to create and sustain full-time jobs. In the NEK, for example, one-third of all tourism workers are "own-account" proprietors of the business where they work (see Chapter 2).<sup>109</sup>



photo: [www.visitingnewengland.com](http://www.visitingnewengland.com)



the organization advertised a fundraising campaign to support repairs, again via the website. This campaign generated approximately \$36,000, primarily from “past tourists, current friends, overseas residents, and former residents.”<sup>110</sup>

This example further underscores the benefits of effective local partnerships for community tourism development. BREDS worked with the operators of the Treasurebeach.net website, primarily small business owners and community leaders, to reach an international audience of former visitors and members of the Jamaica diaspora. BREDS in turn, was responsible for utilizing the funds generated through this cooperation in a way that would benefit the community broadly.

The Treasure Beach example also highlights the opportunity to generate funding for a local tourism industry in the absence of generous government support.

We should note, however, that community fundraising focused on generating financial support for specific projects to create widely shared benefits in the community. Such fundraising may not be effective for financing individual entrepreneurs. This is not to say that crowdfunding or other firm-specific financing models have no application in community tourism—only that the cases we examined did not feature such models.

### ***Self-financing and other forms of private investment***

Given the prevalence of SMEs in rural and community tourism initiatives, we can safely assume some self-financing through personal credit (e.g. credit cards), savings or retained earnings. We expect that self-financing is that much more important in rural communities where government aid for tourism is limited to non-existent. That said, we could not find data to confirm such self-financing.

Geotourism in the Northeast Kingdom (NEK) of Vermont is an interesting case of private investment in the tourism industry. Two local entrepreneurs in the NEK are leading a multi-million dollar investment initiative aimed at attracting wealthy investors from abroad. The initiative capitalizes on the fact that the NEK is a federally designated “Targeted Employment Area” (TEA). Foreigners that invest at least \$1 million in TEAs can qualify for a green card (residency status) via the EB-5 visa program. While the funding in this case is fully private, government obviously lends a helping hand by providing a strong incentive to attract investors.

**“ In many cases we examined, rural tourism initiatives provided the motivation, and in some cases the funding, to upgrade local amenities. And these are then used and enjoyed by the local community, not just visitors. ”**

## Assessing Economic and Other Benefits of Rural Tourism

The primary goals of most initiatives we examined were to increase income levels, create jobs, and improve the quality of life in rural communities. Tourism per se accomplished these goals to varying degrees. In high-income nations, in the case of farmers, tourism-related income is more likely to be a modest supplement to agricultural income—not a stand-alone replacement or alternative. In middle and low-income countries, participants experienced a far more dramatic increase in income, though this increase was still not sufficient to discontinue traditional agriculture or drop other critical sources of income. Moreover, the agricultural activities are integral to the value that agro-tourism, specifically, creates for consumers.

Beyond income, in many cases we examined, rural tourism initiatives provided the motivation, and in some cases the funding, to upgrade local amenities. And these are then used and enjoyed by the local community, not just visitors.

Below, we discuss economic and other benefits in greater detail—along with the challenges associated with realizing these gains.

### *Real Economic Benefits of Tourism*

As previewed above, the impact of rural tourism on household incomes varied from case to case and was typically more modest in higher income countries. For example, in the

case of France, despite a strong commitment from the national and regional governments to support rural tourism initiatives—specifically as a way to boost rural incomes—poverty among farmers in the country remains high. According to a report by *Time* magazine, in 2010, 26.4% of French farms fell below the poverty line, compared with a national rate of 14% for all households.<sup>110</sup>

Two things help explain this persistence of poverty among farmers in a nation that has consistently, creatively, and generously backed rural tourism. First, few farms in France (3%) participate in rural tourism activities, according to Ministry of Agriculture data. Second, 75.2% of rural visits are considered “non-lucrative,” as tourists do not stay overnight in hotels or spend significant sums of money.<sup>112</sup> Of course, the poverty rate among farmers in France might be higher in the absence of rural tourism.

In the case of agro-tourism in Chiloé, Chile, however, tourism has had a big impact on household income levels. According to a study by the UN Economic Commission for Latin America (CEPAL), participants in the Agro-tourism Network of Chiloé could earn an estimated additional income of 40,000 Chilean pesos per month, an almost 14% increase in average monthly income.<sup>113</sup> Further, a relatively low cost of living (almost 35% lower than living in France according to Numbeo.com’s cost-of-living index calculator), means

that a 14% increase in income is likely to support a more substantial increase in living standards in Chile than it would in other higher-income, high-cost locations.

In some cases, tourism planners developed mechanisms to ensure that the local community captured economic gains. In Treasure Beach, Jamaica, for example, all tourist accommodations participating in a locally organized program donated \$1 for every occupied room to a community benefits fund. These funds were used to “sponsor health and youth sporting programs, assist fishing cooperatives and even organize disaster relief assistance.”<sup>114</sup>

### *Using Tourism Development to Enhance Local Amenities*

As the aforementioned example shows, the benefits of tourism can spill over beyond household incomes. For example, in the case of Chiloé, Chile, all participants in the Agrotourism Network came to acquire in-house bathrooms (as opposed to outhouses), water heating systems, showers, fixed phone lines or cellphones. According to a report by CEPAL, these significant enhancements to the residents’ standard of living are not yet standard in Chiloé outside of the Agrotourism Network.

