

CASE STUDY CATALONIA:

HOW THE FOOD ECONOMY
DRIVES SUSTAINABLE
TOURISM DEVELOPMENT



Skift.



Generalitat de Catalunya
Government of Catalonia
Catalan Tourist Board

If you have any questions about the
report please contact skiftx@skift.com.

ABOUT THE CATALAN TOURIST BOARD

The Catalan Tourist Board (CTB) was set up by the Government of Catalonia and is responsible for implementing the government's tourism promotion policies. CTB is the official body that works closely with the Catalan public and private sector to promote and consolidate the "Catalunya" brand around the world. Catalonia is a Mediterranean destination with a millenary history, its own culture and language and a wealthy historical and natural heritage. Catalonia offers many attractions for all sorts of visitors: culture, relax, nature, families, sports, business, etc. Its great capacities and excellent facilities place it among Europe's prime tourist areas, with over 31 million tourists a year, more than half from abroad. At roughly 12% of GDP, tourism is one of Catalonia's main sources of wealth and hence one of its strategic priorities.

Obtaining measurable results is one of the priority directives of the CTB, which focuses its efforts on tourism resources and companies in the industry. To this end, the CTB supports commercialization of products.



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ABOUT SKIFT

Skift is the largest industry intelligence platform, providing Media, Insights & Marketing to key sectors of travel.

SkiftX is Skift’s in-house content marketing studio, working collaboratively with partners on integrated projects including webinars, video, research, and live events.

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EXECUTIVE SUMMARY

Sustainability Into Action: This report looks at Catalonia, Spain as a prime example of how destinations can foster best practices in sustainable tourism, by encouraging and promoting local food systems. Here we look at the challenges of overtourism and how local stakeholders can work toward a longer-term vision, where well-managed tourism equates to sustainable economic growth for Catalonia. Beyond Barcelona, the autonomous community of Catalonia is home to a wealth of local farmers, producers and culinary establishments. Each of the four provinces and 42 counties within Catalonia adds something unique to the region's culinary footprint. Highlighting the interconnected nature of this exciting ecosystem, and how the different actors within it can unite under the banner of sustainable food is the focus of this report.

Impetus: Food tourism and local cuisine promotion is now a common hook used by destination marketers. Yet, fine restaurants and eating establishments are just part of this story. As it turns out, people actually care about, or at the very least, have an interest in understanding where their food comes from. This presents an opportunity for Catalonia's tourism stakeholders to leverage and promote local farmers, producers and retailers at the regional level, and to develop more effective tourism promotion strategies that align with the greater economic good.

About the author: Luke Bujarski is the founding director of Skift Research, an independent business unit of Skift.com, focused on delivering impactful intelligence on the forces now shaping the future of travel. Among other pursuits, Luke lived and worked in Barcelona for a number of years. He holds a bachelor's degree in Spanish linguistics, and a Masters in Urban Planning from the University of Illinois at Urbana Champaign, with a concentration in regional economics.

FORWARD FROM SKIFT: OPPORTUNITY OR HEADWIND? WHAT SUSTAINABILITY MEANS FOR THE TRAVEL INDUSTRY

Until very recently, the term sustainability in travel has been one of those things that is both everyone's problem, and no one's problem at the same time. Travelers come and go and don't necessarily see the repercussions that their actions extoll on host communities. Likewise, travel brands have gone global and can become disconnected with the places where they operate.

Sustainability also means different things to different segments of travel. This compounds the challenge of drawing consensus on how to address the increasingly obvious impact that travel is having on human and natural ecosystems. The United Nations' recent push for sustainability in travel has also come at a somewhat inconvenient time, in the broader geopolitical context.

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Arguably, sustainability in travel is a long-run challenge that needs to be addressed now. But during periods of global economic and political uncertainty, institutions and individuals tend to have a more difficult time acting on long-run challenges. People and businesses are forced to deal with more imminent threats. Making sure that political leaders abide by established societal norms, for example, imposes a heavy tax on people's time and optimism. This makes it difficult

to focus on things like sustainability – or education, housing, infrastructure, and business growth – for that matter.

Likewise, the global travel industry rarely acts as a unified front on pressing issues – with some exceptions. Sustainability could be one of those unifying forces. Data from the International Civil Aviation Organization shows that global air traffic has spiked from 1 trillion to 7 trillion passenger kilometers between 1974 and 2015. These

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same ICAO and Airbus forecasts suggest that figure could climb to 15 trillion by 2034. As industry leaders, we want to see tourism volumes continue to grow – but clearly not if that growth ruins the travel experience.

Infrastructure capacity and environmental constraints aside, doubling the volume of global air traffic could have unforeseen impacts on the quality of the travel experience for magical places like Barcelona or Amsterdam or Iceland. In other words, sustainability in travel also reflects on the human element and what the

commoditization of the travel experience could do to people’s desire to travel here, versus there.

Despite the heavy implications, sustainability doesn’t need to be a burden on travel brands. Sustainability can offer influencers a way to differentiate themselves from an increasingly noisy and competitive landscape. Hotels can offer accommodations while making their guests feel good about their environmental footprint; online travel agencies can leverage new and ecofriendly content categories to drive traffic to their marketplaces; and destinations can ensure better quality experiences for the guests as well as for their hosts.

In this context, we argue that travel industry leaders should prioritize sustainability now, even more than during periods of relative macro stability. Change imperatives for sustainability are less likely to come from the top down. In a time when “big government” is being put into question e.g. with the erosion of democratic values in the U.S. and the economic unraveling of the European Union, who will set the sustainability agenda for such a global industry that is modern tourism? Here, we believe that travel leaders have a unique opportunity to spearhead sustainability in a way that makes an impact and connects with individuals. Ultimately, that push will need to come at the individual, company and destination level. Popular places like Barcelona that attract millions every year, have the added responsibility to set a proactive agenda around sustainability. Food, the connector of cultures and people, can help in that mission.

Luke Bujarski, Head of Research - Skift

INTRODUCTION: FOOD AND SUSTAINABLE TOURISM, WHAT'S THE CONNECTION?

The United Nations officially declared 2017 as the International Year of Sustainable Tourism for Development - and for good reason. With over 1.2 billion people now crossing international borders each year, the power and potential of travel and tourism as a force for good, aimed at fostering intercultural exchange and economic development for communities around the world is unprecedented. Yet, for all of the benefits, this historic proliferation of travel as a way of life can also come with repercussions.

Yet sustainability in the context of travel can mean different things to different people. Protection of local natural ecosystems, cutting down on Co2 emissions and the application of environmentally-friendly products and building materials for accommodations immediately comes to mind. Sustainability can also reflect cultural preservation and measures aimed at helping locals maximize the economic benefits of tourism.

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The global demand for travel has reached a point where certain host communities have taken notice of the fallout and direct negative impacts that overtourism can extoll on local residents. Simply put, an uncontrolled influx of tourism dollars can transform communities in a way that may alienate local residents, clearly by changing the overall vibe of a place but also by limiting access to amenities and infrastructure necessary for daily life.

This consumption, where global demand outstrips local residents' capacity to compete economically with foreign in-flows of capital, can profoundly alter the cultural and economic reality of a given community. Fueled by technology, modern tourism has also gained a reputation for stripping away local cultural identities.

In extreme cases, a glut in demand has manifested into protest from local residents. In these instances, the positive economic returns of tourism may not match the

negative social and financial externalities absorbed by the host community. Rising cost of living including rents, strain on local infrastructure, and less tangible impacts on local cultural identity are among the concerns.

Places like Mexico's Yucatán Peninsula, Iceland, Venice, Amsterdam, various towns and cities in Europe and now Barcelona, Spain are dealing with these issues of overtourism – albeit in unique ways. So, what can these and other communities do to improve the balance between positive and negative impacts of tourism? The obvious and perhaps most drastic response to overtourism is to build barriers, regulation and to limit the access of communities to local tourists. These barriers can come in various forms: regulations and permits for new hotel construction; controls on apartment rentals and marketplaces; and caps on disembarkations of cruise ship passengers are some examples.

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In certain instances, these formal, hard measures may be necessary and indeed effective in stemming the direct challenges of overtourism. At the same time, these mechanical fixes alone are unlikely to offer a long-term solution. Those communities blessed with enough cultural and natural capital to attract the masses need to approach the challenge in the broader context of how local economies interact with global tourism dollars.

Understanding, harnessing and successfully channeling tourism traffic and capital in a way that maximizes benefit to local economies is equally important; tourism officials and local stakeholders have the challenging job of influencing these forces in the right direction. Here, food and understanding local food systems in the context of tourism management and marketing can help maximize these benefits for local communities.

Traveler spend on food and beverage is the largest in-destination expense category. In 2015, tourism generated over 10 billion euros of in-destination spend for the autonomous region of Catalonia. An estimated 40% of that went to food and beverage products and vendors. Understanding how that money circulates throughout the local economy, how food impacts traveler decisions, and how to maximize the positive benefits of that spend in terms of economic and social impact holds a critical key to understanding sustainability and travel.

Here, this report aims to understand the synergies that exist between food tourism, local food systems, and sustainability.

Why Catalonia?

In response to these challenges, the Catalan Tourism Board has commissioned Skift to explore and to better understand the connection between local communities, food systems, and policies aimed at promoting and developing sustainable tourism. Local experts and stakeholders also participated in bringing these concepts together. Data from various sources also highlights Catalonia in the context of food systems.

Anyone that has visited will tell you that Catalonia is special. Its unique character and richness needs no introduction to the tourism community. But why focus on food? Barcelona and the surrounding region has become a global mecca for culinary travelers looking for traditional, as much as the experimental elements of modern cuisine. Some of the world's most talented chefs have come to set up shop here both because of the rich history and local pride when it comes to food, and because of Catalonia's long tradition of pushing the so-called "establishment" in the culinary arts but also in culture, architecture, and fine art.

Secondly, Barcelona's popularity as a global travel destination has reached a point where the city and its local residents have begun to feel the repercussions of overtourism. The community has publicly spoken out about their concerns over the impact that too many tourists have had in stripping away the local authenticity and scarcity of what had originally made Barcelona so popular as a destination. Some would argue that this is a good problem to have. Yet sustainability in travel is as much about managing expectations, and sometimes even leaving money on the table, to protect standards in quality of life for locals, as well as genuine experiences for travelers that want to enjoy destinations in all of their authenticity and local magic.

