



Culture and Tourism

Mini Case Study Buy Puglia

Work Package 9

*Ex post evaluation of Cohesion Policy programmes
2007-2013, focusing on the European Regional Development
Fund (ERDF) and the Cohesion Fund (CF)*

Contract: 2014CE16BAT034



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Contact: Violeta Piculescu

E-mail: REGIO-B2-HEAD-OF-UNIT@ec.europa.eu

*European Commission
B-1049 Brussels*

**Ex post evaluation of Cohesion
Policy programmes
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the Cohesion Fund (CF)**

Work Package 9: Culture and Tourism - Case Study
Puglia (Italy)
Mini Case Study Buy Puglia

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Mini Case Study Buy Puglia

This report is part of the Regional Case Study Puglia carried out within the Ex post evaluation of Cohesion Policy programmes 2007-2013, focusing on the European Regional Development Fund (ERDF) and the Cohesion Fund (CF).

Author: Davide Barbieri, senior researcher, IRS

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The European Commission's Directorate-General for Regional and Urban Policy (DG REGIO) is undertaking an ex post evaluation of Cohesion Policy programmes financed by the European Regional Development Fund (ERDF) and the Cohesion Fund (CF) during the period 2007-2013 in regions covered by the Convergence, Regional Competitiveness & Employment and European Territorial Cooperation objectives in the 28 member states.

The Consortium IRS-CSIL-CISET-BOP was selected to undertake the ex post evaluation on 'Culture and Tourism' (Work Package 9). An important element within the evaluation is a series of case study analyses of NUTS2 regions covering interventions co-financed by ERDF during the 2007-2013 programming period.

In addition to the full case studies (at a region's programme level), the evaluation also includes two mini case studies (focused on individual projects) for each regional case study. As with the regional programme case studies, mini case studies are based on desk-based research and semi-structured face-to-face interviews with the main participants involved in the chosen projects.

This report presents the results of the mini case study *Buy Puglia*. This is the first of two mini case studies selected from among the many projects funded by the 2007-2013 Puglia Regional Operational Programme (ROP) in Southern Italy.

The report begins with a brief synthesis of the Buy Puglia project before moving on to a fuller description and the presentation of the results of the analysis undertaken. The report ends with a review of the main conclusions of the study, together with a series of lessons learnt for future policymaking.

The mini case study was based on desk-based research and on a programme of three semi-structured interviews. The three interviewees were identified as part of the wider ROP evaluation exercise of which the mini case studies are part and were selected as being key actors in the design and delivery of the project. They are:

Name of the person	Institution, position and role in the project	Contacts
Francesco Palumbo	Director of Promotion of Territory Department of Puglia Region Government, and Coordinator of Axis IV of the ERDF ROP	tel. +39 080 5405615-51 f.palumbo@regione.puglia.it
Giancarlo Piccirillo	Director of PUGLIAPROMOZIONE, responsible for the implementation of the Buy Puglia project	tel. +39.080.582.14.11 g.piccirillo@viaggiareinpuglia.it
Sivia Godelli	Regional Counselor Mediterranea Sea, Culture, Tourism	Tel.+39 080 5406536 assessore.mediterraneo@regione.puglia.it

1. Synthesis

Buy Puglia – Meeting & Travel Experience is a project designed to enable international buyers to learn about the different offers of leisure products available in Puglia. The actions taken were aimed at developing the demand for tourism in the Puglia region by tour operators with special attention to those that operate in foreign markets.

The project is an integral part of the region's strategy to improve its reputation as a regional tourism destination, in particular in foreign markets. Projects objectives are strictly linked to the regional context characteristics. The tourism sector in Puglia is in fact still characterized by the presence of small and medium sized enterprises, both in terms of hospitality infrastructures (hotels, conference hotels and other structures), as well as intermediaries (tour operators). The size of the local enterprises, particularly in a time of crisis, make it difficult for operators to represent themselves effectively in international markets, in particular in important international tourism fairs. This difficulty is also due to the lack of willingness among local operators to collaborate and build networks that would help create a greater presence in the international market.