In short, the development of the tourism industry in a region motivates the creation of certain amenities, such as those described

above. While these amenities are intended for use by tourists, they can also be used by tourism service providers and other community members.

However, creating amenities for tourist use could also pose certain risks. For example, developing high-end tourism services and properties can attract affluent tourists, but it can also lead to gentrification that excludes locals from housing, retail and other goods and services that tourists enjoy. In the most extreme cases, as in the highest cost parts of The Bahamas, tourist or expatriate demand for vacation homes displaces local populations. The best way to counter this risk may be to ensure that community members play an active role in developing the local tourism industry in accordance with community interests. And as we explored in Chapter 2, a host of specific mechanisms, from community land trusts to local sourcing and local ownership arrangements can help incumbent residents—rather than global chains, investors, or tourists alone—to “capture the gains.”

## Summary and Implications

In recent decades, particularly as niche tourism took shape, many rural communities in both high- and low-income countries have turned to tourism. Typically, tourism initiatives launch in response to agricultural decline, out-migration of labor, and related economic challenges. But as we have shown, it can be more than that—a strategy for cultural preservation, for example, for upgrading traditional crafts or other industries, and even for community building. Tackling tourism—especially if a destination lies off the beaten, better-known path of popular destinations—requires local cooperation, learning, innovation and entrepreneurship. It is not without risk, but the rewards can be substantial, particularly in chronically low-income areas.

While the main lessons from our global scan were presented at the beginning of the chapter, it is important to note some of the similarities and differences between the cases we examined and the Route 123 region. First, the Route 123 region does not enjoy the level of national government support that has backed rural tourism in France or heritage tourism in Ireland. Nonetheless, in the **Partnerships with Government** discussion, we highlighted several functions for which public sector support or leadership can be particularly helpful, if not crucial. In the context of limited government resources, those functions—market analysis, historic preservation, and certifying the quality of local products—should be prioritized.

Second, in terms of starting points, there are clear parallels between the Route 123 region and Treasure Beach, Jamaica (Caribbean location, limited resources, rustic and rural setting). In the Treasure Beach case, forming partnerships and establishing a clear marketing message were critical to success—as they are likely to be for the Route 123 as well.

We turn next, and finally, to recommendations for the Route 123 region. While we address each of the major topics we examined in this chapter, since local universities and other partners are working with PathStone on product development and to some extent infrastructure, we go more in depth on marketing. More specifically, our marketing discussion goes beyond lessons from the cases examined above, to explore promising practices and pitfalls in the ever-changing world of web and social network-driven travel.

R



**RECOMMENDATIONS**

In the body of this report, we analyzed four main topics: global trends in the tourism industry and its impacts on destination communities (Chapter 2); the Route 123 region’s current tourism products (“offer”) and marketing as well as current demand for those products (Chapter 3); potential demand, primarily from the Puerto Rican Diaspora in the U.S. (Chapter 4); and efforts to promote niche tourism—and capture its gains—in rural regions across the globe (Chapter 5).

In this final chapter, we build on our broad targeting recommendation, outlined in Chapter 2, to focus on the area’s current demand base—*on-island* and *diaspora* visitors—first and foremost. This can be part of a staging strategy to strengthen the region’s products and marketing. That is, our recommendations assume the aspiration to become more globally competitive over time but not a reliance, let alone immediate focus on, the *global* visitor—someone without cultural or other personal ties to Puerto Rico—as a primary customer segment. Needless to say, in seeking to serve the first two segments better, the region will “up its game” in ways that would support any strategy to attract the third segment in greater numbers.

🔥🔥 **Partnering is one way, not the only way, to structure joint work for mutual advantage. Partnering is a form of “organizing,” but for partnering to be effective, partners themselves must be organized enough to articulate interests, coordinate resources, and so on.** 🗨️🗨️

We present our recommendations under **four (4) main action headings**, not as steps in a linear sequence but parts of an integrated development strategy:

- A. Organize the stakeholders, and help them partner strategically;
- B. Develop the products, and improve way-finding;
- C. Develop the brand and market the products; and
- D. Map out strategies for capturing the gains and sharing them as broadly as possible.

## A. Organize the Stakeholders, and Help Them Partner Strategically

In Chapter 5, we showed how important partnering has been—and why—in successful tourism development efforts worldwide. Partnering is especially important for off-the-beaten path rural areas that have historically relied heavily on agriculture. One key reason is that as a rule, such areas are not dominated—or animated—by large tourism operators (e.g. hotel chains and rental car companies) or the infrastructure that supports mass tourism.

Partnering is one way, not the only way, to structure joint work for mutual advantage. That is, partnering is a form of “organizing.” But for partnering to be effective, partners themselves must be organized enough to articulate interests, coordinate resources, and so on. This generally happens through well-organized stakeholder groups.

