



18th EUROPEAN WEEK of
REGIONS and CITIES

COVID-19, tourist behavior and policy options

EWRC 2020 – Resilience of EU innovation ecosystems | 14 October 2020

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Structure

CONTEXT

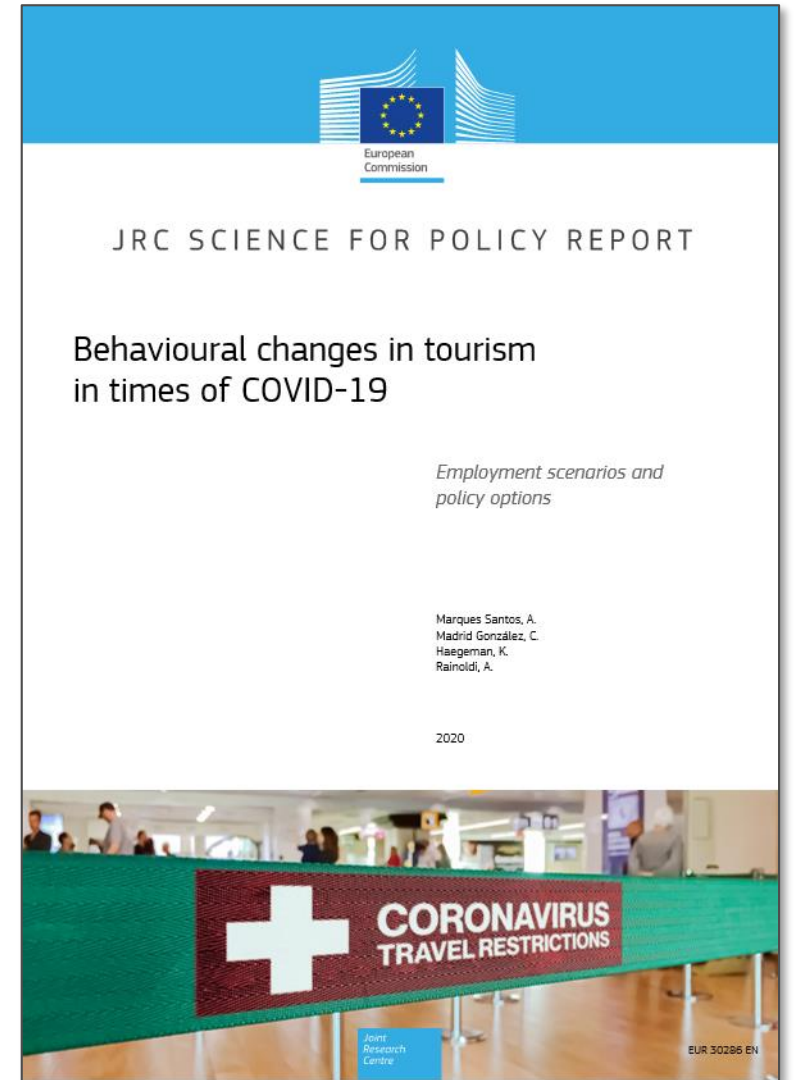
JRC Science for Policy Report

- Tourism eco-system
- Tourism, regional employment and COVID-19
- How COVID-19 is affecting tourism sector?
- COVID-19 and changes in consumer behaviour
- Possible long-term effect on tourism demand