In recent years, we have also seen a crisis in the traditional tourism marketing and promotion tools such as tourism fairs, given the increase in direct one-to-one sales avenues.

Considering the main beneficiaries of the project, they are:

- **Regional operators (sellers)**. These are either **single suppliers** of tourist services (e.g. hotels, holiday villages with a minimum of 30 rooms overall medium), or **aggregations of smaller operators** (e.g. bed & breakfast establishments, small hotels and guest houses) who could participate through **joint presentations** and being selected on the basis of an open procedure.
- **International operators (Buyers)**. These comprise international tour operators involved in the organisation of travel for foreign tourists and interested in expanding tourism supply in Puglia. The events were offered by invitation only. Participants were given the meeting agenda which was designed to match their demands with the offerings of the Puglia operators.

The difficulty of local operators in becoming known in the international markets on the one hand, and the willingness of international buyers to develop their own products in Puglia, has guided the project towards segments of the market that already have a minimum supply capacity and with the ability to attract international buyers with high chances of investment. The limit was drawn at accommodations with a capacity of at least 30 people, that could also however be reached through a business merger. A minimum capacity is necessary to attract international operators to the local offers, and especially to attract those interested in developing different markets with significant numbers (tour operators for group tourism, event organizers, etc.).

The total financial resources allocated to Buy Puglia during 2011-2014 amounted to €1,407,000, corresponding to €877,968 of ERDF resources.

The mini case study illustrates how it is possible to use ERDF funds to increase the capacity of local sellers to enhance their visibility in national and international

markets. In term of outputs, the project allowed to some 7,375 business appointments to take place among buyers and sellers. In terms of results, an overall positive assessment of the logic of the project is largely based on the perception of positive results rather than actual measured results. As a matter of fact, the case study reported a general positive feedback as stated in follow up surveys to both buyers and sellers. Especially from local sellers perspective, the project improved networking with those foreigner buyers considered most vital for both the enhancement of the region's tourism inflows.

BUY PUGLIA has been developed by Pugliapromozione among its activities devoted to develop and coordinate actions aiming at enhancing the networks of local and international operators in order to improve the opportunities for collaboration and to attract international tourists.

No main problems with the implementation of the project were identified. However, some critics related to the quality of the event, and especially with regard to the matching, emerged from satisfaction questionnaires. On the basis of these critics, the quality of the matching was improved from the first edition to the second.

An additional critical issue is related to data availability to support results assessment. There is no data that shows the actual increase in arrivals within the accommodations that participated in the events, nor is there data on the sales of tourist packages by buyers to their clients. This would require a monitoring system already in place at the time of submission of applications and selection of buyers and sellers. It would also require the definition and implementation of a specific method of analysis measuring the impact, which is not easily accomplished for a project like BUY PUGLIA.

As for sustainability, it remains a particularly critical issue. The need to support local operators during a period of continuing economic crisis remains a threat to sustainability, although the enhancement of positive relationships and networks among local and international operators may produce results in the future. Eventually the need for financial support for local operators may be reduced.

2. Background information

Country: **Italy**

Region: **Puglia**

Full project title: **Buy Puglia**

Duration of project: 2013 (16/10 – 23/10) and 2014 (27/10 – 1/11)

2013 Workshop 21/10; Travel experiences 16-18/10 and 22-23/10

2014 – Workshop 30/10; Travel experiences 27-29/10 – M.I.C.E. (Meetings, incentives, conferences and exhibitions) 31/10-1/11.