As such, we recommend that PathStone work with others to:

1. *Support the organization of stakeholder groups into reasonably representative and purposeful entities.* For example, small guest houses, restaurants and other small and medium-sized enterprises (SMEs) could be organized—and branded—as a merchants association with strong local identification, e.g. Route 123 Community Tourism Operators. Coffee farmers are already organizing to articulate and promote shared interests, e.g. through the innovation and sustainability-focused Roundtable for Shade-Grown Coffee (Mesa Redonda del Café Bajo Sombra). Beyond constituting the basis of a broader partnership—see next point—well-organized stakeholder groups are critical for identifying and advocating key policy priorities to government (on which more below).
2. *Organize a broader, multi-stakeholder partnership to advance the region’s tourism-related efforts.* Stakeholder-based groups such as those mentioned above, together with established nonprofit entities such as PathStone, naturally constitute the area’s multi-stakeholder partnership for developing and refining tourism as a community economic development strategy

— analogous to the Northeast Kingdom Travel and Tourism Association (NEKTTA) in rural Vermont. The NEKTTA's administrative unit, under the direction of the organization's board, runs the region's online tourism portal and cooperates with over 180 area businesses as well as public agencies. For Route 123, such a partnership—even a nascent one—could help launch the strategies we outline next: brand development, marketing, and product development. In lieu of a genuinely multi-stakeholder partnership group, an inclusive SME-based group could serve as the animating platform, as in the case of Treasure Beach, Jamaica.

“Route 123 lacks internal connections—particularly in the form of way-finding and suggested tours—and not just strong nodes, i.e. adequate places to stay and things to do at various points along the route.”

## B. Develop the Products, and Improve Way-Finding

If we line up current products against the potential demand and lessons learned from abroad, a few priorities and pitfalls stand out. For example, as local universities are exploring, Route 123 lacks internal connections—particularly in the form of way-finding and suggested tours—and not just strong “dots” (adequate places to stay

and things to do at various points along the route). Also, in key areas, such as lodging, the gap is quality and visibility more than quantity (total number of properties and beds), at least for now.

“Development efforts should target upgrades to the physical facilities and managerial capacity of selected enterprises, with a focus on those most committed to serving visitors creatively and effectively.”

As such, we recommend that PathStone work with others to:

1. *Upgrade and broaden area attractions and lodging.* In the smaller towns along Route 123, the owners of local restaurants, farms, hotels and guesthouses are primarily locals with strong ties to the region. These owner-operators show tremendous dedication to the area and its future, not to mention pride in what makes the region special. Development efforts should focus on upgrades to the physical facilities and managerial capacity of selected enterprises, with a focus on the entrepreneurs most committed to serving visitors creatively and effectively. Meanwhile, the offer needs to be broadened. Diversions are limited, for the most part, to agro-tourism and historical attractions, in spite of the region's abundant natural assets,

including lakes, designated parks and reserves, and hiking trails. Casa Pueblo, for one, could be part of a concerted push to make eco and adventure tourism options available year-round. Currently, the organization lacks the staff to keep the forests under its management open and adequately supervised.

2. *Improve signage and create information nodes along Route 123.* Based on user reviews to date (for example in our online survey), the key is preserving the rustic feel and other qualities that set the region apart while making the main route, as well as stops along the way, more navigable and “legible” to the visitor.
3. *Route build: Prioritize the creation of suggested itineraries for visitors.* That is, route them along the route, developing a range of suggested itineraries to appeal to distinct visitor segments. This is product development and way-finding improvement. This work, which PathStone is currently pursuing with help from local university experts, must go hand in hand with product development, of course, and evolve with it, too. In our online survey, Diaspora travelers cited having such an itinerary as a deciding factor in terms of visiting the region (or doing so again).
4. *Beyond itineraries, explore package development with multiple tourism operators (SMEs).* Not to be confused with mass tourism air-and-hotel packages, niche tourism packages chain together, in a single purchase, distinct

elements of a visitor experience. For example, the collaboration between the Grenada Chocolate Company and the Belmont Estate (see Chapter 5) produced a one-day tour in an intimate, memorable setting; it ensures that visitors are exposed to the island's rich traditions of chocolate and spice production.

5. *Advocate for the certification of high-quality local products, beginning with coffee.* The cases of France and Costa Rica powerfully illustrate how denomination of origin, sustainable agriculture, and other certification strategies can align with tourism product development and marketing (though attributing specific visitor impacts is tricky). The Roundtable mentioned above is organized to spearhead this effort, but it is not yet linked, in any systematic way, to a tourism “business case,” let alone an integrated strategy for tourism development. According to a study by Stephen Thode and James Maskulka, specifically place-based marketing strategies for agricultural products provide three primary benefits: additional incentive to emphasize product development; improved competitiveness in the marketplace; and a basis for sustained competitive advantage.<sup>115</sup> Thode and Maskulka also warn against naming and other surface-level strategies to tie local products to whatever consumers associate with quality; for example, California winemakers failed miserably to market their products with French-sounding names. Instead, identifying and marketing distinctiveness, and enforcing meaningful quality standards, is critical.
6. *Consider flexible, low-cost options for shepherding and educating the visitor.* Traditionally, specialized workers—hired guides—have served this function, of course. But as we profiled in Chapter 5, programmed GPS guides for smartphones can serve as a substitute and/or complement to in-person guides. Such apps are relatively easy to create and update.