Thirdly, because Catalonia is ecologically and agriculturally rich with a vast breadth of farms and local producers that feed the growing demand for increasingly higher food standards both in terms of taste but also quality. Promoting and helping this local production system grow holds a key to understanding local food systems and their role as a catalyst for sustainable best practices.

Lastly and perhaps most importantly, because Catalonia has had a long tradition of proactive and participatory planning at the city and regional level; much of what needs to be achieved when striving towards sustainability in travel is coordinated action. Sound tourism planning is as much about generating demand as it is about coordinated action between private and public sector players. This landscape offers a fascinating laboratory and landscape into sustainable tourism best practices.

LOCAL FOOD SYSTEMS AND LESSONS FOR TOURISM



Olive stand in a store in Girona, Spain.

The rise of the “local food” movement also intersects with tourism and the benefits that come in the form of local economic development, as visitors indulge in local cuisine. In concept, local food aims to connect food growers, producers and consumers within the same geographic

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region, in order to develop more self-reliant and resilient food networks; to improve local economies; or to have an impact on the health, environment, community, or society of a particular place (Feenstra, G. 2002). Its roots, at least in the United States, can be traced back to the early 1980s during which time much of the proposed guidelines remained buried under the weight of resistance from pro-business institutions.

Local food represents an alternative to the global food model that has pervaded modern living, particularly

in a world of global trade and transportation networks. A local food model involves building relationships between food producers, distributors, retailers, and consumers in a particular place, where they work together to increase food security and ensure economic, ecological and social sustainability of a community.

Conceptually, the local food model can stretch beyond food production and consumption and all of the stages in between, to include resource and waste recovery. Ecologists would identify with the local food model as a closed system, where all of the inputs needed to sustain the daily activities of members are sourced within the confines of that ecosystem.



THE MULTIPLIER EFFECT, A POLICY TOOL FOR THE “LOCAL FOOD” MOVEMENT



Axel Hotel, Barcelona

The economic argument for locally-grown food rests in what regional economists often refer to as the multiplier effect. In this context, the multiplier effect aims to measure the impact and economic externalities that local spend can have on a given community. For every unit of currency spent on local products or services, a portion of that spend gets recycled back into the local economy in the form of payments and wages to other local parties including local government.

Economic development planners often use this intuitive model to

rationalize incentives when courting industry to relocate to their respective jurisdictions. Typically, economic impact studies use financial and economic data to generate estimates of output, GDP, employment and tax revenues associated with changes in the level of economic activity resulting from the project or industry being analyzed.

This model also forms the basis for supporting local businesses. In other words, money spent with local businesses is more likely to get invested back into the local community. The opposite might be true with chained brands that remit profits to company units outside of the local area.

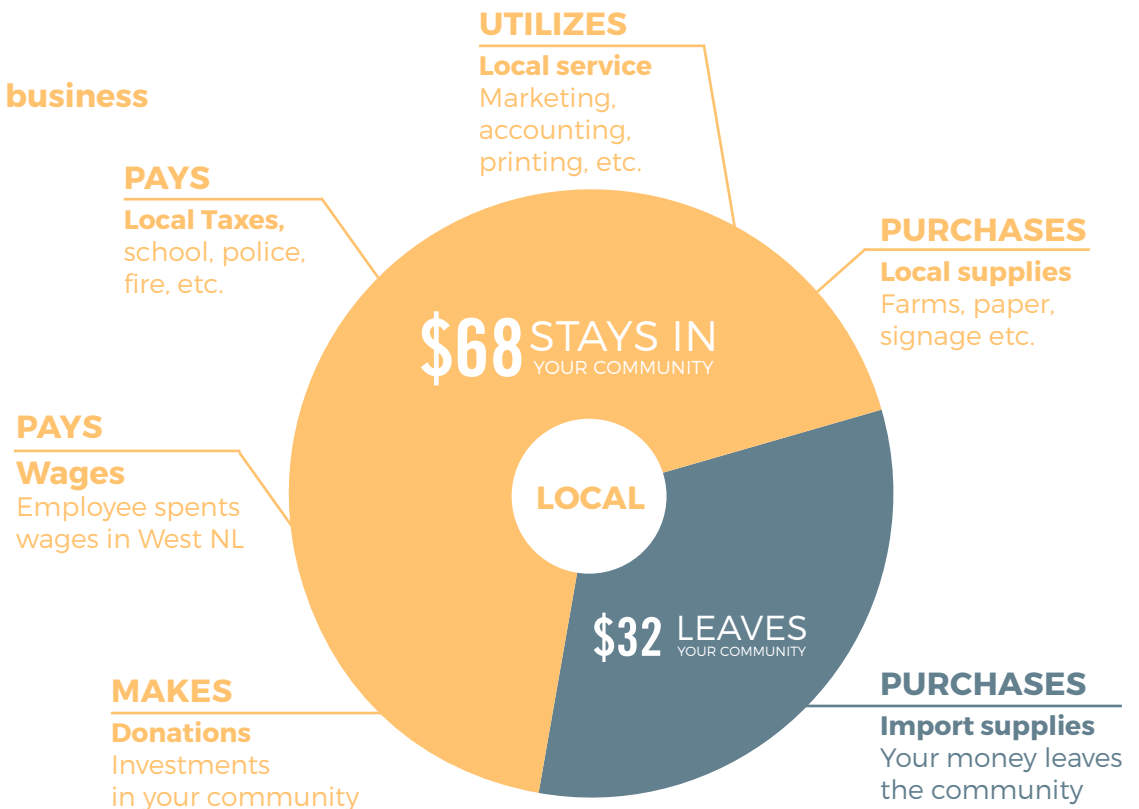
Hotel economics: Three types of impact

The degree to which local businesses can impact local economies can be organized into three types of impact categories: Direct, indirect, and induced impact. Here we can take the construction and operation of a hotel to illustrate:

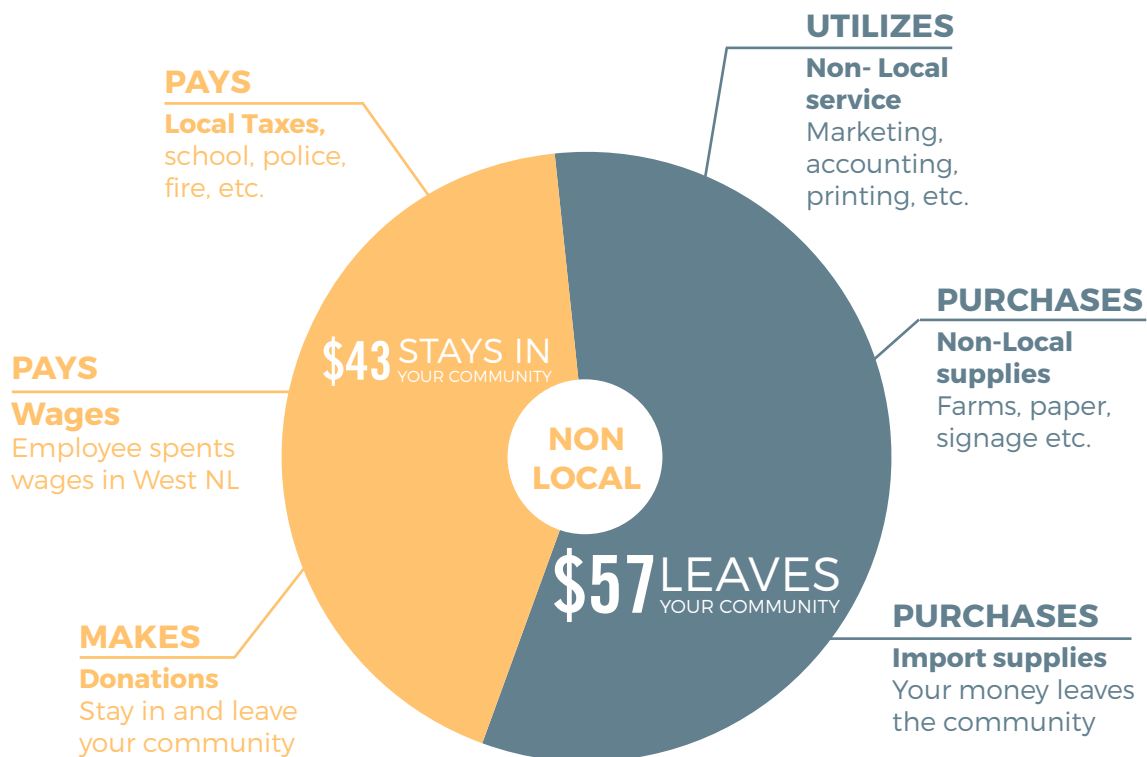
1. Direct impacts result from the expenditures associated with building and operating the hotel. This can include construction, rent, taxes, utilities, and wages.
2. Indirect impacts result from the demand and suppliers servicing that hotel. This can include cleaning services, catering, as well as food and beverage.
3. Induced impacts result from the employees of the hotel purchasing goods and services at the household level.

Why Buy Local?

Spend \$100 at a local business



Spend \$100 at a non-local business



Here, we can begin to understand the economic connection between local food and tourism.

Thinking about Barcelona and the economic impact of tourism, we note that food and beverage accounts for a significant portion of international visitor in-destination spend. We estimate that food and beverage could account for as much as 44% of total in-destination spend. On a recent Skift visit to Barcelona, we kept a line-item record of expenditures. Overall, we believe this to be an accurate reflection of what a typical, middle income visitor would spend on a four-night visit to Barcelona. Activities purchases such as museum and park entrances for first-time visitors would likely be higher, since our visit did not include spend on access to some of Barcelona's most frequently visited attractions.