Key words: tourism, international tourism, international fairs

Funding:

Total budget	€1,407,000
ERDF contribution	€877,968
National budget	€282,948
Regional budget	€246,084
Private contribution	-

ERDF Objective:

- Convergence
- Competitiveness
- Territorial cooperation

Motivation for selection

The project has been selected for an in-depth analysis for the following reasons:

- Buy Puglia – Meeting & Travel Experience is part of the wider regional strategy to improve the international reputation of Puglia's tourism. In particular, Puglia has sought to give focus to its overall ERDF 2007-2013 strategy on tourism by developing a wider variety of projects mainly oriented towards non-local markets (and in particular foreign markets);
- The project aims at enabling international buyers to learn about the different offers of leisure products in Puglia. The promoted events took place annually since 2013, giving Puglia operators (primarily accommodation and intermediate tourism operators) the opportunity to present their services to a selection of foreign operators. Therefore, the project represents a way to facilitate a more direct contact with operators and an attempt to go beyond traditional tools for connecting with operators (such as international fairs) and for facilitating the matching of demand and supply in a period of economic crisis. In addition to "traditional workshop", a "travel experience", meaning an actual experience of a trip and a testing of the product for a few days by the buyers, was added; Finally, even if few quantitative evidence is present, the achieved results are encouraging and interest in the events for the future seems strong.

3. Project description

Overall objectives

Buy Puglia – Meeting & Travel Experience is a project enabling international buyers to learn about the different offers of leisure products available in Puglia. The actions taken were aimed at developing the demand for tourism in the Puglia region by tour operators with special attention to those that operate in foreign markets. The main objective of BUY PUGLIA is thus that of increasing contact opportunities between supply and demand operators and of expanding networks of collaboration and business contacts with the aim to increase foreign tourist in-flows into the region. To this end BUY PUGLIA is aimed at:

- supporting participation in and the organization of exhibitions, events, and trade sector initiatives at both the national and international level for the promotion and commercialization of Puglia's tourism products;
- increasing contact opportunities between supply and demand operators in the tourism sector and to expand networks of collaboration and business contacts;
- promoting the matching of the Puglia tourism sector with international operators;
- providing hospitality and educational tour initiatives in order to familiarize tour operators with the tourist attractions of the region;
- contributing of the increase of foreign tourist in-flows into the region.

Activities

Buy Puglia – Meeting & Travel Experience is a project managed by Pugliapromozione, the Agency for Promotion of Tourism of the Regione Puglia¹. It is funded by the Puglia ERDF ROP through Axis IV, Line of Activity 4.1 ('Infrastructure, promotion and valorisation enhancing the tourism economy'), and in particular Action 4.1.2 ('Marketing actions aimed at strengthening the attraction of Puglia's tourist destinations on the national and international markets').

The project specifically consists of two parts:

1. A **business meeting event (a workshop)**, connecting supply and demand side businesses and organisations;
2. the business meeting is run alongside a major educational tour event (two days '**travel experience**'). This takes the international operators to all parts of the region.

At the BUY PUGLIA annual business meeting event the international operators (buyers) and the regional operators (sellers) have the opportunity to meet within the

¹ *Pugliapromozione* was created in 2011 as the Regional Tourism Agency (*Agenzia Regionale del Turismo*). This agency seeks to implement policies for the promotion of local tourism. Its primary mission is to manage the activities of tourism promotion throughout the regional territory. It has become the sole agency since the dissolution of five previous provincial Tourist Promotion Agencies – the TPAs (*Agenzie di Promozione Turistica* – ATP).

structure of a predefined agenda. It took place in 2013 (16/10 – 23/10) and 2014 (27/10 – 1/11), and a new edition is envisaged in 2015. Both 2013 and 2014 editions were held at “La Fiera del Levante” spaces (Bari) even if they were not part of the fair.

The **workshops** have given Puglia operators (primarily tourist accommodation companies and intermediate tourism providers) the opportunity to present their services to a selection of foreign operators from some 30 European and wider global markets (buyers).