📌📌 **Niche tourism packages chain together, in a single purchase, distinct elements of a visitor experience.** 📌📌

## C. Develop the Brand, and Market the Products

Currently, the region and its central route lack identity. As such, the largely positive associations that survey respondents shared with us are not tied to a distinctive sense of place. Marketing, as we noted in Chapter 2, is limited—in targeting, visibility and function—as well as fragmented. Off-the-beaten path destinations are especially in need of strong branding and well-conceived and well-managed marketing.

In a 2004 study, researcher Kathrin Forstner cites several marketing challenges specific to rural tourism products:<sup>116</sup>

- **Physical distance from potential consumers:** Rural areas are often located at a considerable distance from their potential visitors and made even more inaccessible by poor highway or aviation infrastructure.
- **“Socioeconomic and cultural distance:”** Often, the culture of the rural area where tourism is based differs (in some cases dramatically) from the culture of potential visitors. This reality makes it difficult for tourism providers to accurately determine the “needs and expectations” of visitors, according to Forstner. It is one more reason for Route 123 planners and promoters to emphasize the region’s current demand base—on-island and Diaspora visitors—for now.
- **General lack of business skills/marketing knowledge:** The purveyors of rural tourism products may not be specifically trained in running a business or marketing their products.
- **Limited financial resources:** A lack of financial resources is likely to prevent individual providers of rural tourism products and experiences from engaging in large-scale advertising campaigns.

A lack of Internet connectivity, and more specifically access to broadband, can also act as a major marketing barrier. We know from our online survey that nearly two-thirds (63%) of Diaspora respondents “rely heavily” on web-based information when they travel, for example to decide where to go and what to do when they arrive.

“ Brand building can help develop the partnership we recommend by bringing stakeholders together to define the “brand essence.” ”

In Chapter 5, we outlined a *framework* for marketing strategy. Here, we focus on specific, actionable steps to improve marketing capacity and develop and execute a strategy for Route 123 and its operators. We recommend that PathStone work with others to:

1. *Develop and disseminate a brand for the region.* It should logically center on Route 123 and reference coffee culture, beautiful natural surroundings, and a rural Puerto Rican way of life.

The Route 123 brand can be articulated through various elements including images, a logo, slogans, etc. In his book *Destination Branding for Small Cities: The Essentials for Successful Place Branding*, Bill Baker is careful to stress however, that “place branding involves much more than the establishment of a clever tag line and logo. The brand tools must be based on a clear articulation of the brand essences,” which is defined by “the attributes of the destination and its people” and “the benefits sought by consumers.”

Brand building can help develop the partnership we recommend above by bringing stakeholders together to define the “brand essence.” Baker recommends

a highly inclusive approach, including everyone from community leaders and nonprofit groups to local businesses and media. Not doing so, he warns, could lead to failure if some stakeholders feel that the brand was imposed on them, that they had no ownership or influence.

2. *Build out the content and functions of a portal website, where the brand “lives” and focuses the visitor.* PathStone and partners are currently developing ruta123.com.

Treasurebeach.net, the website for the Treasure Beach, Jamaica tourism initiative provides one clear example of a well-developed brand, expressed clearly on a website. While the site is extremely simple, the opening statement on the homepage defines the community up front—“a sleepy fishing village” not interested in participating in “the rat race.” The images in the Treasurebeach.net photo gallery are simple and do not appear to be taken by professionals. They show abandoned beaches, fishing boats, and pictures of community members including school children and local men playing dominos. Visitors to the community are also invited to submit their photos for inclusion on the website.