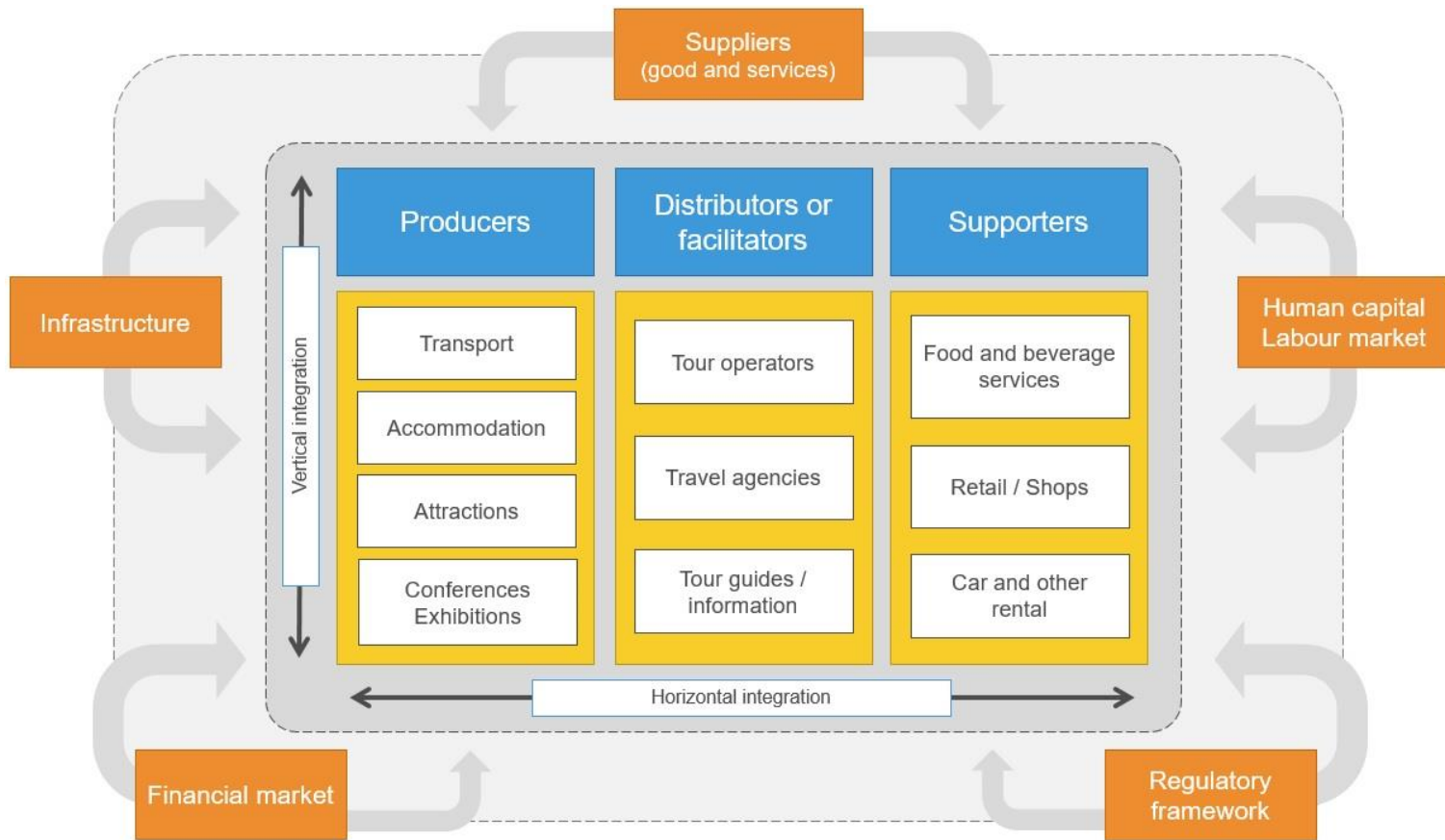
REFLECTIONS

Recovery and Smart Specialization

- How can we react?
- How to make tourism sector more sustainable?
- How digital innovation can support sustainability?
- Smart Specialization for recovery and transitions
- Moving from S3 to S4