In both editions (2013 and 2014), workshops lasted 1 day as to give the opportunity to the buyers to meet selected sellers according to the following structure:

- The **agenda** was determined in advance at the time of the accreditation of the buyers and sellers and was based on a matching carried out by the organizers of the event and by PugliaPromozione.
- The meetings took place on a set date and in locations specifically dedicated to individual operators of Puglia. In this way, the local operators had the opportunity to present their tourist ‘offers’ through presentations of destinations, videos, shows, tastings of typical products, etc.
- Each participant was guaranteed a role, to which a series of informal meetings were added by the operators themselves.
- During the workshop, buyers had the opportunity to participate to at least **20 meeting** (15 minutes each) with selected sellers, according to their needs and characteristics of the demands of their clients. A total amounts of 2,875 and 4,500 meetings were held in the two editions of Buy Puglia (see table 3.1).
- The operators from Puglia (sellers) had a fixed work station, within distinct areas divided by tourist product, corresponding to the following types of offers provided (Art & Culture, Food & Wine, Events & Entertainment, Sea, Nature Sport & Wellness, Tradition & Spirituality).

As for the second project part, in both 2013 and 2014 editions buyers participated in two days of ‘**travel experience**’ consisting in themed trips specifically designed to bring international tour operators into direct contact with the territory with the aim of learning more about Puglia as a tourist destination. Trips lasted two days and buyers were divided in groups according to the chosen theme.

During the 2014 event the themed trips organised were the following:

Box 3.1. Buy Puglia - Travel Experiences 2014

- 1) ‘We are ACTIVE in Puglia’. This encompassed nature, sport and health tourism - Seaside - Food & Wine. The tour also covered the Gargano National Park, in the north of Puglia
- 2) ‘We are MAGNIFICENT in Puglia’. This encompassed heritage tourism - Seaside - Food & Wine. The tour covered the area of ‘Emperor Frederick II’, located north of Bari.
- 3) ‘We are TIMELESS in Puglia’. This encompassed archaeology and heritage tourism - Seaside - Food & Wine. The tour covered the ‘Magna Grecia’ area and archaeological sites, mostly located in the centre of Puglia.
- 4) ‘We are SLOW in Puglia’. This encompassed countryside tourism - Tradition - Food & Wine. The tour covered the ‘Monti Dauni’ area, the so-called ‘hidden’ Puglia in the north of the region.
- 5) ‘We are WILD in Puglia’. This encompassed the best of nature and sports tourism - Seaside - Food & Wine. The tour covered the Alta Murgia National Park and the Ionian coast.

- 6) 'We are ROMANTIC in Puglia'. This encompassed Traditional tourism - Seaside - Food & Wine. The tour also covered the Itria Valley area in the centre of Puglia.
- 7) 'We are EXCLUSIVE in Puglia'. This encompassed what was considered the very best of Traditional and Heritage tourism - Seaside - Food & Wine. The tour also covered the Itria Valley area in the centre of Puglia.
- 8) 'We are FUNNY in Puglia'. This encompassed Events and Entertainment tourism - Seaside - Food & Wine. The tour covered the Salento area in the south of Puglia.
- 9) 'We are AUTHENTIC in Puglia'. This encompassed heritage tourism - Seaside - Food & Wine. The tour covered the Salento area in the south of Puglia.
- 10) 'We are SPIRITUAL in Puglia'. This encompassed aspects of Traditional tourism - Nature, Sports and Wellness - Food & Wine. The tour covered the Gargano area in the north of Puglia.

Table 3.1 below shows main project outputs. During the meetings and travel experiences that were organised in 2013 and 2014 a total number of 324 buyers in the tourism sector were involved. In the 2014 event, a further 57 buyers from the MICE sectors were also invited. Local sellers amounted to a total of 265 participants in 2013 and 2014 (with a further 56 sellers from the MICE sectors being added in 2014).

Some 7,375 business appointments took place among buyers and sellers, with the 2014 event recording an increase on 2013 (reaching 4,500 appointments). The 2014 event also registered an increase in the numbers of participants in the various travel experiences. These rose to 24 in 2014 compared to eight in the 2013 event. Participant numbers in the 2014 travel experiences reached 221 in 2014, compared with 160 in 2013.