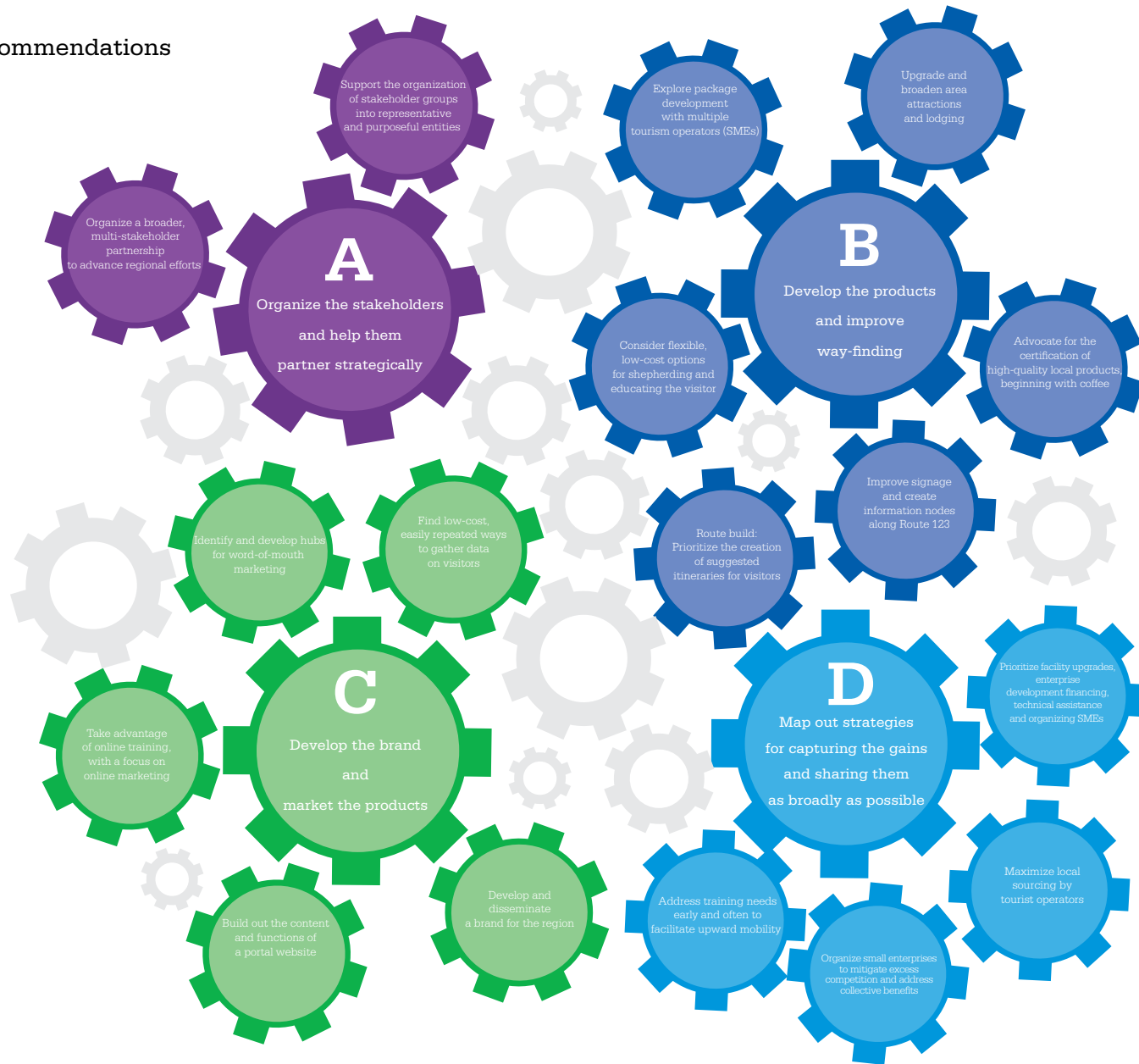
While offering a very basic design, the Treasure Beach website helps visitors to understand that Treasure Beach is a community where authenticity makes up for what may be lacking in amenities.

Travelthekingdom.com, the website for tourism in the Northeast Kingdom, Vermont, provides an example of a more sophisticated, professionally done portal website. The site uses strong images to give visitors an immediate understanding of the Northeast Kingdom as a region with strong agricultural traditions, offering opportunities to engage in a variety of outdoor activities like fishing and camping.

3. *Take advantage of online training, with a focus on skills for online marketing.* For example, websites such as [takecontrolofyourinternetmarketing.com](http://takecontrolofyourinternetmarketing.com), operated by online marketing expert Joanne Steele, offers a six-module course for a low monthly fee (\$4.95). The course covers taking control of a company’s on-line presence, managing what’s being said about the company on-line, identifying a customer base, learning what words this customer normally searches for on-line and how a company can connect with them using this knowledge, as well as establishing a presence with social media. Steele also provides a free Internet Marketing Skills Checklist via the California Association for Micro Enterprise Opportunity. And the online marketing consultancy Hubspot provides a free “inbound marketing” certificate course, in seven modules. Both are English-language courses, but these sources and/or Spanish-language tourism agencies may be able to recommend stock or customizable Spanish-language courses too.



## Summary of Recommendations



4. *Identify and develop hubs for word-of-mouth marketing within the region.* In a study of rural tourism marketing on Vancouver Island, Canada, Lynne Siemens found that a café at the intersection of several hiking trails served as an important spot for visitors to trade tips and recommendations.<sup>117</sup>
5. *Find low-cost, easily repeated ways to gather data on visitor preferences and experiences.* Well-targeted marketing rests on solid data analysis, not just energetic promotion. Yet the Puerto Rico Tourism Company does not yet gather the kinds of data that tourism planners and operators in rural parts of the island need most. For now, it would be useful to place simple feedback cards at destinations along Route 123 and encourage business owners to invite their visitors to submit feedback. Once the Route 123 portal website is active and business owners have had the chance to upgrade facilities and receive entrepreneurial training, it may be possible to include a simple review option on the portal website for the destination as a whole and for individual businesses. Whatever tool is used, it should be quick and easy for the visitor to provide feedback — including anonymous feedback — and that feedback should capture both preferences (likes, dislikes, priorities) and specific experiences (during a local visit) as regularly as possible, for as broad a set of visitors as possible.