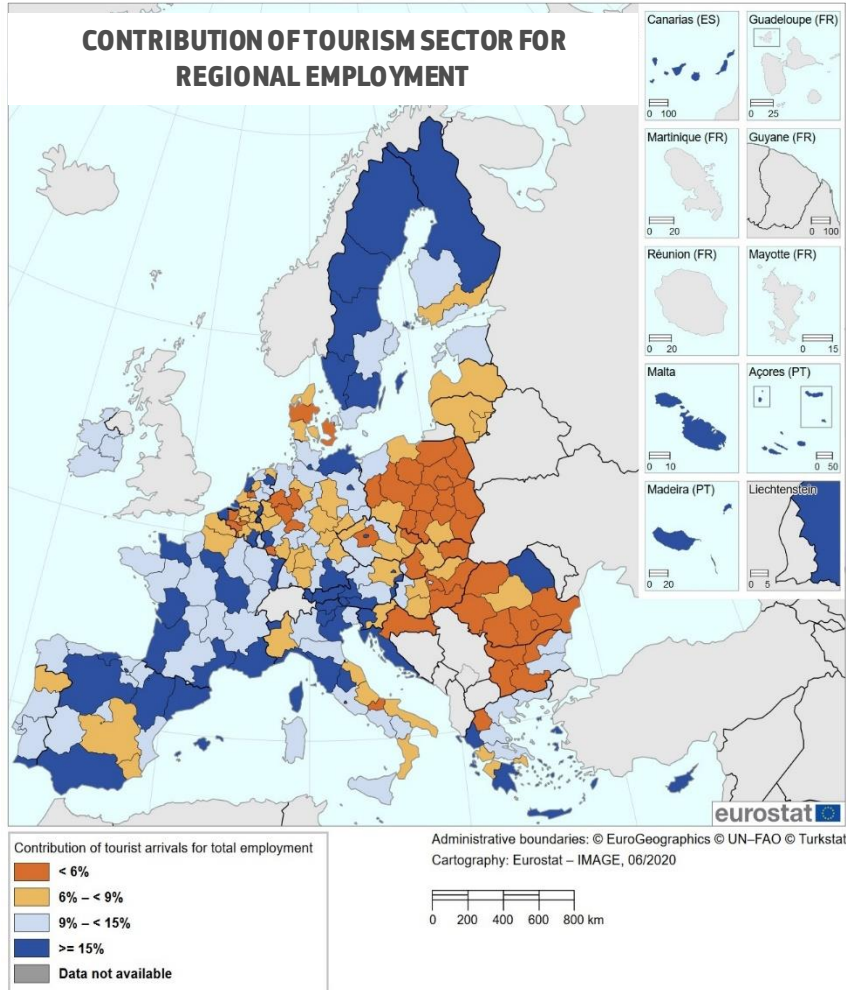
Tourism eco-system



- **Complex eco-system**
- **Involving several economic activities**
- **Employment contribution:**
Effect of tourist arrivals at accommodations establishments generated along the value chain
 - 19 millions of jobs in EU
 - 10% of total employment

Tourism, regional employment and COVID-19

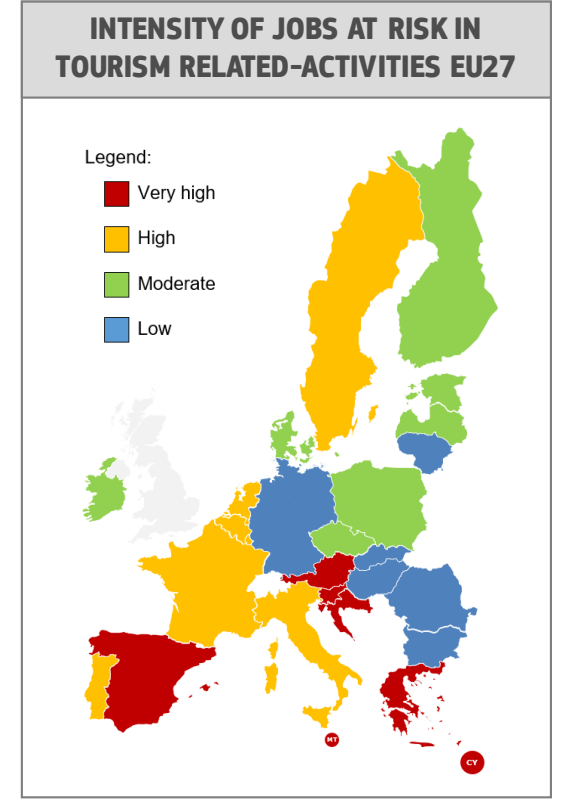
Note: Figure refers to the net overall effect of tourist arrivals at accommodation establishments along the value chain (direct, indirect, induced and catalytic effects in related activities)