Table 3.1. Project outputs - BUY PUGLIA , 2013-2014

Year	2013	2014	TOTAL
Buyers – leisure and tourism sector	160	164	324
Buyers – MICE	-	57	57
Sellers – leisure and tourism sector	115	150	265
Sellers – MICE	-	56	56
Business appointments made	2,875	4,500	7,375
Travel experiences laid on	8	24	32
Participants in the travel experiences	160	221	381

Source: PugliaPromozione monitoring data

Beneficiaries

The direct beneficiaries of BUY PUGLIA are regional operators (sellers), for a total amount of 321 in the two editions, and international operators (buyers), for a total amount of 381 in the two editions.

The monitoring system implemented by PugliaPromozione for the participation of BUY Puglia does not provide an analytical description of the characteristics of the participants (buyers and sellers) neither provide data in terms of employees and turnover. However the following are the available information on both sellers and buyers.

Regional operators (sellers). These are either **single suppliers** of tourist services (e.g. hotels, holiday villages with a minimum of 30 rooms overall medium), or **aggregations of smaller operators** (e.g. bed & breakfast establishments, small hotels and guest houses) who could participate through **joint presentations** and being selected on the basis of an open procedure.

The call for operators was, therefore, consistent with the rationale of the project wishing to support both medium and small-sized enterprises experiencing difficulties in becoming known in the international market (for more details, see later in Project

design and planning).

According to the monitoring system implemented by PugliaPromozione in 2014, the operators who participated in BUY PUGLIA were mainly Hotels (31%) followed by Tour Operators (23%) and Conference and events hotels (18%). Spa Hotels represented the 10%), Agritourism, B&B and other small/medium local operators the 9%, and Consortium and Cooperatives of local operators the 7%).

With regard to the dimension of the local operators, the average number of beds of each entry registered in the monitoring system is about 200. More than 40% of the operators have less than 100 beds, while the presence of bigger operators (over 500 beds) was quite limited (only 9, of which many are campsites). From these data, the presence of small sized enterprises seems to be not so important. However, it is worth underlining that small operators that presented a joint offer were considered in a cumulative way in the monitoring system that is to say that the presence of small-sized enterprises was guaranteed by the aggregations of local businesses joined together in order to reach the minimum required capacity, but that disaggregated data are not available.

Throughout the two editions (2013 and 2014) there was a large turnover of participants. In 2014, of the 206 sellers (150 leisure and tourism sector + 56 M.I.C.E. sector, see table 3.1 above), only 15 had participated in the 2013 edition. The 15 participants who attended to both editions, explicitly requested to participate in the second in order to develop new regional destinations after their positive participation to the 2013 edition. No data on their characteristics are available.

International operators (Buyers). These comprise international tour operators involved in the organisation of travel for foreign tourists and interested in expanding tourism supply in Puglia. The events were offered by invitation only. Participants were given the meeting agenda which was designed to match their demands with the offerings of the Puglia operators.

In the 2014 edition, 65% of participants were tour operators, 20% were travel agencies, and the remaining were other operators (online travel agencies, wedding operators, etc.). 50% belongs to the area of luxury spending. Luxury sector has been expanding in the last years. According to PugliaPromozione, more than half of tourists that chose Puglia as their tourist destination in 2014 chose to stay in medium-high level accommodations (for example, 4 and 5 star hotels). Moreover, a niche of this "luxury market" is referred to wedding travel. As such, inclusion of luxury international organization in the project is relevant for the improvement of the regional market. The buyers were interested in tourism products tied to Food and Wine (71%), Art and Culture (70), Seaside tourism (63%). The preference for local operators to meet was mainly directed towards hotels (61%), local tour operators (43%) and destination management companies (36%).

For buyers, an important condition for the participation in the 2014 edition was to not have participated in the 2013 edition. This allowed new operators to participate in the project, expanding the opportunities for contact amongst international and local operators.

In the 2014 event, participation was extended to regional operators of the MICE system. MICE is a type of tourism policy in which large groups, planned in advance, are brought together for a particular purpose. Activities for MICE were focussed on a particular theme or topic, such as professional trade organization, a special interest group or an educational topic. The activities took place in a specialized area with its

own exhibition space.