Spend Breakout: Four Nights / Five Days in Barcelona

Apartment Rental (four nights)	€ 302	Accommodations	25%
Subtotal	€ 302		
Taxi to and from airport	€ 60	Transportation	15%
Metro card for two	€ 20		
Taxis around town	€ 35		
High-speed rail to Girona(return)	€ 67		
Subtotal	€ 182		
Yoga classes in El Gotico	€ 31	Activities	7%
Classical guitar concert	€ 36		
Picasso Museum	€ 22		
Subtotal	€ 89		
Gifts & Souvenirs	€ 100	Shopping	8%
Subtotal	€ 100		
Wine and tapas at Bilbao Berra	€ 32	Food & Beverage	44%
Dinner at Llamber	€ 100		
Dinner at Vaso del Oro	€ 72		
Breakfast at Flax and Kale	€ 29		
Sushi at Bouzu Raval	€ 41		
Beer, Wine, Olives at Lapaciencia	€ 23		
Lunch at Vaso del Oro	€ 45		
Barceloneta, Taller de Tapas	€ 28		
Market groceries	€ 27		
Dinner in Girona	€ 63		
Wine and tapas, Plaza del Sol	€ 22		
Coffee & Cake stops	€ 31		
Bottled Water	€ 18		
Subtotal	€ 531		
TOTAL	€ 1,204		100%

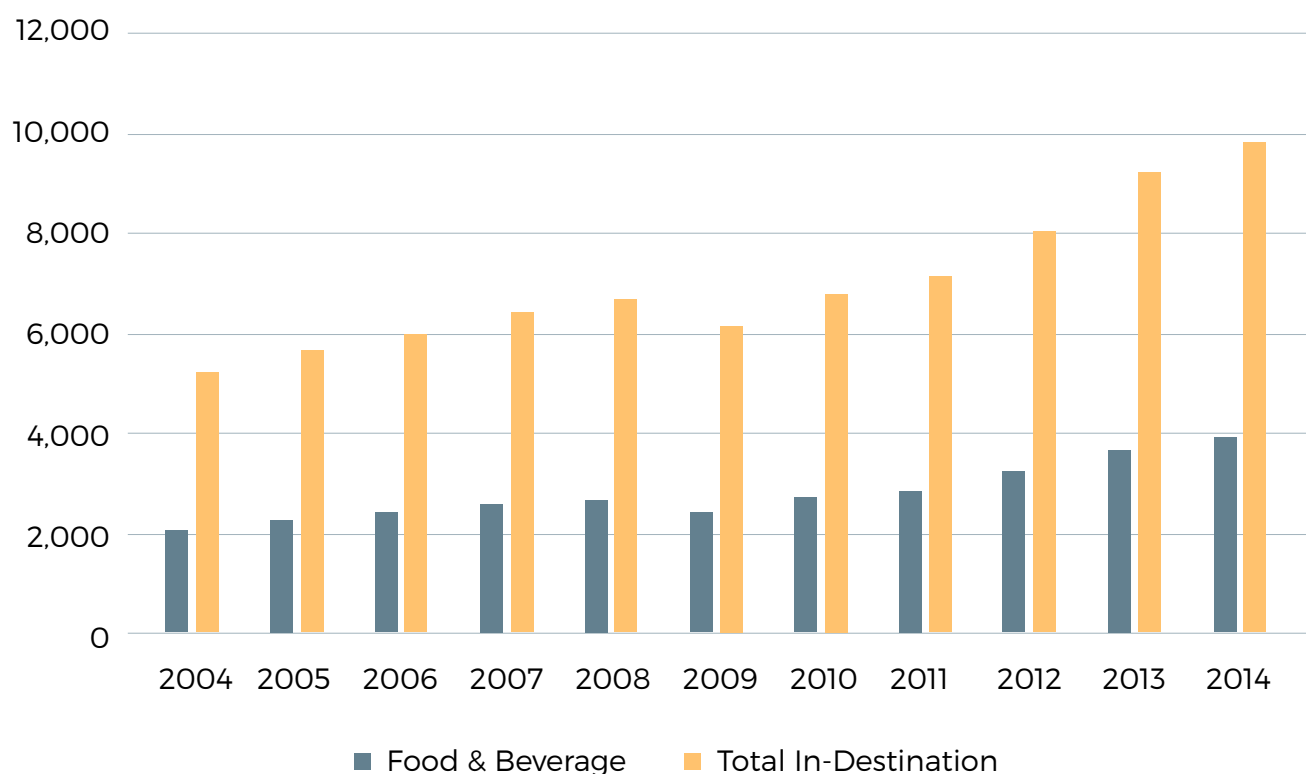
Source: Skift visit to Barcelona between February 1-5 2017

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We combined these findings with tourism spend data from IDESCAT to reach an approximation of how much international visitor spend on food and beverage can contribute to the Catalonia economy. Here we compensated for higher first-time visitor spend on attractions and applied a .4 multiple on total in-destination spend between 2004 and 2014.

These calculations suggest that international visitors pumped almost 4 billion euros into the Catalan economy in 2014, through food and beverage spend alone. This does not include food and beverage spend from tourists originating from Spain.

International Visitors Total In-Destination Spend 2004-2014 (millions of Euros)



Source: IDESCAT; Skift estimates

Notes: Estimate assumes that food & beverage accounts for 40% of total spend;
Total In-Destination excludes cost of travel to Catalonia.

To gain a better sense of economic impact on the Catalonia economy, we used an economic impact calculator provided by the Center for Business and Economic Research at Ball State University in Indiana. We used Marion County, which includes Indianapolis, as the closest available proxy for Barcelona and Catalonia. While the multipliers for Catalonia would likely be somewhat different, we get a general sense of economic impact at the industry level.

Here we see that 4 billion in food and beverage sales could directly support as many as 59,000 jobs. If we factor total impact and the multiplier effect, that figure jumps to over 77,000 jobs. International visitor spend on food and beverage could support as many as 77,000 jobs for the Catalonia economy.

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Direct Impact

Annual production (direct output)	\$4,000,000,000
Direct jobs	59,205
Average annual earnings per job	\$20,229
Annual production per worker	\$67,562
Direct payroll, including benefits	\$1,197,676,000

Source: Economic Impact Calculator, Ball State University

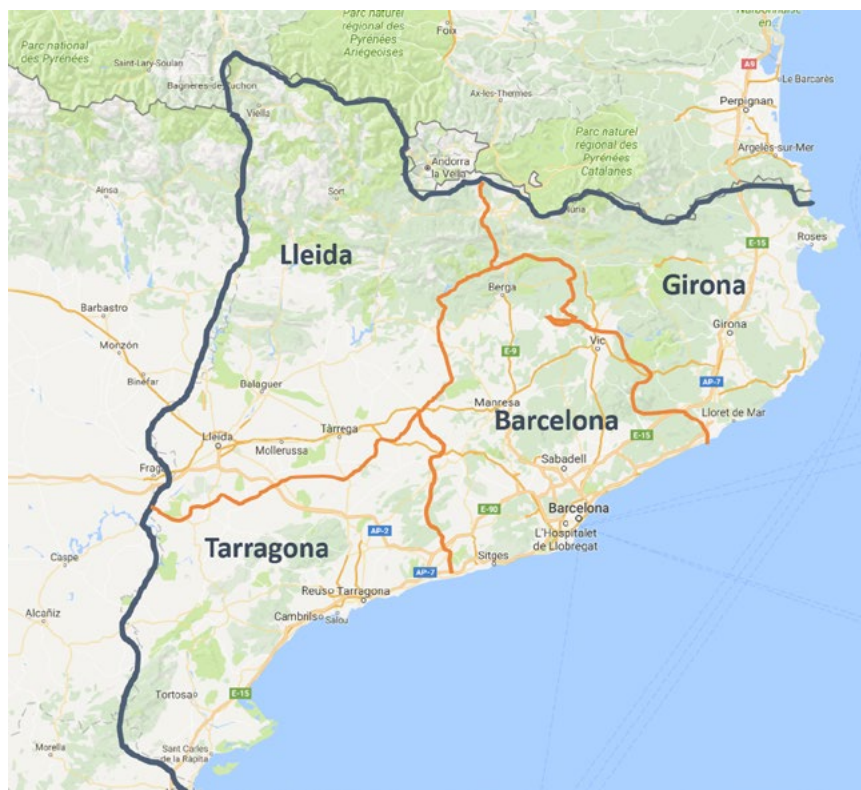
Total Impact

Output or sales impact in the county	\$6,057,400,000
Total jobs in the county	77,472
Payroll in the county (from county average data)	\$1,837,965,566

Source: Economic Impact Calculator, Ball State University

Building stronger local food systems would amplify the impact that this international visitor spend would have on the region. Local producers, distributors, restaurants would reap the benefits of converting that four billion euros of annual capital in-flows by investing in their businesses and employees. Realistically, agriculture in highly-industrialized societies must compete with other industries for land and labor resources.

PROFILING CATALONIA'S TOURISM CHALLENGES



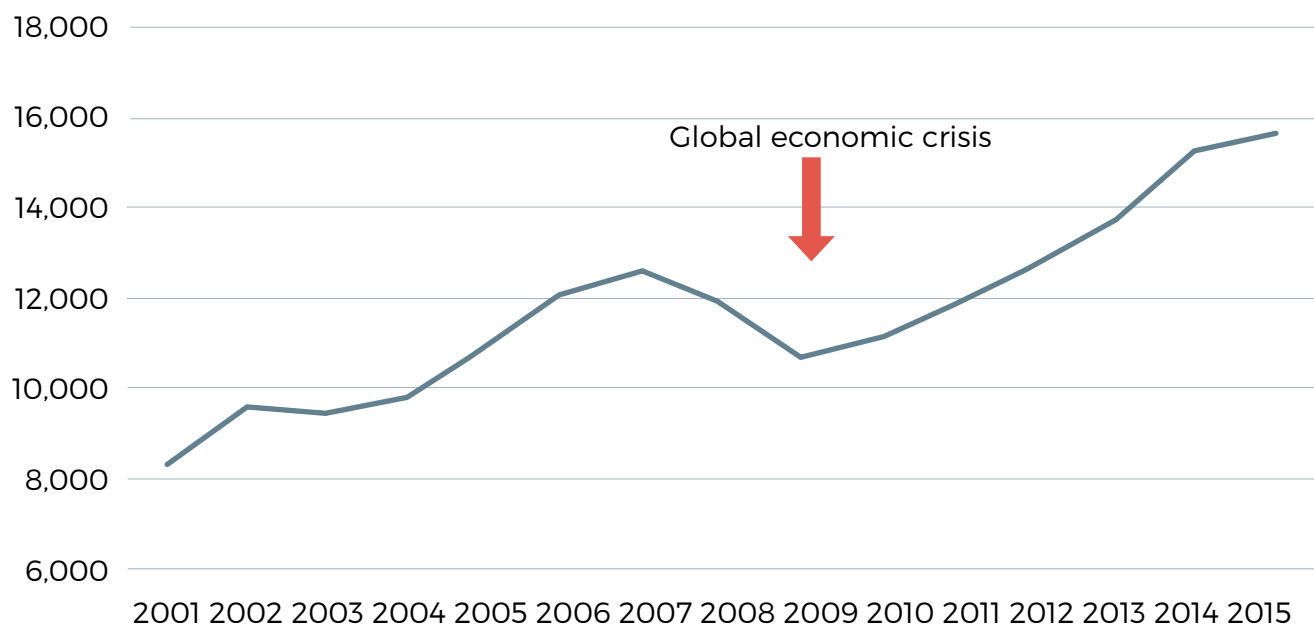
Year after year, Barcelona hit records in tourist arrivals but these waves of visitors have put pressure on its urban center, fueling the debate on how to successfully manage tourism in the longer term. Protesters have rallied to oppose what some consider an out-of-control tourism boom that has damaged their ability to live and work in the northeastern Spanish city. Tourism brings revenues and economic opportunities to the region, but it has also fueled higher prices for rent and property sales, leaving many of the city's 1.6 million residents priced out of the city center.