#### **D. Map Out Strategies for Capturing the Gains and Sharing Them as Broadly as Possible**

As we noted in Chapter 2, capturing and sharing the economic benefits of niche tourism is not assured or straightforward, even with a community economic development organization such as PathStone helping to spearhead tourism development.

**It should be quick and easy for the visitor to provide feedback that captures both preferences (likes, dislikes, priorities) and specific experiences (during a local visit) as regularly as possible—for as broad a set of visitors as possible.**

In general, even if a new or relatively under-developed destination manages to improve its offering and market itself effectively, it may be challenging to “capture the gains” locally, versus see them captured by non-local interests, and also to promote equitable gains *between* local suppliers and their workers. While tourism tends to be labor intensive and present low barriers to entry for key business types, there is a flip side to the coin: Job insecurity, excess competition among local suppliers, chronically low wages, and weak to non-existent job ladders are pervasive.

As such, any community tourism strategy must carefully consider and address business types, the concentration of ownership, and the quality of employment and wages in the local tourism industry.

As of now, the area enjoys a key advantage: a development path emphasizing local ownership. The Castañer/Route 123 region has not (yet) attracted the attention of chains and other large businesses. Its tourism products, while limited, are offered by small, locally owned providers, including key nonprofit organizations, such as Casa Pueblo. This is very important from the perspective of capturing and distributing gains going forward.

But several issues deserve particularly close attention, including skills for sustainable niche tourism, job quality and upward mobility, and the dynamics of local sourcing and competition. Creating mechanisms and norms that address these now, at the outset of community tourism development, would have obvious advantages.

At the end of chapter 2, we highlighted several actionable priorities for capturing and sharing the gains, with more detailed options and considerations elaborated for each here:

1. *Prioritize facility upgrades and enterprise development — financing, technical assistance and training, in particular—and organizing SMEs.* These are not only critical to product and marketing development, as discussed above. These steps would also help local owners shore up their competitiveness ahead of changes in the area economy.
2. *Organize small enterprises to mitigate excess competition—not only to address quality, shared marketing and other services, policy advocacy, and other collective benefits.* Taken to an extreme, of course, collective action by firms can lead to price fixing and other illegal and/or inequitable forms of collusion. But constructive forms of collective action could include working agreements among firms to: define and abide by wage standards and other terms that define a “floor” of job quality throughout the tourism sector in the region; fund and use a regional website portal, physical information center, and other shared-benefit infrastructure (broadly defined); track demand, for example for stays, and so avoid over-supply and other symptoms of a dog-eat-dog “race to the bottom.” Business improvement districts (BIDs) in urban areas, the Main Streets program (which originated in small-town America and then got adapted and replicated for cities), the Treasure Beach dollar-levy on hotel stays, and other models provide a range of options, for example on the shared infrastructure and community-benefits fronts.
3. *Address training needs early and often, so as to avoid the industry’s chronic lack of job ladders and professional development, which limit upward mobility.* While many enterprise and activity types in tourism lend themselves to a pyramid structure—with many low to middle skill jobs for every one higher skill job—most, if not all, workers could receive basic training in tourism customer service, branding and marketing (including the region’s history and “story” for the visitor), and entry-level management; and
4. *Maximize local sourcing by tourist operators, to create more local spending and “induced” job creation.* The organizing efforts we have outlined in this chapter suggest a further step: Analyzing the sourcing patterns for area businesses, nonprofits, and governments for opportunities to expand the “local spend.” Sourcing food supplies (including high quality coffee) locally rather than non-locally would tap the area’s agricultural assets and align with the push toward niche tourism, including agro and agro-linked activities, of course. There may be less obvious opportunities, i.e. beyond food, as well. If pursued, such efforts should be made visible to visitors, for example as part of branding a community tourism operators association, not just branding the region.



# APPENDIX A:

ONLINE SURVEY RECRUITMENT AND QUESTIONNAIRE

## **Tourism in the Puerto Rican Diaspora**

### **Welcome**

Will you give 10 minutes to help rural Puerto Rico thrive?

Parranda is collaborating on an important new initiative to develop the economy of an economically disadvantaged region of Puerto Rico region that is also rich in history and potential Castañer. But we need you to help us inform the initiative.

The Castañer region, located in the central, mountainous part of the Island, includes the towns of San Sebastian, Lares, Utuado, Las Marias, Maricao, Adjuntas, Guayanilla, Yauco, Sabana Grande, San German, and Lajas. It has historically been a center of coffee production. Today it is struggling. Unemployment is high, and about 62% of the population lives below the poverty line.