Expected results

The main expected results are the following:

- 1) increased contact between operators (buyers and sellers);
- 2) increase in trade relations;
- 3) increase of flow in accommodation establishments involved and participating in BUY PUGLIA (sellers);
- 4) increase in products related to the Puglia destination by international operators (buyers).

The monitoring system actually in place do not provide quantitative data for assessing if expected results were achieved or not.

4. Political and strategic context

Over the past few years, the brand Puglia was developed within the general strategy of the Puglia region with the general aim of exploiting tourism as a tool for economic development of the region. Puglia is still a relatively new tourist destination, with great potential for development and use of local environmental and cultural goods. It, therefore, has a great deal of potential in attracting new demand for tourism, especially with regard to foreign tourism.

In addition, the structural conditions of the region have improved in recent years, especially with the ERDF contribution in the previous programming, which contributed, on the one hand, to restructuring and making available the cultural and environmental heritage of the area, and on the other to developing the infrastructure (especially ports and airports), which are an essential prerequisite for the development of tourism.

The tourism sector Puglia is, however, still characterized by the presence of small and medium sized businesses, both in terms of hospitality businesses (hotels, guesthouses and other accommodation), as well as for intermediary firms (Tour Operators).

Data of Chambers of Commerce show that in 2014 more than 31.865 companies were active in the tourism sector, employing a total of 132,100² workers. The firm average dimension of the tourism company is around 4 employees, characterizing the sector as mainly composed by SMEs enterprises.

This characteristic makes it difficult for operators to represent themselves effectively in international markets, particularly in the most important international tourism fairs. Additionally, many local businesses lack a willingness to collaborate and build networks to increase representation in the international market.

At the same time, in recent years, global trends have seen a crisis in the traditional tourism marketing and promotion tools such as tourism fairs, given the increase in the increase in direct one-to-one sales avenues. This has led to a diversification and segmentation of the products within the tourism sector. The destinations that can count on a broad portfolio of products (tourist experiences) and can distribute them to the right areas of demand are gaining more and more value. Puglia has a wide range of offerings, but still needs to find a way to promote its products highlighting its diversity, letting go of generalist tools (one too many), and selecting the demand on which to work.

Finally, the geographical position of Puglia and its remoteness from major Italian tourist circuits requires additional effort for the increase in "awareness" of the destination.

² Regional Chambre od Commerce, provided by PugliaPromozione

5. Implementation

Project design and planning

BUY PUGLIA has been developed by PugliaPromozione among its activities devoted to develop and coordinate actions aiming at enhancing the networks of local and international operators in order to improve the opportunities for collaboration and to attract international tourists. In particular, it is the responsibility of the Tourist Board, which is represented by PugliaPromozione in Puglia, to adopt and finance measures that facilitate the matching of supply and demand, in addition to promoting Puglia brand and its related products.

Within the context briefly described above, the need to support local operators in developing market opportunities emerged. Following the request of the local operators, the regional government carried out an analysis to identify the main related issues to the increase support for operators in the development of their contacts and marketing activities in foreign countries. The analysis identified the critical issues of reduced opportunities for local operators in participating in trade fairs, events and international tourism exchanges, particularly those abroad due to financial austerity followed the economic crisis. Moreover, it identified the need for having specific dedicated time to *direct* contacts with foreign operators. BUY PUGLIA design idea moved from the results of this analysis.

Given the lack of national and regional funds (specially in times of crisis) the availability of ERDF funds was considered essential for the implementation of a broad series of activities promoting tourism, including BUY PUGLIA. As pointed out during the interviews, the project would have not be carried out without the support of ERDF funds.

Another pre-requisite for the implementation of activities is related to the presence of Pugliapromozione (financed by national and regional funds) as the public institution able to design, implement and manage the project and to coordinate the various interested stakeholders (buyers and sellers).

The added value of the ERDF is therefore to be found in the possibility to use a large amount of public resources on which to build a comprehensive strategy to promote tourism in the area.

