

Economics of Innovation - Spring 2017
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How to develop tourism in Liège?
An Experiment of Collective Creativity Training
in a Large Group of Business Students

Tourism in Liège

- Is Liège a touristic place?

Tourism in Liège

- Why do you like about Liège?

Tourism in Liège

- What makes a place touristic?

World's most visited countries

Countries	International tourist arrivals in 2015 (million)	Countries	International tourism receipts in 2015 (US\$ billion)
France	84.5	United States	204.5
United States	77.5	China	114.1
Spain	68.2	Spain	56.5
China	56.9	France	45.9
Italy	50.7	United Kingdom	45.5
Turkey	39.4	Thailand	44.6
Germany	35.0	Italy	39.4
United Kingdom	34.4	Germany	36.9
Mexico	32.1	Hong Kong	36.2
Russia	31.3	Macau	31.3

Source: United Nations World Tourism Organization (UNWTO)

World's most visited cities

Cities	International tourist arrivals in 2014 (million)
Hong Kong	27.7
London	17.4
Singapore	17.1
Bangkok	16.2
Paris	15.0
Macau	14.9
Dubai	13.2
Shenzhen	13.1
New York	12.2
Istanbul	11.9

Source: Euromonitor International

Tourism: definitions

- The United Nations World Tourism Organization (1995) defines tourism as:

"Tourism comprises the activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, and other purposes."

- A tourist must "stay" at least one night.
- A tourist is different from a traveler. Any tourist is a traveler but not any traveler is a tourist.
- A tourist travels for pleasure, health, business, ...
- A person who wants to set up a business somewhere, a migrant, a student, or any traveler passing through a country without stopping are not tourists.

Problem with definition of tourism

- Day visitor:

A day visitor (does not stay overnight) is not considered as a tourist even though day visitors make up a large fraction of consumers of touristic services.

Some institutions include day visitors in their touristics statistics. So be careful with comparisons. You must check whether day visitors are included or not in the statistics.

2 types of tourists

- Domestic tourists: tourism from the population of the country of residence.
- International tourists (inbound and outbound): tourism from foreign residents.

Again, be careful: statistics can be misleading if day visitors are not accounting for. Day visitors are most likely to be day visitors than foreign residents.