- Strong heterogeneous contribution of the tourism sector in business dynamic



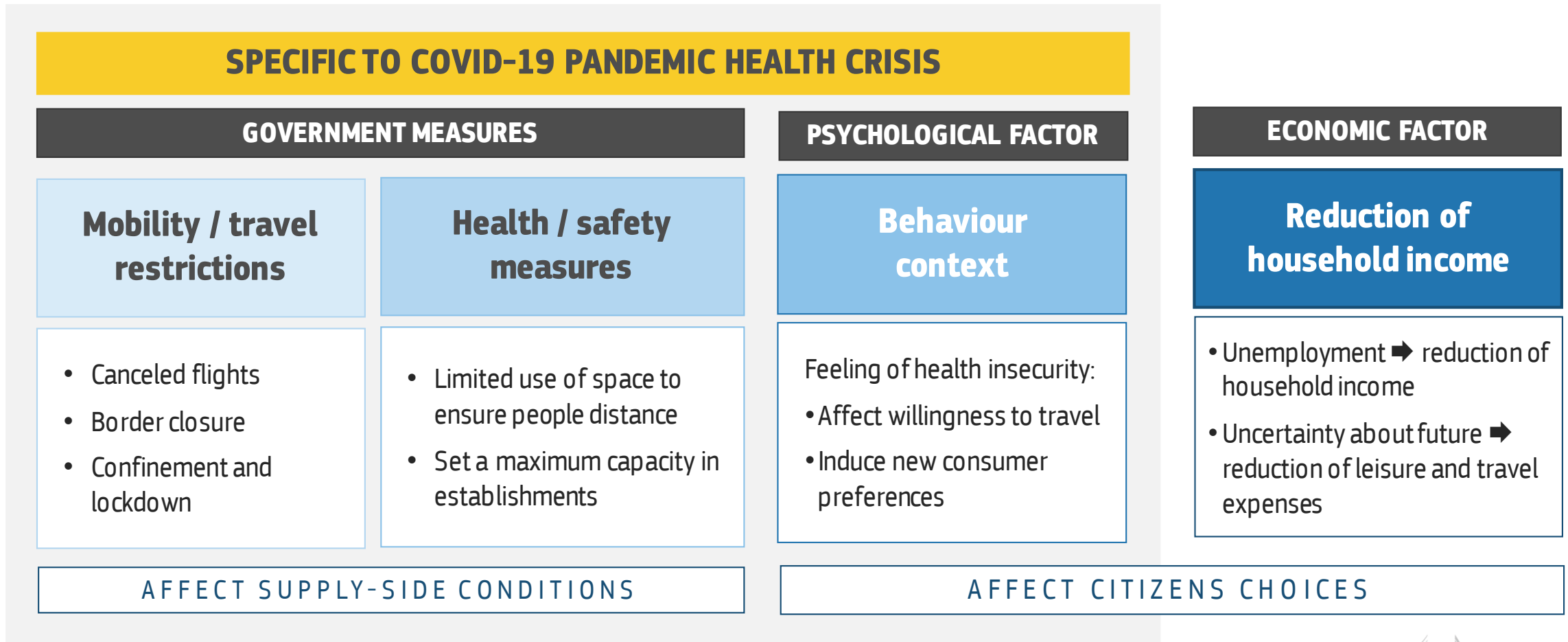
- **Strong heterogeneous effect of COVID-19**



Source: Marques Santos, A, Madrid, C., Haegeman, K. and Rainoldi, A., Behavioural changes in tourism in times of Covid-19, Publications Office of the European Union, Luxembourg, 2020, ISBN 978-92-76-20401-5, doi:10.2760/00411, JRC121262.