The responsibility for the day-to-day implementation of the project was also given to PugliaPromozione, which carried out the following actions:

- the design of the project (definition of the format of the event and workshops and the content of travel experiences);
- the day-to-day organisation of the event;
- the implementation and management of the selection procedures, including criteria for participation (one selection procedure was carried out in each of the two years of implementation);
- the selection of local operators for participation in the event;
- the invitation of international operators;

- the matching between local and international operators for the development of activities (i.e. the workshops and travel experiences);
- the definition of the agenda of the workshops and travel experiences.

With specific regard to the procedures for selecting the local and international operators:

- Local operators (sellers) were selected considering both the need to maintain an even distribution throughout the region and the need to represent all sectors related to specific areas of the market (Art & Culture, Food & Wine, Events & Entertainment, Sea, Nature, Sports & Wellness, Tradition & Spirituality). In addition, specific criteria were:
 - ✓ joint participation (priority to requests for participation submitted by several companies in a partnership, both consortia and stable mergers as well as operators in joint participation);
 - ✓ coverage of the different categories of operators (priority to requests for participation from companies belonging to categories for which there is a smaller number of business applicants);
 - ✓ distribution throughout the region (priority to requests for participation by companies of territories from which there is a smaller number of companies applying);
 - ✓ coverage of the different segments of offerings (priority to requests for participation by companies whose offerings are less represented amongst the participants);
 - ✓ having participated in other promotional activities organized by Pugliapromozione (priority to businesses that have already taken part in other promotional activities).
- International operators (buyers) were selected according to the following specific criteria:
 - ✓ to have not participated in the previous edition of Buy Puglia;
 - ✓ to have planned the development of their activities in Puglia and the need to know the area and meet local businesses;
 - ✓ to have Puglia in their catalogues and to be interested in developing new products in new destinations in Puglia;
 - ✓ to have Italy or other destinations in the Mediterranean and to be interested in expanding their destinations portfolio;
 - ✓ to be based in international markets that are quickly growing: EUROPE (Italy, Germany, France, United Kingdom, Scandinavia, Switzerland, Austria, Spain, Belgium, Low Countries, Turkey, Czech Republic, Baltic countries, Poland) - BRICS countries (Brazil, Russia, India, South Africa) - extra-EU countries (USA, Canada, Japan) (Russia, China, etc ..).

The organization of the tour (travel experience) has been entrusted, through public procedures, to an external company who took care of the logistics. However,

Pugliapromozione was responsible for the overall design and organization in terms of "tourism products". Buyers expressed, at the time of submission of their application, their preferences, indicating three businesses among the most relevant to their core-business. The final matching were made by Pugliapromozione on the basis of the requests, trying to combine the buyers based on preferences and distributing tours in the region (both the classic destinations and those "minor" ones, yet to be discovered), and according to different types of tourism products requested by buyers and offered by the territory.

As anticipated before, the overlapping among local operators (sellers) was very limited between the two editions. For local seller, the overlapping was limited to only 15 operators out of 206 which had also participated in the 2013 edition. For buyers, a condition for participation in the 2014 edition was to not have participated in the 2013 edition. This allowed new operators to participate in the project by expanding the opportunities for contact between the international and local ones.

Management, monitoring and evaluation

The project coordinator was Giancarlo Piccirillo, Director of Pugliapromozione, a professional in the field of tourism and promotion of touristic activities. The project was entirely designed and coordinated by the project coordinator with the support of internal staff, composed by the project coordinator, the marketing manager and the staff of the internal unit devoted to "Promotion business to business".

The total financial resources allocated to Buy Puglia during 2013-2014 amounted to €1,407,000, corresponding to €877,968 of ERDF resources. Table 5.1 below shows the year-by-year disaggregation of financial resources divided into the two main types of activities financed – the workshop and 'travel experiences'. As can be seen, it is the workshop which has absorbed the bulk of the financial resources available.