These types of tourism booms have become more common. Places like Iceland, Amsterdam and even New York City have attracted more and more tourists and quickly to the point where local infrastructure can be stressed. Also, where there are booms there can also be busts. Catalonia saw a significant decline in the wake of the global economic crisis of 2008 and 2009 (see figure).

At the most basic level, this tells us that much of the ebbs and flows of visitors to a particular destination are affected by events outside the control of the host destination. Places should consider that their travel product is only as good as the alternative and what visitors are communicating through digital, word-of-mouth and other channels. Many cities and regions have succumbed to the rising and falling tides of tourism.

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WHERE THERE ARE
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International visitors to Catalonia Leisure travelers (thousands)

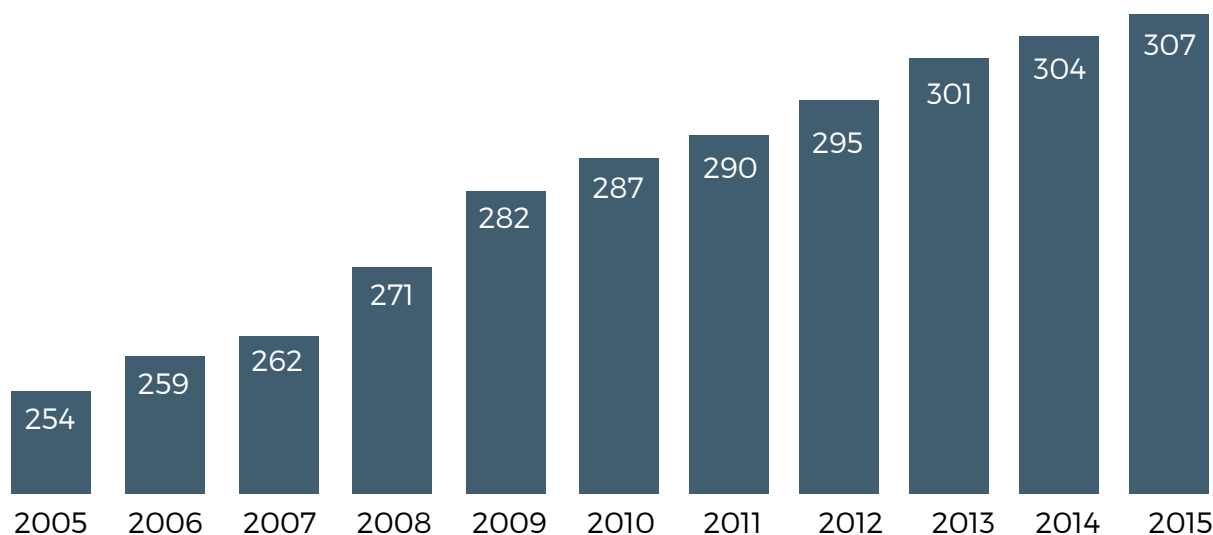


Source: IDESCAT

In January of 2016, despite fierce opposition from hotel and business owners, Barcelona officials agreed to limit the number of rooms for tourists in the city center in a move aimed at appeasing residents angry about sky-high property prices. The City Council approved the proposal from Barcelona Mayor Ada Colau, a former activist that won the 2015 election by campaigning against evictions ordered by banks when tenants failed to repay mortgages.

Soon after she took office in 2015, Colau imposed a moratorium on new licenses for hotels, serviced apartments and other establishments offering tourist accommodations. The new plan grants a limited number of licenses in the outskirts of the city, but no new permits are expected downtown even if current businesses close down. "We have to stop this free-flow that operates without any control in the city," Janet Sanz, a deputy mayor in charge of urban planning and a close aide of Colau's, said.

Top Number of Hotel Establishments (thousands)



Source: IDESCAT

In this context, the number of hotel establishments in Catalonia had increased 21 percent between 2005 and 2015. And this figure excludes apartment rentals. According to recent data from Beyond Pricing, a start-up focused on helping apartment rental managers optimize rates, Airbnb had over 11,000 listings in Barcelona in 2016.

Carrying Capacity and Overtourism

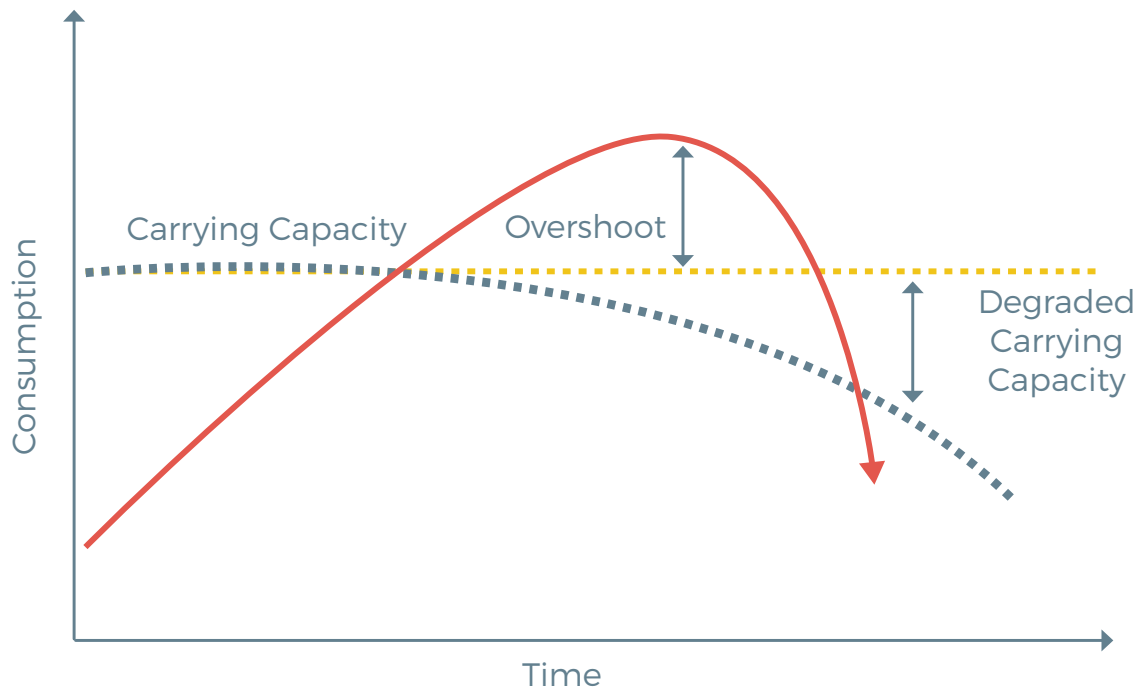
Despite the recent press attention, the real challenge of overtourism is not necessarily a new phenomenon. Volumes of academic research has been published on the topic. Nevertheless, the growth and volume of today's global tourism could bring the challenge to more and more destinations.

But implementing policies to manage tourism in a sustainable way is easier said than done. Largely because there can be many stakeholders and special interests involved; reaching consensus on what to do is the main challenge. Much of the theory behind tourism management boils down to capacity and how much volume a destination can sustain. Ecologists use the idea of carrying capacity to understand how natural systems handle population growth.

“MUCH OF THE THEORY BEHIND TOURISM MANAGEMENT BOILS DOWN TO CAPACITY AND HOW MUCH VOLUME A DESTINATION CAN SUSTAIN.”

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The carrying capacity model assumes that every ecosystem has a limit, given consumption habits and scarcity in resources. The more ominous implication here is the “overshoot” as conditions deteriorate, where an excessive rise in population might cause a dramatic “bust” or fall in the total number of individuals with an ecosystem. For destinations, the parallel here would consider tourism volumes, overtourism, and the potential threat of killing the vibe and authenticity of a place to the point that it negatively impacts the quality of the travel experience.



Along this J curve, we can conceptualize different variations:

Physical carrying capacity

This is the maximum number of tourists that an area is actually able to support. In the case of an individual tourist attraction it is the maximum number that can fit on the site at any given time and still allow people to be able to move.

Economic carrying capacity

This relates to a level of acceptable change within the local economy of a tourist destination, it is the extent to which a tourist destination is able to accommodate tourist functions without the loss of local activities, take for example a souvenir store taking the place of a shop selling essential items to the local community. Economic carrying capacity can also be used to describe the point at which the increased revenue brought by tourism development is overtaken by the inflation caused by tourism.

Social carrying capacity

This relates to the negative socio-cultural related to tourism development. The indicators of when the social carrying capacity has been exceeded are a reduced local tolerance for tourism as described by Doxey's Index of irritation. Reduced visitor enjoyment and increased crime are also indicators of when the social carrying capacity has been exceeded.

Biophysical carrying capacity

This deals with the extent to which the natural environment is able to tolerate interference from tourists. This is made more complicated by the fact that because it deals with ecology which is able to regenerate to some extent so in this case the carrying capacity is when the damage exceeds the habitat's ability to regenerate.

On the practical level, it is difficult to calculate a maximum number of visitors because we assume that we live in a static world. In reality, things change both inside and outside of the ecosystem: Infrastructure deteriorates, populations age, cultural tensions rise and fall in line with bigger sociopolitical climates, meanwhile global warming can impact the biodiversity of a given habitat.

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SOME WOULD ARGUE THAT POLICIES FOCUSED ON MANAGING THE IN-FLOW OF TOURISM SHOULD AIM TO EXTEND THE CARRYING CAPACITY OF A REGION

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What to do

Clearly there are limits to the amount of tourism a destination can sustain. Some would argue that policies focused on managing the in-flow of tourism should aim to extend the carrying capacity of a region, without endangering the delicate balance and dance that takes place between residents, visitors, and built and natural ecosystems. In Catalonia's case, one strategy has focused on attracting a different type of traveler, while decentralizing traffic away from Barcelona's city center.