Note: The index refers to average national dimensions and within each country there are also regional differences. Factors affecting the intensity of jobs at risk: Contribution of the tourism sector to national employment; Dependence on international tourists; Share of temporary employees

How COVID-19 is affecting tourism sector?



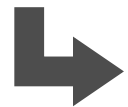
COVID-19 and changes in consumer behaviour

- Effect on the willingness to travel and destination preferences (Summer 2020 and next months...)
- Destination attributes/preferences:
 - **National destinations**
 - **Low tourist overcrowding**
 - **Nature and outdoors activities**
- Households budget: likely to be lower for holidays purpose, however, price is not the main criterion in selecting a holiday destination
- Expectations regarding international travel in the post-COVID-19 crisis are also likely to be lower, in comparison with the pre-crisis

Possible long-term effect on tourism demand (1/2)

Acceleration of **digitalization** in business model

- › Intensification of remote digital working tools [1; 2]
- › Rethinking the need for travel or physical meetings [1]
- › Cut marketing/promotional expenses [2]



Potential **negative** effect on
traditional business tourism



Possible long-term effect on tourism demand (2/2)

Acceleration of **green transitions** and sustainable tourism concept

- › Consumers **more aware** about the effect of climate change on human health [1]
 - Climate change and emerging infectious diseases are strongly associated[2]
 - COVID-19 is the third recognized disease transmitted from animals to humans in only two decades (MERS - 2012; SARS – 2003)[3]
- › **More aware** about the impact of tourism on the environment ➡ more eco-friendly choices in their everyday life [4]
- › **More determined** to make sustainable choices when looking to travel in the future [4]
- › Considering **alternative modes of transport** for longer distances ➡ reduce carbon footprint [4]
- › Travelers will want to continue to choice **less-visited destinations** [4]
- › **More Smart Destination** (increase the quality of tourist experience and the quality of life of the resident population)

Source: [1] Global Data (2020). *Coronavirus (COVID-19) Executive Briefing*, 28 May. Global Data (2020)

[2] Epstein, P.R. (2001). "Climate change and emerging infectious diseases", *Microbes and Infection*, 3(9):747-754

[3] Gorbalenya, A.E. et al. (2020). The species Severe acute respiratory syndrome related coronavirus: classifying 2019-nCoV and naming it SARS-CoV-2. *Nature Microbiology*, 5, 536–544

[4] Booking.com (2020). *Sustainable Travel Report*. Available at: <https://news.booking.com/bookingcom-reveals-key-findings-from-its-2020-sustainable-travel-report/> [Accessed on 19 September 2020]

How can we react?

- **Need to make EU more resilient:**
 - Preparing regions for future exogenous shocks
- **Role of innovation in recovery / resilience**
 - Investing in innovation during a crisis can foster the recovery process [1] and help firms to survive [2]
 - Importance to identify innovation priorities for the regions/companies
- **Alignment of recovery and megatrends**
 - The need to become climate neutral
 - To ensure a green and inclusive transition (supported by the European Green Deal)

Source: [1] Amore, M.D. (2015). "Companies learning to innovate in recessions", *Research Policy*, 44:1574-1583

[2] Cefis, E. and Marsili, O. (2005). "A matter of life and death: innovation and firm survival", *Industrial and Corporate Change*, 14(6): 1167-1192.