In this context, the nonprofit PathStone Development Corporation of Puerto Rico is implementing a multifaceted development project that aims to combat regional economic decline. Local coffee producers, university experts, and others have identified tourism as a way to bolster agriculture (including coffee), highlight the natural beauty and cultural traditions of the region, and expand economic opportunity for residents. They have focused their efforts on the Route 123 corridor, which connects Ponce to Castañer via Adjuntas. Pathstone has asked a team of researchers at the Massachusetts Institute of Technology (MIT) to help analyze the potential market for “niche” tourism, such as cultural, agro, and ecotourism. And local universities are working to identify assets and map out promising routes for visitors. We are especially interested in sizing up Castañer’s potential to better serve Puerto Ricans in the diaspora, for example with experiences that focus on the distinctive cultural heritage of the island and the region. Given the lack of data on this emerging market in Puerto Rico (and most other places), your participation in this simple, online survey is crucial to helping the region pursue effective strategies.

Please respond by 12 noon on Wednesday, April 24, 2013, so we can include your views!

***NOTE: This is a survey of adults of Puerto Rican birth or descent, age 18 years or older, who are not currently living in Puerto Rico.***

## About you

First, please tell us a little about yourself:

### 1. I am...

- Female
- Male

### 2. How old are you?

- 18-25 years
- 26-35
- 36-45
- 46-55
- 56-65
- 65 or over

### 3. Please indicate your highest level of education:

- Did not graduate high school or get a GED
- High School Graduate/Equivalent (GED)
- Some College/Associate's Degree
- 4year College/Bachelor's Degree
- Graduate School or Professional Degree

### 4. What best describes your current status? (Click all that apply)

- I am currently employed or operating a business, at least parttime
- I am currently unemployed
- I am retired
- I am a student

### 5. What's the annual income of your household?

- Less than \$15,000
- \$15,000-\$25,000
- \$25,000-\$35,000
- \$35,000-\$55,000
- \$55,000-\$75,000
- \$75,000-\$100,000
- \$100,000-\$150,000
- \$150,000-\$250,000
- More than \$250,000

**6. Where were you born?**

City/Town: \_\_\_\_\_  
State/Province: \_\_\_\_\_  
Country: \_\_\_\_\_

**7. Where do you currently reside?**

City/Town: \_\_\_\_\_  
State/Province: \_\_\_\_\_  
Country: \_\_\_\_\_

**8. Please check here if you are currently living abroad but your primary residence is in Puerto Rico.**

Yes, I live abroad but my primary residence is in Puerto Rico

**9. Do you have a spouse or partner?**

Yes  
 No

**10. Do you have any children living at home?**

Yes  
 No

**11. If you answered yes to Q10, how many in each age group:**

Under 5 years old \_\_\_\_\_  
5-10 years old \_\_\_\_\_  
10-15 years old \_\_\_\_\_  
16-18 years old \_\_\_\_\_  
**Older than 18** \_\_\_\_\_

## Your Travel

Now we'd like to ask a few questions about how much you travel, where you go, and what you like to do.

12. About how many outoftownrecreational trips do you make domestically each year, excluding Puerto Rico?

- One or none
- 2-4
- 5-10
- More than 10

13. About how many of those trips (from Q12) are to visit family members?

- Not applicable (I don't take any outoftown domestic recreational trips)
- None of those trips are to visit family
- Less than a half
- More than a half

14. About how many business trips do you make domestically, excluding Puerto Rico, each year?

- One or none
- 2-4
- 5-10
- More than 10

15. About how many recreational trips do you make internationally each year?

- One or none
- 2-4
- More than 5

16. About how many business trips do you make internationally each year?

- One or none
- 2-4
- More than 5

17. How often do you travel with your spouse or partner, if applicable, on a nonbusiness trip?

- Not applicable
- Never
- Less than half the time I take such trips
- More than half the time
- Always or almost always



18. If you have children living at home, how often do you travel with them on a nonbusiness trip?

- Not applicable
- Never
- Less than half the time I take such trips
- More than half the time
- Always or almost always

19. About how often do you visit Puerto Rico?

- Never
- Rarely, not in at least 5 years
- Once every few years
- About once per year
- 2-3 times per year
- More than 3 times per year

20. What are the most important reasons you visit Puerto Rico? (Click all that apply)

- Travel to Puerto Rico
- Doing business
- Getting together with family and friends
- Just vacation
- Other (please specify) \_\_\_\_\_

21. About how long do you stay in Puerto Rico on a typical trip?

- 1 or 2 days
- 3-7 days
- 8-14 days
- More than two weeks

22. About how often do you travel with your spouse or partner, if applicable, to Puerto Rico?

- Not applicable
- Never
- Less than half the time
- More than half the time
- Always or almost always