FOOD, CULTURE AND CATALONIA'S RURAL TOURISM INDUSTRY



Baqueira Beret. Ski town in the Pyrenees

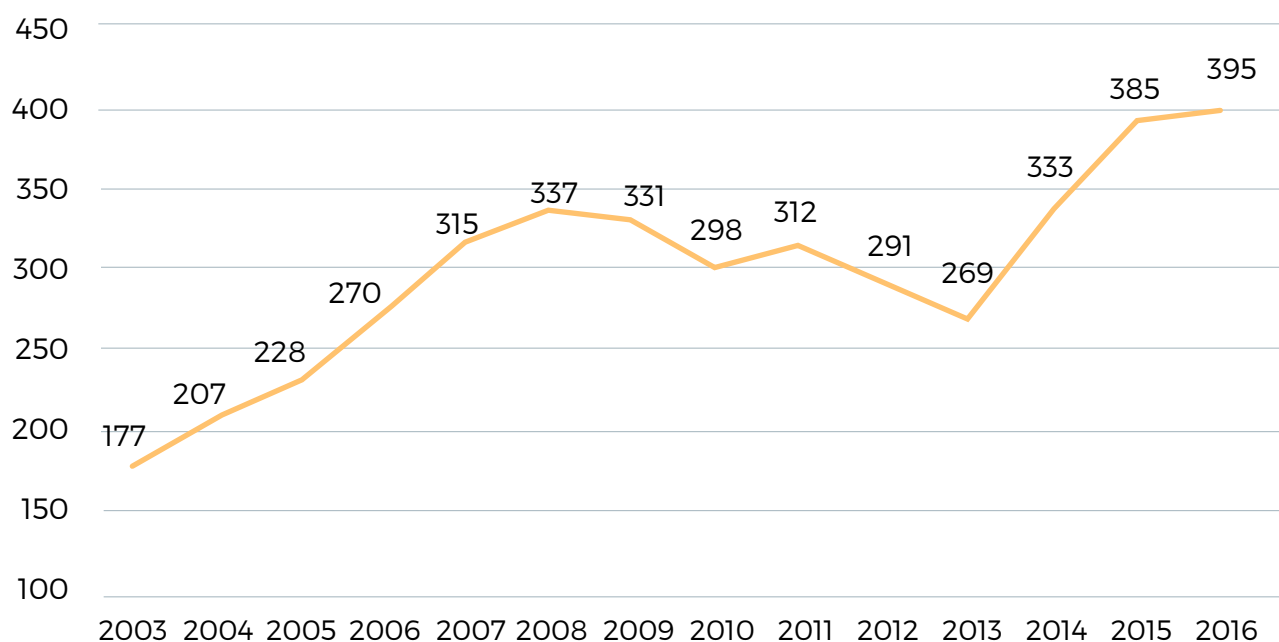
The current issues of overtourism in Catalonia are, for the most part, considered a unique challenge impacting Barcelona, and less for other provinces of the region. The Catalonia Tourism Board believes that this over-concentration offers an opportunity to rebalance and redistribute visitors to alternatives beyond Barcelona, through unique strategies emphasizing connection through Catalan culture, among other things.

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**ARTS AND CULTURE, TOWNS
WITH CHARACTER, CHARMING
VILLAGES, FISHING VILLAS
AND ROUTES**
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In a recent update to the regional marketing strategy, the CTB identified five cultural themes to help achieve a more holistic vision and brand identity for the region: Arts and Culture, Towns with Character, Charming Villages, Fishing Villas and Routes are the five programs around which Catalonia will develop its cultural tourism strategy over the next few years.

Rural tourism has already picked up steam in Catalonia and Spain more generally. In 2002, Spain was estimated to have a total of 6,000 “casas rurales” or country homes available for rent, while in 2012 that number expanded to over 15,000 houses scattered over 1,500 towns, offering accommodation to nearly 140,000 people. In Catalonia, rural visitor rates increased by an average of seven percent annually through 2016 (see figure). Tourism Catalonia considers food as an integral tool in addressing tourism management.

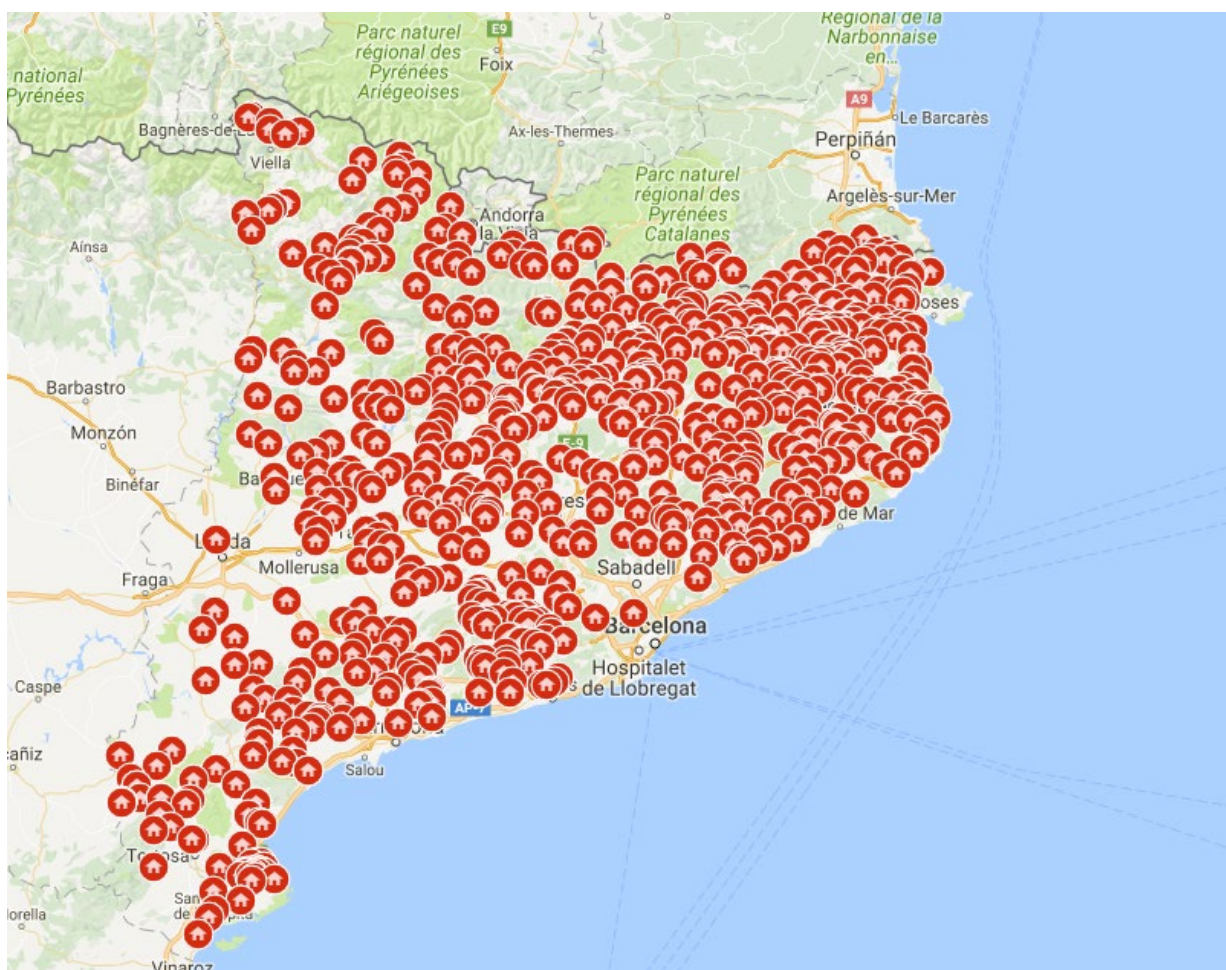
Rural Tourism in Catalonia (thousands of visitors)



Source: IDESCAT

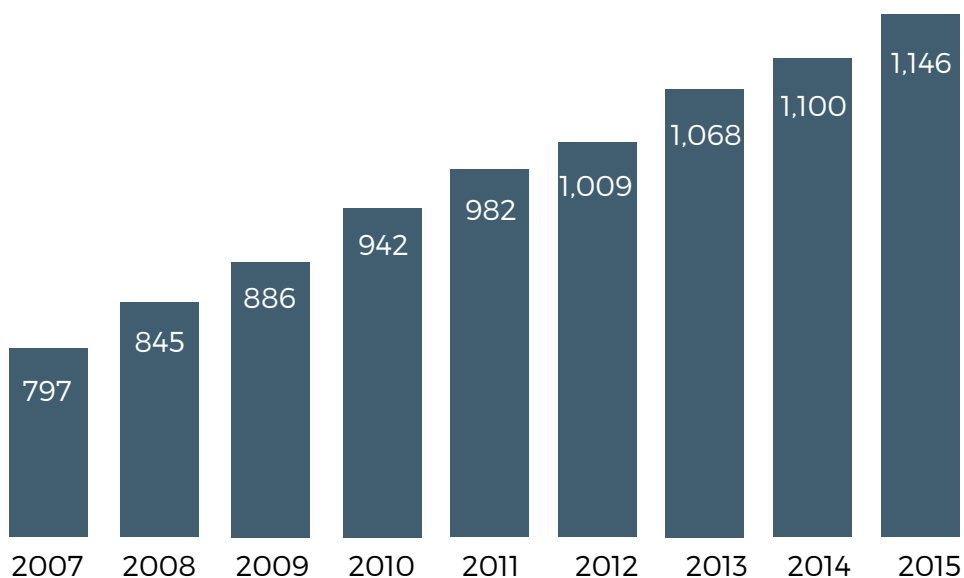
Access to culture and the rental economy

The recent attention that vacation rentals and the rental economy has captured in the wake of the so-called “Airbnb Effect” will also likely help connect visitors with unique inventory. Vacation rental marketplaces specializing in rural homes such as Escapada Rural have already brought significant volumes of properties online. As of February 2017, the site had over 2,000 listings available in Catalonia.