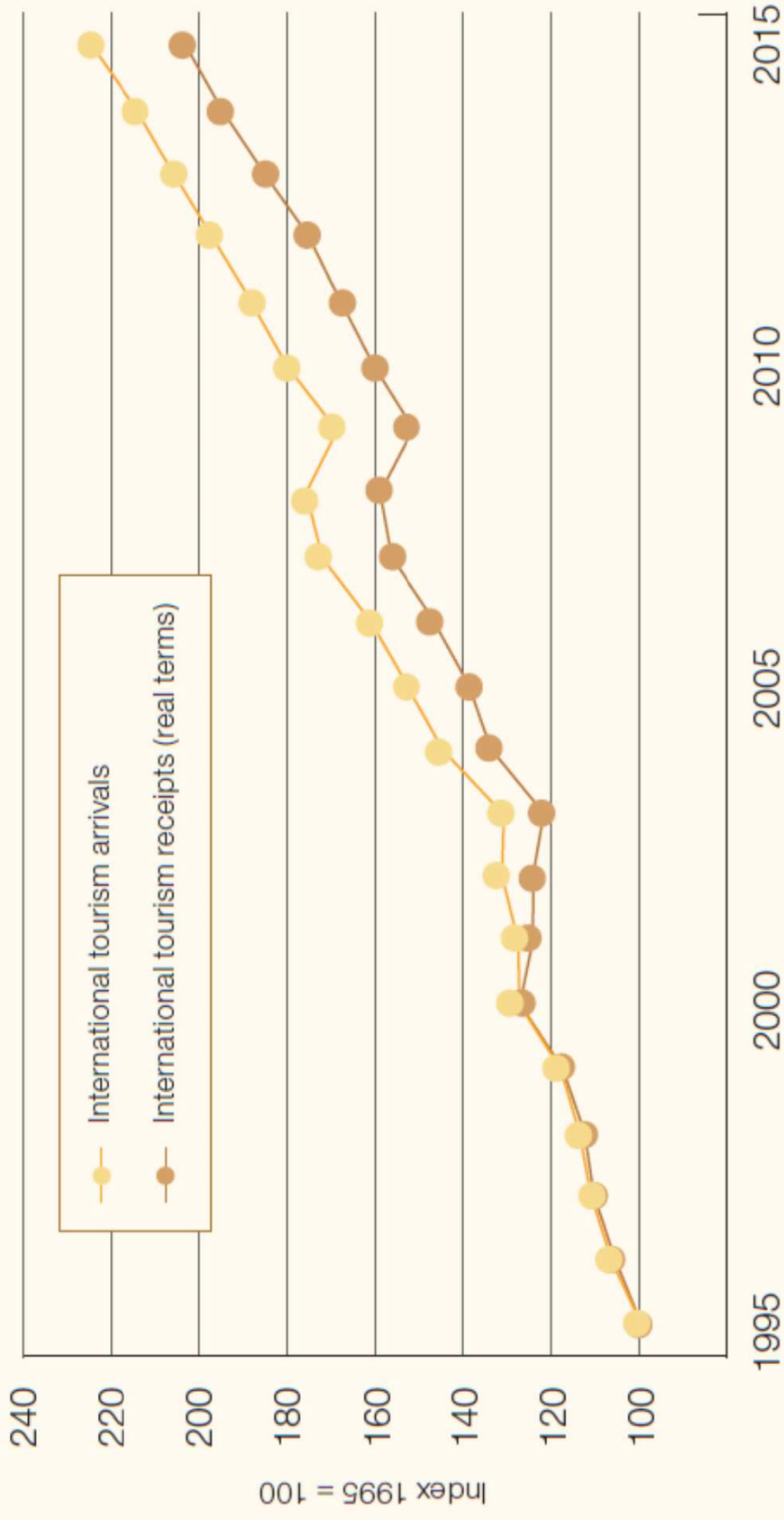
Tourism in the world

International tourism in 2015



Source: World Tourism Organization (UNWTO) ©

World inbound tourism



Source: World Tourism Organization (UNWTO) ©

International tourism: arrivals in 2015

- The number of international tourist arrivals in 2015 increased by 4.6%, the sixth consecutive year of above-average growth since the financial crisis.
- Broken down by region: growth was +6% in Americas and Asia, +5% in Europe, +2% in Middle East and -3% in Africa.

Source: UNWTO (2016)

Arrivals: ranking in 2015

- Inbound tourism: France, the US, Spain and China.
- Outbound tourism: China, the US, the UK and Germany.

Long-term prospects

- Long-term predictions between 2016 and 2030 by UNWTO
- Arrivals in emerging destinations are expected to increase by 4.4% annually.
- Arrivals in advanced economies are expected to increase by 2.2% annually.

Sustained growth of air transport

The share of travelers arriving to a destination for at least one night by air transport keeps increasing:

- 54% by air in 2015
- 46% by surface transport in 2015
 - Road (39%)
 - Rail (2%)
 - Water (5%)

Purposes of tourism in 2015

- 53% for leisure
- 14% for business
- 33% for other reasons: family, health, religion, and others

International tourism: receipts in 2015

- Tourism accounts for 10% of world GDP.
- 1 person out of 11 works for the tourism industry in the world.
- Tourism accounts for 7% of world's exports (30% of world service exports).

Source: World Travel and Tourism Council (WTTTC)

International tourism: receipts in 2015

- Touristic expenditures (taking into account inflation and exchange rate fluctuations) in the world increased by 4.4% between 2014 and 2015.
- Conclusion: receipts (in real terms) and arrivals increase at roughly the same rate.

Source: UNWTO (2016)

Tourism in Europe

Tourist accomodation establishments in 2014

	Number of bed places (thousands)	Per 100 inhabitants	Nights spent by residents and non-residents (millions)	Per inhabitant
Austria	993	11.7	110	12.9
Belgium	366	3.3	32	2.9
France	5110	7.7	402	6.1
Germany	3318	4.1	366	4.5
Italy	4849	8.0	378	6.2
Netherlands	1373	8.1	100	5.9
Spain	3843	8.2	404	8.7
Sweden	805	8.3	52	5.4

Source: Eurostat

Travel receipts and expenditure in the balance of payments in 2014

	Receipts in % of GDP	Expenditure in % of GDP	Balance in % of GDP
Austria	4.8	2.5	2.3
Belgium	2.6	4.5	-1.9
France	2.0	1.7	0.3
Germany	1.1	2.4	-1.3
Italy	2.1	1.3	1.8
Netherlands	1.7	2.4	-0.7
Spain	4.7	1.3	3.4
Sweden	2.2	3.2	-1.0

Source: Eurostat

Tourism in European regions (2014)

- Inbound tourists

The capital city regions of Belgium, France, Germany and the Netherlands attracted more non-resident tourists than any other region.

- Domestic tourists

Among domestic tourists, the most popular region was a coastal region except in the Netherlands.