How to make tourism sector more sustainable? (1/2)



Sustainable tourism **CONCEPT**:

- Make **optimal use** of environmental **resources**
- **Respect** the socio-cultural authenticity of **host communities**
- Ensure **viable and long-term economic operations** (stable employment, poverty alleviation, fair distribution of economic benefits among host communities)

Sustainable tourism development **REQUIRES**:

- Participation of all relevant **stakeholders**
- Strong **political leadership**
- Continuous process (constant **monitoring** of impacts)
- **Tourists** involvement (raising awareness about sustainability issues)

How to make tourism sector more sustainable? (2/2)



- **Green transition** implies changes in **demand** and in the whole eco-system - **supply side** conditions (products, services, infrastructures), players upstream and downstream in the value chain, policy/legal framework, financing system, education/training, etc.)
- **Research, innovation and digitalization** are important drivers in the transitions ➔ development of more sustainable products and solutions (e.g. smart grids in the energy sector and smart mobility in the transport sector)

European Green Deal can help and support the transitions

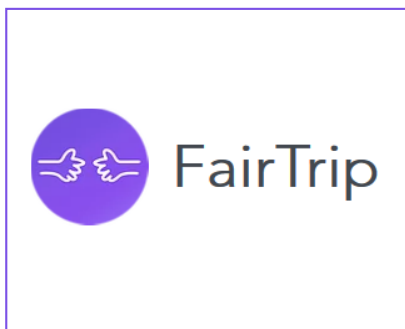
How digital innovation can support sustainability?

Some examples (effect on tourists choices)



- **Eco-responsible Mobility Planner** (<https://www.thetreeep.com/>)

Online reservation service that allows to compare and book round trips with different combinations of transport modes to get to the same destination. It displays the duration, cost and the carbon footprint of each option in order to choose the trip that has the least impact on the planet.



- **Fair travel guide** (<https://www.fairtrip.org/>)

Mobile app dedicated to fair and sustainable tourism. Free collaborative guide that helps travelers to find and share local and authentic places while having a positive social and economic impact on the visited place. More than 3.000 places worldwide.

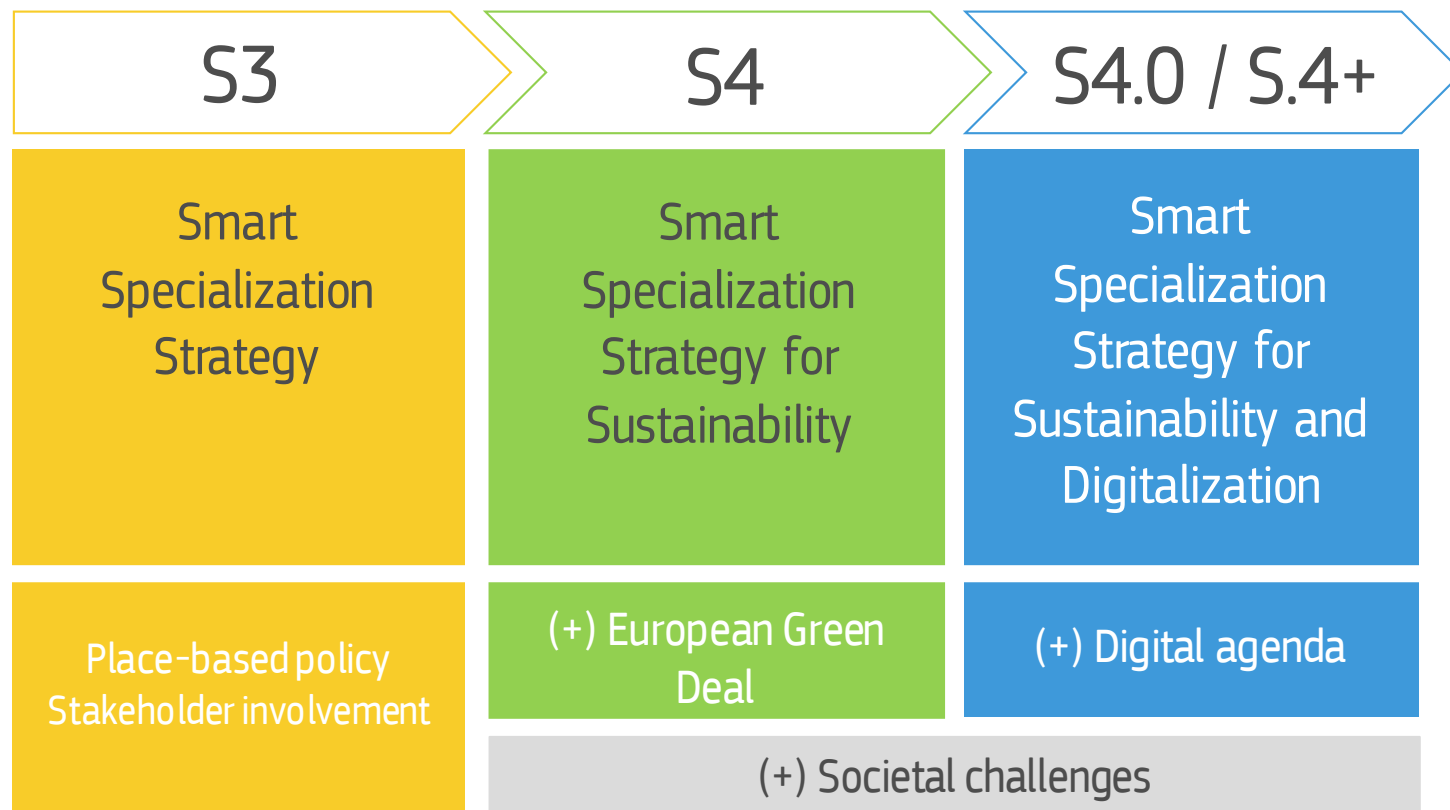
Smart Specialization for recovery and transitions