Source: Escapada Rural

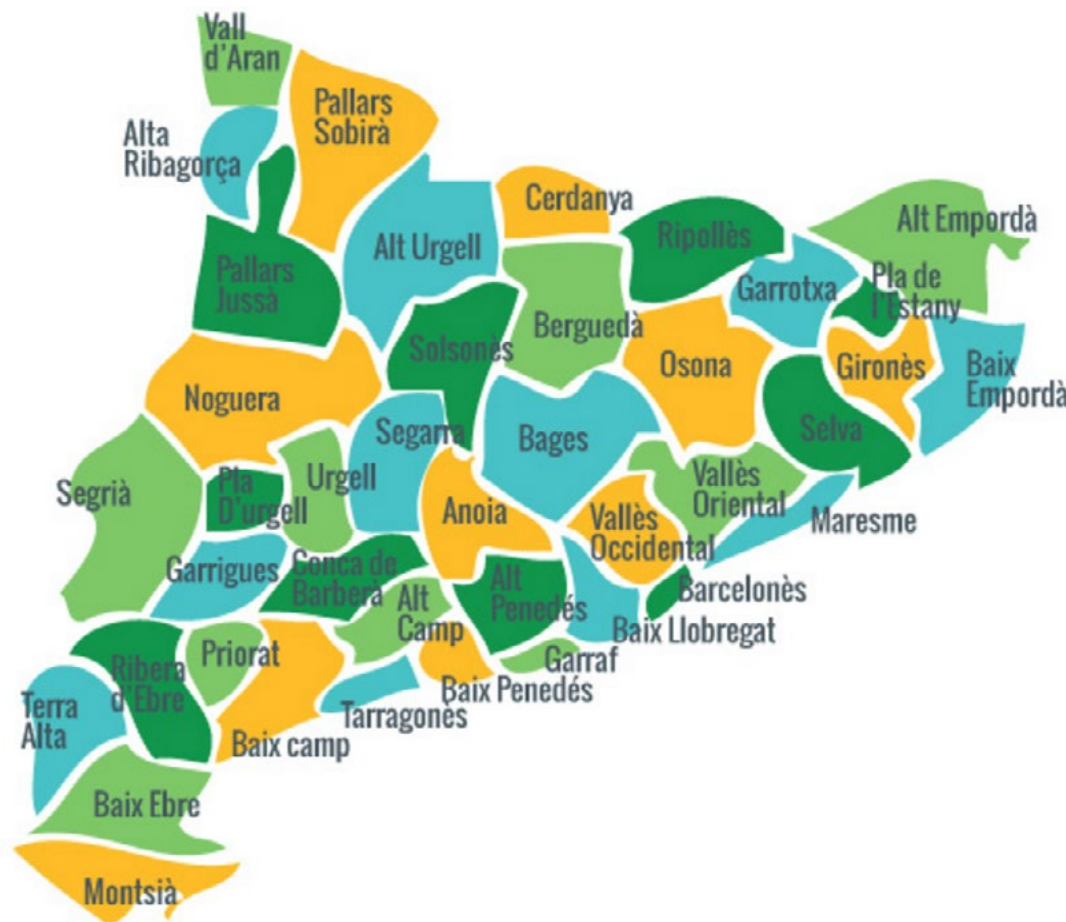
Farm Accommodations: 2007 to 2015 Number of Establishments in Catalonia



Source: IDESCAT

The role that the rental economy can play in facilitating access to authentic experiences and local culture is unprecedented and undeniable. The pace at which rentals have come online, particularly in urban centers like Barcelona, has not given local officials appropriate time to apply proper standards and regulations. The byproduct has been discord between the needs of visitors and residents. In the case of rural destinations where traditional accommodations such as hotels do not exist, rentals clearly offer access to previously inaccessible cultural centers. And arguably, among Catalonia's strongest assets is culture. The center of many if not most cultures is food. Catalonia is no exception.

CATALONIA'S REGIONAL CULINARY FOOTPRINT



Catalonia is subdivided into four provinces: Barcelona, Gerona, Lleida, and Tarragona and further divided into 42 counties. These civic partitions are steeped in history and local pride which clearly shapes the regions culinary diversity.

In Gerona, rice dishes are combined with products from the Pyrenees such as mushrooms, or different types of fish including monkfish, hake, sea bream, sea bass and lobster-like seafood combined with snails or butifarra sausage combined with different local products like beans.

Barcelona ranges with a more cosmopolitan gastronomy. Some of the more local items include dishes made with roasted peppers, bread with tomato or panellets. Tapas joints and cervecerias dot the city center. Local coffee shops and pastelerias or bakeries cater to local and tourists.

In Lleida, the gastronomy is varied and rich, highlighting the abundant use of garden products and fruits, and is one of the most important fruit regions of the peninsula. Pears, plums, peaches,

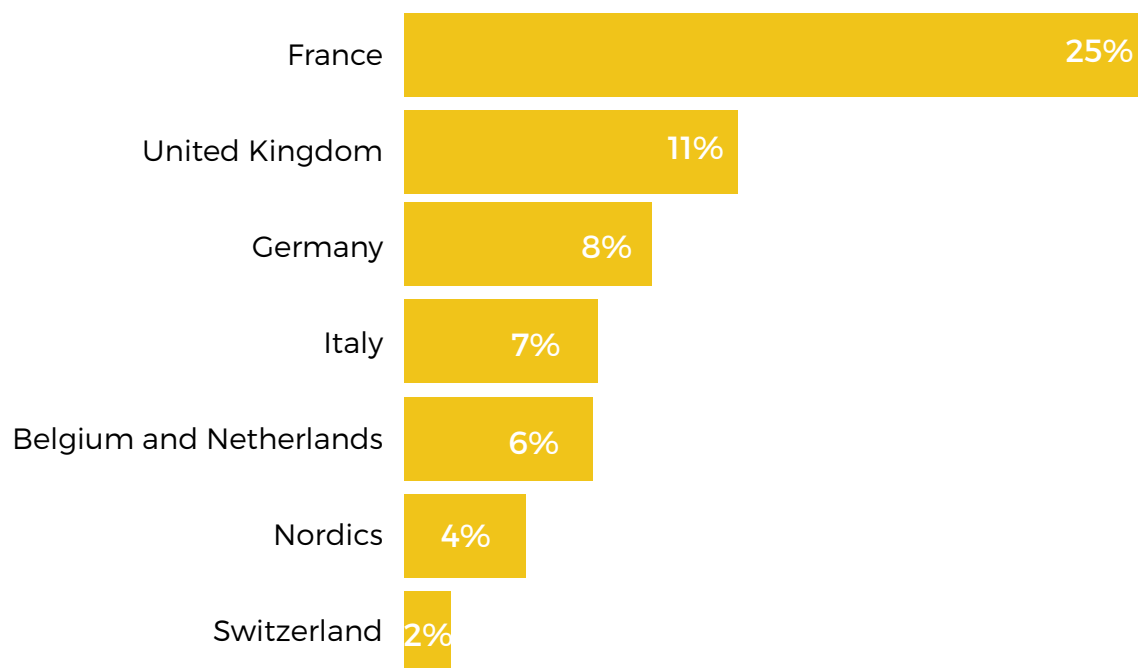
nectarines or apples are part of the so-called fruit cuisine. Traditional meat dishes in the area include duck, rabbit, chicken, turkey and, above all, pork. Baked goods include patisseries, fruit salads, muffins and roasted apples stuffed with nuts.

Seafood reigns supreme in Tarragona. Xató, fish casserole, the esmarris or zarzuelas of fish and seafood are some of its main dishes.

Leveraging food to attract the right kind of visitor

Cultural capital is a key selling point for travel destinations and Catalonia has plenty of it. The region's high repeat-visitor rate is also another reason why the CTB decided to focus on different elements of culture. In a survey of 2,750 foreign tourists to Barcelona (Catalonia Tourist Satisfaction Barometer 2016), the average number of trips was 3.05 within the last five years. This speaks highly to the city's dynamism and ability to bring people back. Yet, as people age, their travel tastes also shift. Making unique offerings available to loyal customers becomes more critical.

Top-Seven In-bound Markets 2016 (percent of total international visitors)



Source: IDESCAT

Destination marketers are adopting a second look at strategies aimed at strengthening repeat visitation and destination loyalty. Promoting new experiences beyond the typical activities that a first and even second-time visitor would do is a common goal. Identifying, finding and then targeting these audiences with effective messaging is the challenge; few DMOs are doing it perfectly but digital marketing and advertising is making it easier.

Promoting food experiences beyond the heavy-trafficked areas can become a leading hook for destination marketers.

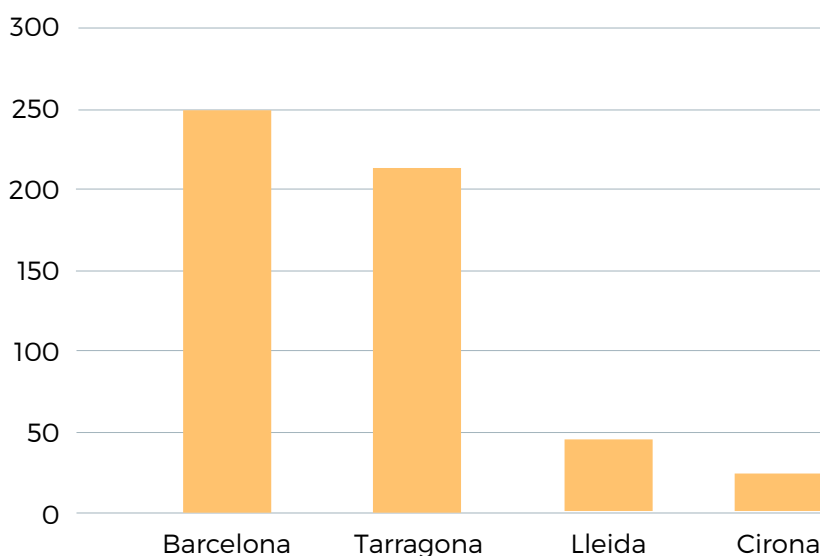
These campaigns can be subtle. The Catalan Tourism Board focused on promoting “culture” beyond Barcelona as a means of piquing curiosity in first-time and repeat visitors about the rest of the region as a worthwhile destination. Building a narrative and telling the story of local food systems as part of these cultural campaigns can also help farmers and local producers.

Local wines are often a complement to Catalan meals and a big tourist draw for many residents. Archaeological evidence suggests that the Phoenicians introduced winemaking to the region several hundred years before the Romans arrived there. Recovered pieces of amphora indicate that the Phoenicians traded ancient Catalan wines with the Egyptians. The Romans had a major influence in the development of Catalan wine-growing, particularly around Tarragona, the Roman capital of occupied Spain. With the fall of the Roman Empire in the 4th century and subsequent Moorish rule, Catalan wine production was severely curtailed. It was several hundred years before wine production began again in earnest (Wikipedia).