23. About how often do you travel with your children, if applicable to Puerto Rico?

- Not applicable
- Never

- Less than half the time
- More than half the time
- Always or almost always

**24. What parts of the island do you typically visit? (Click all that apply)**

- San Juan Metropolitan Area (San Juan, Carolina, Guaynabo, Bayamón, Cataño, Trujillo Alto, Toa Baja)
- The “Coastal East” (e.g., Loíza, Canóvanas, Río Grande, Luquillo, Fajardo, Ceiba, Culebra, Vieques, Naguabo, Humacao, Yabucoa, Maunabo, Las Piedras, Juncos, Gurabo, Caguas, San Lorenzo)
- The “Mountain East” (e.g., Aguas Buenas, Cidra, Cayey, Comerío, Aibonito, Naranjito, Corozal, Barranquitas, Morovis, Orocovis, Ciales, Florida)
- The “Mountain West” (e.g., Jayuya, Utuado, Adjuntas, Lares, Las Marías, Maricao, San Sebastian, Sabana Grande, San German, Yauco)
- The Northern/Atlantic Coast (e.g., Dorado, Toa Alta, Vega Alta, Vega Baja, Manatí, Barceloneta, Arecibo, Hatillo, Camuy)
- The Ponce area
- Southern/Caribbean Coast (Patillas, Arroyo, Guayama, Salinas, Santa Isabel, Coamo, Villalba, Juana Díaz, Peñuelas, Guayanilla)
- The Mayagüez area
- The “Coastal West” (Guánica, Lajas, Cabo Rojo, Hormigueros, Añasco, Rincón, Aguada, Aguadilla, Moca, Isabelo, Quebradillas)

**25. Lodging: Where do you typically stay when visiting Puerto Rico for nonbusiness reasons? (Click all that apply)**

- With family or friends
- In a hotel
- In a guesthouse
- In a rented vacation home
- In your own second home on the island

**26. What kind of recreational activities do you typically take part in when visiting Puerto Rico? (Click all that apply)**

- Socializing at the homes of family and friends.
- Socializing at restaurants and drinking establishments with family and friends.
- Festivals, fiestas patronales, etc.
- Trips to the beach
- Visits to art, theater and music venues
- Visits to historic and cultural sites and institutions (e.g. El Morro, Museo de Arte de Puerto Rico, El Faro de Fajardo, etc.)
- Adventure tourism: Rock climbing, kayaking, hiking and other adventure activities
- Ecotourism: Visits to national and local forests, reserves, and historic agricultural properties.
- Other (please specify) \_\_\_\_\_

## Travel Preferences

You're almost done! We'd just like to get a better sense of the types of travel you prefer and why. There are no 'wrong' answers—just be candid about likes, dislikes, hopes, constraints, and so on. Some of the items are specific to Puerto Rico, and others are more general:

27. Please tell us how much you **AGREE** or **DISAGREE** with the following statements...

|   | Strongly Agree           | Agree Disagree           | Strongly Disagree        | No Opinion               |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| In general, I'd rather just hang out and relax, for example on the beach, than visit places and do things that involve learning more about Puerto Rico and its history and traditions.                                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I'm often pressed for time when visiting Puerto Rico, for example because of family or business obligations, so I don't take much time to explore—for example, to travel to parts of the island I'm less familiar with. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I really like adventure sports—boating, diving, white water rafting, surfing, rock climbing, and/or other sports—and tend to prioritize doing those things in my free travel time.                                      | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I love the outdoors. I'd like to spend more time visiting national forests and reserves, for example.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I'd really like to experience more of Puerto Rico's cultural heritage and traditional ways of life firsthand, for example in rural communities.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I'd really like my immediate family, for example my kids or spouse/partner, to experience more of the island's cultural heritage.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| High-quality restaurant options are very important to me when I travel.   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Tourism in the Puerto Rican Diaspora I'm flexible about eating and lodging, content to discover out-of-the-way places even if they're not "known quantities."   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| It would be nice to eat locally grown food and coffee in Puerto Rico, for example in a traditional farming area, but experiencing that isn't something I would seek out if it required more travel time.                | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Convenient food and recreation options for my travel companions, for example my kids or spouse/partner, are a primary concern when I travel.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| I rely significantly on web-based information, for example to decide where to travel and/or what to see and do when I get there.  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

## **Castañer**

28. Have you ever visited the Castañer region, which includes the municipalities of San Sebastian, Lares, Utuado, Las Marias, Maricao, Adjuntas, Guayanilla, Yauco, Sabana Grande, San German, and Lajas?

- No
- Yes, just once
- More than once

29. If yes, what was the reason(s) for your visit? (Click all that apply)

- To visit with friends and family
- Business
- Day trip to the countryside
- Overnight trip to the countryside
- To purchase coffee
- Other (please specify) \_\_\_\_\_

*If you are at least somewhat familiar with the Castañer region, what are your impressions? We'd like to hear positives (e.g., scenery, way of life, sense of history and other assets, if applicable) as well as any negatives (e.g., difficult to access, few good restaurants or other amenities)—whatever you really think.*

30. Positives:

31. Negatives:

32. What would make you more likely to visit Castañer?

Please rank (in order from 1-6) your travel priorities.

- Convenience—that accommodations and attractions are within an easy driving distance of San Juan or another airport.
- The availability of affordable lodging options in Castañer.
- The availability of luxury lodging in Castañer.
- The availability of high-quality dining options.
- The diversity of activities available apart from agricultural or historical sites, such as adventure sports or festivals or other special events.
- Having a clear tour route, for example a mapped-out set of locations and activities to follow and enjoy, when visiting Castañer coffee haciendas, nature preserves, or other sites.



# APPENDIX B:

## SUGGESTED READING

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