Stakeholders involvement (Entrepreneurial Discovery Process - EDP)

- › Exploring **new opportunities**
- › Identifying **new challenges** and **market failures**
- › Refining or extending innovation priorities
- › Sharing experiences and best practices
- › Drawing on the territorial and cultural diversity

Moving from S3 to S4



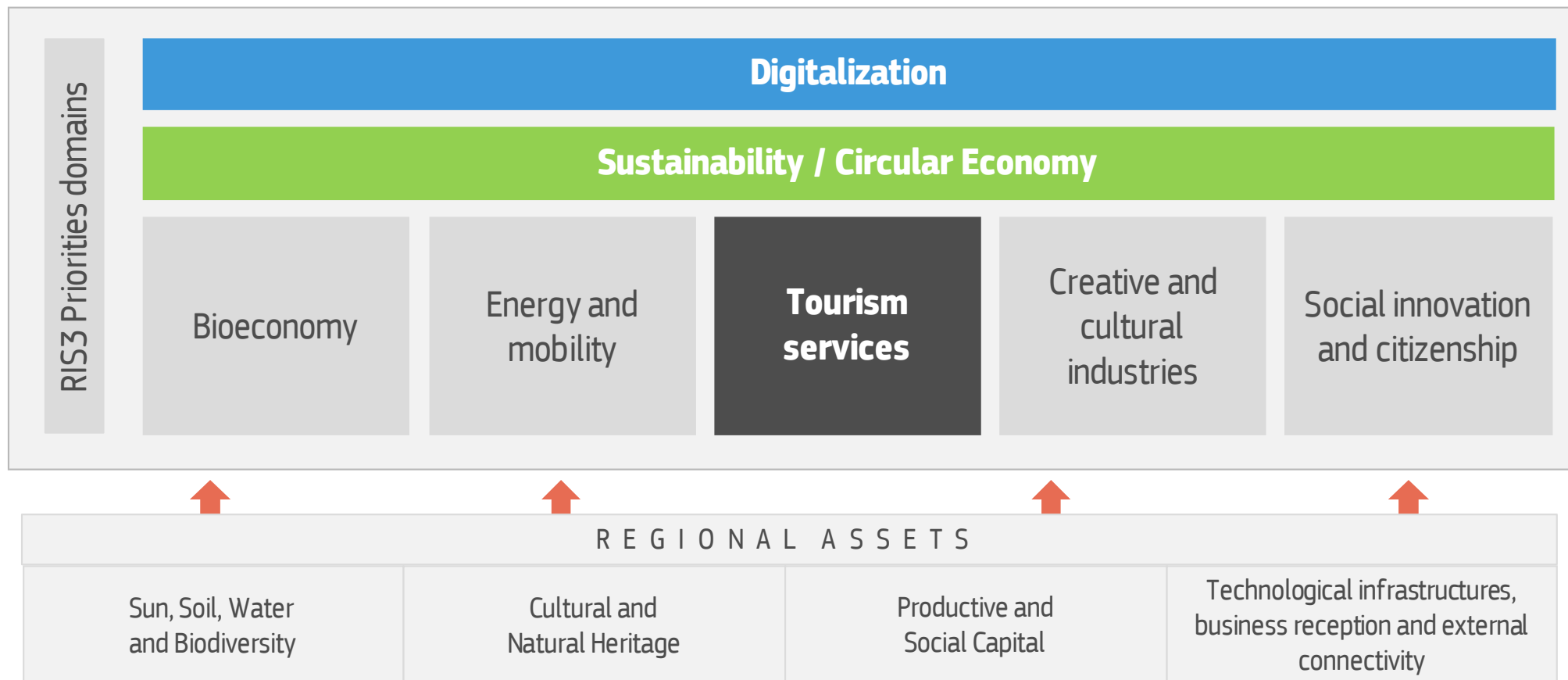
- Showing a new directionality for S3 [1; 2; 3]
- Including **green**, **digital** and **inclusiveness** dimensions in S3 concept