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Square Kilometers of Vinards (2014)



Source: IDESCAT

The region's wines include sparkling Cava, dry white wines and powerful reds, known as “black” wine or vi negre in Catalan, due to the color of the grape. The grapes of the region include the Cava and white wine grapes of Macabeo, Parellada and Xarel·lo and the red wine grapes of Garnacha, Monastrell and Tempranillo. The production of sparkling white wine is the largest contributor to the Catalan wine industry, followed by production of still whites and then red wine.

Transportation and Regional Connectivity



Clearly, expanding tourism beyond the confines of Barcelona's city center requires access to effective public transport. Overall, the region's provincial capitals are well connected via high speed rail and road networks. High-speed rail (AVE) services from Madrid currently reach Lleida, Tarragona and Barcelona. The official opening of the Barcelona-Madrid line took place 20 February 2008. The journey between Barcelona and Madrid now takes about two-and-a-half hours. A connection to the French high-speed TGV network began passenger service in April 2013. This line (currently the LGV Perpignan-Figueres-Vilafant) passes through Girona and Figueres with a tunnel through the Pyrenees. There is a direct train from Barcelona Estació de França to Paris Austerlitz along the older railway tracks.

Airports in Catalonia

- Barcelona El Prat Airport (BCN, Aena)
- Girona-Costa Brava Airport (GRO, Aena)
- Reus Airport (REU, Aena)
- Lleida-Alguaire Airport (ILD, Aeroports de Catalunya)
- Sabadell Airport (QSA, Aena)
- La Seu d'Urgell Airport (LEU, Aeroports de Catalunya)

Barcelona's Urban Markets: Balancing the Needs of Locals and Visitors



La Boqueria market in Barcelona

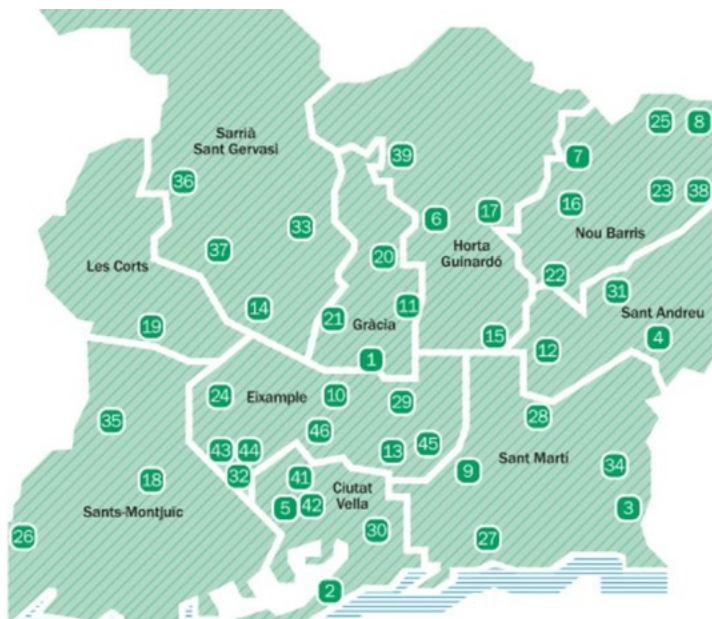
Eight thousand vendors work at over 40 public markets throughout the city, supporting close to 65 million visitors a year and a €1 billion in turnover. Barcelona's municipal markets have been a staple of city life for Barcelona residents for centuries. During the 1990s the city set out to invest and renovate these landmarks as an integral part of Barcelona life. A 2010 survey conducted by the Barcelona Municipal Institute of Markets showed that 65.5% of Barcelona residents go to the market with a degree of regularity. For example, 29.8% go one or more times a week and 3.3% every day. On the other hand, 27.3% never or hardly ever go.

The locals love their markets but so do the millions of international visitors that visit the city every year. The high volumes of tourists visiting the Boqueria (pictured above) has caused friction, as local residents compete with others to navigate the winding mazes of vendor stalls. Vendors have also adapted their product offerings in response to a changing customer base.

Rather than produce and raw ingredients, stalls are converting their store fronts to offer ready-to-eat foods. This compounds the congestion issue, as visitors and locals alike tend to stick around longer to eat and drink their meals. La Boqueria has become something of a symbol in the eyes of residents, representing their dependence on the tourism economy.

In response, the City Council of Barcelona has announced initiatives to regulate vendors and visitors. The city will invest 3.5 million euros over the next three years to renovate the market, presumably with new walkways and other amenities to ease the congestion. It will also enforce ratio rules on vendors selling ready-to-eat and raw ingredients.

In a recent interview, the deputy mayor explained that the municipal government has decided to preserve the emblematic place as “a municipal market where the people of Barcelona are going to shop”.



Plot map of Barcelona's markets

The clear advantage for the region is that these markets provide an outlet for local producers to bring their products to market. This strengthens the local food system while amplifying the economic impact of the region.

Leveraging upscale cuisine to spearhead sustainability

Catalonia has gained a reputation for fine dining and touts a multitude of Michelin star restaurants. There are around 50 1, 2 and 3 star-establishments distributed throughout the region. The Celler de Can Roca and Sant Pau, from Carme Ruscalleda have three Michelin stars. Dos Palillos by Albert Raurich, Dos Cielos by the Torres brothers and Albert Adrià

Tickets feature a Michelin star. Chef Jordi Cruz runs Abac, a restaurant located in Barcelona with two Michelin stars. In 2015, the Adrià brothers were awarded a star for their efforts at their restaurant Pakta.

The Michelin Rating: Gastronomic designations, broad definitions of excellence



"A very good restaurant in its category"



"Excellent cooking, worth a detour"



"Exceptional cuisine, worth a special journey"

The Roca Brothers:



The Roca brothers

El Celler de Can Roca is a restaurant in Girona which opened in 1986 by the Roca brothers, Joan, Josep and Jordi. The establishment has stood out as a posterchild for sustainability and local ingredients. It has been received warmly by critics, and currently holds a three Michelin star designation. In 2013, it was named the best restaurant in the world by Restaurant magazine, after having been ranked second in 2011, 2012 and 2014.

Catalonia's tourism authorities found a champion with the Roca trio. They partner with the brothers on various initiatives to promote the region. Their establishment has also been a champion for sustainability and local ingredients. In an interview, Josep Roca discussed how the restaurant sources 80 percent of their ingredients from the Catalan region.

He talked about the partnerships they've developed with local universities to communicate sustainable cuisine best practices, and how they're working to promote sustainable tourism. Josep feels that Catalonia tourism is at a crossroads, and that local authorities need to put the issue of overtourism and sustainable tourism at the top of the agenda. Part of that is advancing a culture of sustainability, one that Josep admits that Catalonia has fallen behind on.

Finding partners like this e.g., local chefs that reflect the identity of a region is a valuable lesson for destination marketers. It reflects on the use of storytelling as the content base for promoting the essence and culture of destinations, and not just the amenities. Finding partners that share sophisticated values that reflect on modern and trendy concepts like sustainability can also have positive and unanticipated impacts at the local level, beyond the typical returns that tourism can bring to a region.



Wild truffles picked from local farm,
La Vall de Llémna



Calçot From Celler Garden

TOURISM AND EXPORTING EXPERIENCES

It is easy to overlook the fact that tourism is, for the most part, an export industry. The key distinction between tourism and, let's say pharmaceuticals, is that the consumption of travel products and services happens within the same local economy that produces it. Nevertheless, the bulk of tourism output goes to serving external demand – with the exception of locals dining at hotel restaurants, for instance. Furthermore, the experiences that tourists consume also become part of the export mix.

So much of what defines the travel experience is the process of building and reinforcing positive memories and realities distinct from the routine of our daily lives (Bujarski, Supertraveler Manifesto, Skift). The traveler journey, or the act of leaving, experiencing, and returning gives the individual a stronger sense of self and life purpose. This unique quality of tourism, as a locally-consumed export industry, gives it a special role in driving local economic development.

Places are experience factories – for lack of a better word; our guests take those experiences back with them, internalize them, and share them through word of mouth, social media and indirectly through their positive (or negative) accounts of a destination. In this context, tourism is the ambassador industry. Here, the connection between local food systems becomes more relevant to the destination marketer because, ultimately, food is such an import component of the travel experience.

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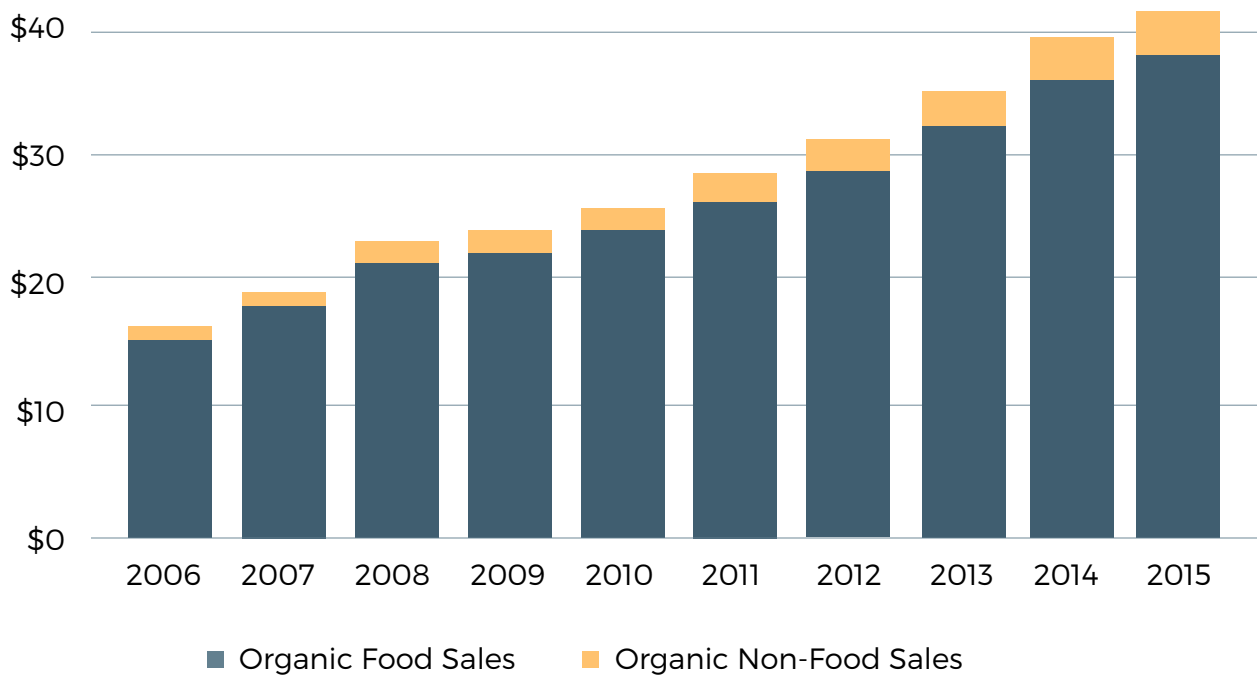
Brand Loyalty and Local Food

The big argument against and apprehension about the global food model is that we as consumers have completely lost our connection with the products we ingest and, more broadly, the value chain that brings food to our tables.

