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Internet-based strategy helps boost Portugal's visitor numbers

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Centre of attraction: Lisbon's Rossio Square

Tourism has long been a key sector in Portugal's economy and its importance is growing; having held up well in the recession, it is rapidly diversifying away from traditional beach holidays. According to the World Travel and Tourism Council, by 2024 the industry should account for 20 per cent of jobs in Portugal, 13 per cent of investment and 21 per cent of exports and services income.

Lisbon, which overtook the Algarve in terms of visitor numbers in the wake of the Euro 2004 football championship, is a prime city-break destination. Porto, the second city and a hub for low-cost airlines, has carved out a similar niche.

Around the country, 19th-century spas and rural guesthouses

have been given contemporary makeovers and are drawing customers keen to try out new experiences.

Between January and July, according to Turismo de Portugal, the national tourist board, the number of overnight guests was up 11.6 per cent on the same period of 2013. All southern Europe has benefited from the impact of the Arab spring on tourism in north Africa, but Portugal seems to be winning more business than its rivals.

The French, in particular, are arriving in unprecedented numbers; in Lisbon they are now the largest group, with some hotels reporting a 30 per cent rise.

At a time when good investment returns are hard to find, the response has been enthusiastic.

Deloitte, the consultancy, has forecast 12 hotels will have opened this year in Lisbon, four in central Portugal and 10 in Porto and the north. Algarve resorts are to add six; even the rural Alentejo expects two, both five-star. Despite pressure on rates as capacity expands, revenue from all accommodation to July was up 10 per cent at €5.35bn.

Lisbon's inclusion in budget airlines' networks — first EasyJet, now Ryanair — has helped, but the country's smart approach to promotion in austere times has also been a factor. Eschewing costly advertising campaigns, its marketers woo foreign opinion makers while wringing all they can out of online analytics and social media.

The way prospective tourists research their travel plans has changed radically, says João Cotrim Figueiredo, president of Turismo de Portugal. "You start by thinking you may want something before knowing exactly what, and are immediately online, looking for inspiration," he says.

“ By clever use of online marketing, you can put yourself on the shortlist ”

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"We have a chance to be present when people start their research. Once they are ready, by clever use of online marketing, you can put yourself on the shortlist."

The team then actively tries to manage what happens afterwards, as tourists share their experiences online.

"The first part — the choice — we do with search engine optimisation: we pay for it," Mr Figueiredo says. "The sharing part, on social networks, we don't. But we try to make it viral whenever possible, and it's that buzz that's invaluable in ensuring that the next potential tourist has Portugal at the top of their mind when starting the process."

Success is predicated on visitors enjoying their stay: the Portuguese talent for hospitality and

a balmy climate help, but the industry offer has also been transformed by a huge reduction in red tape. As secretary of state for tourism since early 2013, Adolfo Mesquita Nunes (described by one enthusiastic columnist as “the government’s only liberal”) has abolished licences for most tourist services; now, mere notification of premises or vehicle used, plus proof of insurance, suffice.

Meanwhile, programmes to stimulate new tourism concepts are positioning Portugal as a European start-up hub.

The result? A thousand flowers blooming in the form of funky hostels and other local accommodation, specialist tours and, in Lisbon, fleets of tuk-tuks offering tourist rides.

This proliferation of services and the tourism boom itself have prompted concerns over potential friction with locals of the kind seen in Barcelona. In general, though, the new enterprises have simply parted tourists from more of their money than they would otherwise have spent.

Elsewhere, there has been strong growth in wine and eco-tourism. Douro Azul, a river-cruise operator, is focusing on the lucrative upstream business in the Douro wine region; last year it launched two new vessels, each with more than 100 berths.

Portugal faces some challenges, such as the lack of direct flights from growth markets such as China and, in the short term, the limitations of Lisbon’s airport, which is in a very built-up central area.

“By the end of 2015 it will hit capacity and they’ll have to do something,” says Nicolas Roucos, general manager of Lisbon’s Inspira Santa Marta Hotel. While the global financial crisis scotched plans for a shiny new facility, he is among those who see bolt-on alternatives in the form of regional airfields.

Solutions to such problems will have to be found if officials are right to hope that the boom can be extended with the help of an online strategy.

“It’s no secret that we’re working closely with Google, Amazon and Facebook, so their knowledge of the consumer can be used to fine-tune our marketing effects,” says Mr Figueiredo.

“We hope to [stay at] the forefront of this approach for years. Because these big players tell us that not many [other countries] are trying to do the same thing.”

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