Source: Eurostat

Tourism in Liège

Touristic expenditure in Wallonia

Dépenses x volumes en Wallonie (en €)	Flandre (2007)	Flandre (2012)	Bruxelles (2007)	Bruxelles (2012)	Etranger (2007)	Etranger (2012)
Fournisseurs de denrées alimentaires et de boissons	47.773.437	51.935.307	5.834.970	6.748.039	14.982.095	15.362.407
Transport de personnes	27.299.107	29.677.319	3.334.269	3.856.022	8.561.197	8.778.518
Services culturels	7.962.239	8.655.885	972.495	1.124.673	2.497.016	2.560.401
Entreprises culturelles et récréatives	7.962.239	8.655.885	972.495	1.124.673	2.497.016	2.560.401
Produits connectés et non spécifiques	7.689.248	8.359.111	939.152	1.086.113	2.411.404	2.472.616
TOTAL	98.686.271	107.283.507	12.053.381	13.939.521	30.948.727	31.734.344

Tableau 3 : Dépenses totales pour le tourisme d'un jour en Wallonie au prix de 2012

70%	70%	8%	9%	22%	21%
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Population in cities of Belgium

	Population
Antwerp	500 000
Bruges	117 000
Brussels	1 139 000
Charleroi	205 000
Ghent	250 000
Liège	197 000

Accommodation for tourists in cities of Belgium

	2008		2013	
	establishments	Employment	establishments	Employment
Antwerp	92	1453	87	1467
Bruges	190	1597	168	1867
Brussels	207	5404	224	5402
Charleroi	24	243	16	206
Ghent	63	824	62	849
Liège	47	435	48	541

Source: SPF Economie

Food and beverages in cities of Belgium

	2008		2013	
	establishments	Employment	establishments	Employment
Antwerp	1986	11470	1928	11338
Bruges	880	4031	837	4143
Brussels	2638	19728	2602	20623
Charleroi	521	1777	549	2052
Ghent	953	4516	883	4409
Liège	1158	4715	1163	4678

Source: SPF Economie

Tourism: key issues

- What are the determinants of tourism?
 - > Natural resources: beaches, forests, countryside, landscapes, ...
 - > Historical resources: cities and villages, architecture, museums, historical sites, ...
 - > Leisure resources: Restaurants, bars, clubs, theaters, concerts, festivals, theme parks, ...
 - > Demographic resources: young travelers, families, retired people, ...
 - > Economic aspects: budget and luxury travel, business travel, ...
 - > Geographical location and easy access to destination
 - > Infrastructure: transport connections, accommodation, business infrastructure for business travelers, ...

Tourism: innovations

- How to attract tourists? (supply, marketing, communication, ...)
- How to improve the touristic supply?
- How to improve the quality of the touristic supply?
- How to increase touristic spending?

Project: how to develop tourism in Liège?

- Groups of 6 students made up randomly by the professor.
- Each group will have a forum account on Lol@.
- Project's objective: to propose an idea to develop tourism in Liège.

Project: how to develop tourism in Liège?

First stage (at home)

- Each group has a forum account.
- The professor is a member of all forum accounts but will not participate in the discussions.
- Each group has to create one or several ideas to develop tourism in Liège.
- To come up with one or several ideas, all communications must take place on the forum account for each group.

Project: how to develop tourism in Liège?

First stage

- Statistics will be made on each group: quantities of communications, durations of communications, participation of each member, ...
- From the statistics, an analysis of the creativity process of each group will be made.

Project: how to develop tourism in Liège?

Second stage (in class)

- Each group has to come to class to discuss (by group) the idea(s) created by communicating on the forum.
- If groups have more than one idea, they must select one during this class session.
- Once each group has made a decision on the idea to work on, two group works have to be made (in class + at home):
 1. A note (by each student) describing the creativity process of the group's idea mentioning the individual (each member) and collective (interactions across members) processes. *[The note must be turned in to the professor]*
 2. A one-page (max) note describing the group's idea: explain why your idea has the potential to develop tourism in Liège. *[The note must be sent to everyone]*

Project: how to develop tourism in Liège?

Third stage (in class + votes at home)

- Each group has to present in class its idea and makes its best to convince classmates that the idea deserves their vote.
- Q&A session in class for each idea.
- At home, each *student* has to vote for her (his) three favorite ideas.

Project: how to develop tourism in Liège?

Fourth stage (in class + at home)

- Each group will have to make positive and constructive comments, explaining comments + suggestions on the other 9 ideas proposed by the other groups.
- Each student has to choose one idea to work on. The new groups will be formed by the choice of each student.

Project: how to develop tourism in Liège?

Fourth stage (in class + at home)

- Each new group has to write a 5-page (max) note describing the project to develop tourism in Liège. [The note must be sent to everyone].

Project: how to develop tourism in Liège?

Final stage (at home)

- Presentation of projects by each group.
- Vote by all HEC students
- Invitation of Liège authorities

Project: Schedule

- First stage (at home): from 24 February to 3 March
- Second stage (in class): 3 March
- Third stage (in class): 10 March
- Fourth stage (in class): 24 and 31 March
- Final stage (in the hall of HEC):