For decades, price dictated the value of what we put into our bodies. Advocates for the “locally grown” movement stress this void in human connectivity; and how a deeper focus in our understanding of where our food comes from can be leveraged to market and promote local food products.

Growth figures for organically grown products would suggest that society as a whole is starting to care more about this connection. The Organic Trade Association boasted record U.S. sales for organic products. Sales in the U.S. jumped 11 percent in 2015 alone – far outstripping the 3 percent historic grow rate.

Total U.S. Organic Sales and Growth, 2006 – 2015



Source: Organic Trade Association

Locally grown and organic are not mutually exclusive, but the commonality here is that deeper connection with food at the personal level, transparency on the part of the producer, and knowledge on the part of the consumer that draw similarities between the two concepts. This swell in popularity for “connected food” – a term coined here, has also moved beyond niche local merchants and producers. Whole Foods, the wildly successful grocery store chain that used this connectivity as the base of its product, branding and marketing strategy has begun to hit competitive headwinds, as the mainstream, conventional grocers have also jumped on the local organic bandwagon.

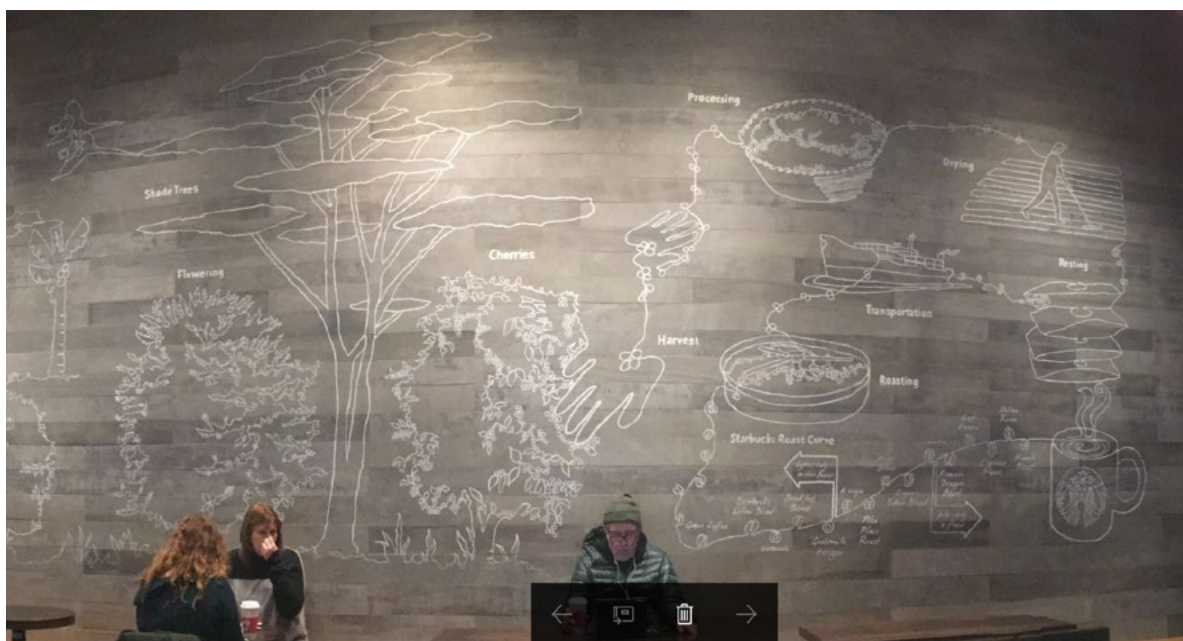
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Whole Foods produce stand in Chelsea New York

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The connected food concept has already hit the mainstream with corporate giants such as Starbucks. Part economics part brilliant marketing, the corporations are exposing the underbelly of food value chains to develop deeper ties between the end product and the consumer. Connectivity is the new paradigm.



Starbucks in Midtown, Manhattan exposing the coffee production value chain; building relationships and brand loyalty

APPLYING FOOD-SYSTEMS THINKING TO TOURISM

Taking inventory of a place's agricultural and culinary assets can be the first step in developing a deeper connection between tourism and local food systems. This often means breaking out beyond traditional circles to build partnerships with farmers, restaurant owners, grocers, and other stakeholders involved in the local food value chain.

Building Connections in the Food Value Chain

The following is an excerpt from a recent Skift Research report focused on food tourism strategies. The case study exemplifies how local tourism officials can foster this connection between food, tourism and economic development:

In an industry first, the Ontario Culinary Tourism Alliance (OCTA) launched its Feast On verification initiative in June 2015 to certify that restaurants, food trucks, culinary events, and other similar companies throughout the province are sourcing local ingredients. The mission of OCTA focuses on bridging the gap between the food and travel industries by developing relationships between growers, chefs, processors, restaurateurs, accommodation providers, distributors, government, and industry organizations.

"The localism marketing term is very hot as a buzzword but with that comes a lot of 'local-washing,' where some people say they use local food, but that's not enough for the food tourist who really wants an authentic taste of place," says Julia Gilmore, food tourism program manager at Ontario Culinary Tourism Alliance. "They want to know how you're actually supporting the farmers and other producers in the area."

To date, over 120 companies have participated in Feast On by opening their books to OCTA to prove that they buy a specific percentage of their products from regional suppliers. The program is funded in part by Ontario's Ministry of Rural Affairs, Agriculture & Food, and the Ontario Ministry of Tourism, with additional support from Foodland Ontario.

"The marketing of places to find local food is common but the verification and certification process is something that we haven't seen before," says Gilmore. "Now we can report on spending to the government. We can say 120 restaurants have spent over \$15 million on Ontario, showing there's demand for local food and making it easier to access even more local food."

OCTA is also expanding its research to learn more about the experience-minded food tourist who's seeking special events with strong culinary programming. This is a growing trend and food tourism segment that DMOs can have a more elevated role in developing.

"We're seeing this intersection of cultural and culinary festivals, and we're seeing where festivals that aren't necessarily a food festival are putting a large effort on what food they serve," says Gilmore. "A lot of top restaurants are now partnering with more festivals because it's great exposure for the restaurants and chefs, and it creates a more dynamic and high-profile experience for the festival and destination."

Sustainable Tourism in the Digital Era

Tourism and the ebbs and flows of visitors to a particular destination has evolved immensely with the rapid adaptation of technology, particularly with mobile tech. In many respects, how we discover new places, where our inspiration comes from, where we choose to stay, and what we choose to do once there has taken on a less predictable form. Adjusting to the avalanche of platforms and content channels now available to the average traveler has created challenges for tourism planners. Traveler behavior used to be more predictable because our choices were more limited. Today, the myriad of content platforms including online maps, review sites, curated content, and other platforms make it easier to explore destinations beyond the traditional confines of traditional landmarks and historical sites.



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THE CHALLENGE AND OPPORTUNITY IS MEASURING, TRACKING AND MANAGING TOURISM IN-FLOWS IN A WAY THAT MAXIMIZES BENEFIT TO LOCAL RESIDENTS, AND GUARANTEES A QUALITY TRAVEL EXPERIENCE FOR THE NEXT GENERATION OF VISITORS.

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Access to local culture through restaurant finders, apartment rental apps, social media and other networking sites has completely reshuffled how visitors interact with local communities, residents and establishments. Nothing is sacred, hidden gems don't stay hidden for long. Popular rental site Airbnb had 11,440 private apartment listings in Barcelona alone. The challenge and opportunity is measuring, tracking and managing tourism in-flows in a way that maximizes benefit to local residents, and guarantees a quality travel experience for the next generation of visitors.

Arguably, technology could become part of the solution, both directly and indirectly. As more destinations amplify their marketing efforts to attract an increasingly demanding traveler, this could help defuse some of the local challenges of overtourism. The core psychology of travel rests on the assertion that people tend to prefer new destinations rather than reoccurring ones. On a deeper level, exploring new destinations and experiences helps to put the mundane world into context. We are on a constant quest to rediscover ourselves through novelty. Immersing oneself into new scenarios and life situations gives us the opportunity to test and reassure that our life decisions have proved valid and worthwhile.



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THE
secrets
OF the wines

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GASTRONOMY, A KEY FACTOR IN PROMOTING CATALONIA AS A TOURIST DESTINATION

Catalan gastronomy is an international benchmark. The international gastronomic revolution, as we understand it today, began in the kitchen of Ferran Adrià at El Bulli. We have 54 establishments sharing a total of 65 Michelin stars between them (three of these, El Celler de Can Roca, Lasarte and Restaurant Sant Pau each have three stars). El Celler de Can Roca, furthermore, has been named the world's best restaurant on two occasions, in 2013 and 2015.

For all these reasons, and many more, Catalonia was awarded the title of European Region of Gastronomy 2016, a distinction conferred annually by the International Institute of Gastronomy, Culture, Arts and Tourism, and which in its very first year was awarded to Catalonia.

This distinction has enabled us to promote gastronomy as a symbolic feature of Catalonia as a tourist destination, which differentiates us from rival destinations, makes us competitive, offers an added motivation to tourists to come and visit us, and helps us to achieve a stronger Catalunya brand.

Furthermore, as such a widely varied, year-round product, gastronomy enables us to promote the tourism potential of inland areas of Catalonia, and to redistribute the flow of tourists both geographically and seasonally.

Additionally, within the framework of the 2017 International Year of Sustainable Tourism for Development, promoting Catalan chefs and local food producers enables us to work towards more responsible and sustainable tourism; helping us to build a tourism model which is environmentally sustainable, economically responsible and socially inclusive.

In short, the Government of Catalonia considers gastronomy to be a key factor in promoting Catalonia as a tourist destination because it enables us not only to promote ourselves internationally, but also to do so as a quality destination, which is the tourism model that we wish to promote.

Xavier Espasa

Director of the Catalan Tourist Board



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