Source: [1] Larosse, J.; Corpakis, D. and Tuffs, R. (2020). "The Green Deal and Smart Specialisation", 20 February 2020.

[2] Mccann, P. and Soete, L, Place-based innovation for sustainability, Publications Office of the European Union, Luxembourg, 2020, ISBN 978-92-76-20392-6, doi:10.2760/250023, JRC121271

[3] Neto, P.; Serrano, M. M.; Santos, A. (2018). "Renewed challenges for public policies in post-2020 Cohesion Policy: From RIS3 to RIS4 and a new social dimension for smart specialisation", *Public Policy Portuguese Journal*, 3(1): 8-26

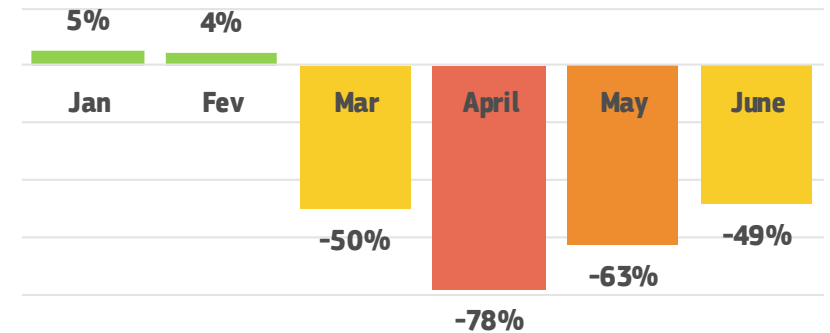
Moving from S3 to S4: Example of Alentejo (PT)



Some last reflections...

- **COVID-19 outbreak is strongly affecting the tourism sector**
- **Affecting consumer patterns and preferences**
 - Accelerating digital and green transitions
 - Opportunity for rural / nature-based destinations + re-thinking the current tourism model
- **Role of Smart Specialization Strategy (S3 ➔ S4)**
 - Strong heterogeneous impact ➔ Solution is likely to be local
 - Reshape of S3 to help to reduce regional tourism vulnerability
 - S4 is a tool to support governance

Arrivals at tourist accommodation establishments, EU27
change compared to same period in previous year



Source: Eurostat (10/10/2020)

Thank you

Please ask questions in the chat



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