Table 5.1. Financial resources (Euros) – BUY PUGLIA, 2013-2014

Year	Workshop	Travel Experiences	TOTAL	ERDF
2013	437,000	100,000	537,000	335,088
2014	600,000	270,000	870,000	542,880
Total	1,037,000	370,000	1,407,000	877,968

Source: Pugliapromozione

The average costs of the 2014 edition are higher and this is partly due to the increase of expenses for the organization of the travel experience. In the edition of 2013, in fact, the tours were organized with the assistance of the G.A.L. (Local Action Groups), aggregations of municipalities of different territories, which allowed for the saving of resources through the use of human resources. In the 2014 edition, due to the complexity of a wide decentralized organizations, it was decided to outsource the organization of the tours to an external company. According to our interviews this led to an increase in average costs, but improved the overall organization of the project.

As stated above, public selection procedure were carried out in order to both select international operators (buyers) and local operators (sellers) for participating in the two editions of the event.

An internal monitoring system was created by Pugliapromozione. As anticipated above this was mainly focused on the characteristics of the operators (buyers and sellers) necessary for profiling and matching. In particular, it collected data on the type of operator (sellers) (hotels, agritourism, Bed & Breakfast, Bike operators, Campsites, Conference and events hotels, Consortiums and specific cooperatives, Spa hotels, tour

operators, wedding planners), the services / products (arts and culture, food and wine, Seaside, Tradition and spirituality, Nature, sport and well-being, Events and entertainment, business), the territory and the size of operators. As for the buyers, the characteristics of the operators (tour operators, travel agency, etc ..), the type of product / service required (food & wine, art & culture, seaside, nature & sport, wellness, entertainment, spirituality, etc ..) and the type of customer (couple, seniors, youth, etc ..) are available. Outputs data were also collected.

The project was not formally externally evaluated. However, Pugliapromozione internally carried out for both the 2 editions a following-up of project's activities. To this end, a questionnaire has been administered to all buyers and sellers involved in the two events³.

The questionnaires reported the satisfaction by operators on the event organization, quality matching, quality of staff, overall satisfaction and included some questions about the quality and quantity of commercial relations undertaken (see later in Results). In particular, the sellers were required to rate the level of effectiveness of the program in establishing new business relationships with operators they met and their number, and to rate the strength of these relationships one month after the end of the intervention (the return of the questionnaire was provided, for local operators, a month after the participation in the event). At the same time, buyers were asked to indicate the effectiveness of the program in building relationships in order to include in their catalogues a range of products in Puglia.

Innovative elements and novel approaches

From the point of view of product innovation, the project developed a new tool (the travel experience) to facilitate a more direct contact with operators and an attempt to go beyond traditional tools for connecting with operators (such as international fairs) and for facilitating the matching of demand and supply in a period of economic crisis.

Constraints on the implementation

No main problems with the implementation of the project were identified. However, some critics related to the quality of the event, and especially with regard to the matching, emerged from satisfaction questionnaires.

On the basis of these critics, the quality of the matching was improved from the first edition to the second. In the 2013 edition the matching was made through the use of a software enabling the matching between buyers and sellers on the basis of similar characteristics in terms of type of operators, service/product, type of destination. In 2014, the matching procedure was still made through the software, but 5 out of 20 meetings were chosen freely by buyers.

The future development of the event will further take into consideration this critical issue by attempting to better fine-tune the matching procedure. This will be done by improving the quality and quantity of information requested from the operators at the initial application phase, and by improving the web-platform used to collect the information. Moreover, a reduction of the number of pre-arranged appointments with a parallel increase of those freely chosen and organized directly between the operators before the event will be introduced through a web-based system of invitation/acceptance of appointments.

³ More detailed results of the evaluations can be found in the Annual Reports of Pugliapromozione (2013, 2014).

6. Key results

From the analysis of the follow up surveys carried out after the two BUY PUGLIA editions, the following key results were identified:

- **general positive feedback** from both foreign operators (**buyers**) and local operators (**sellers**) has been obtained with specific regard to the **development of the relationship between operators** and the start of lasting business relationships is supported by the views of stakeholders.
- Most of the **buyers** stated their **intention to insert Puglia into their tourist 'offer' had been strengthened (almost 90% in 2014)**. The buyers also reported that the events had helped them to consolidate their relationships with local Puglia sellers. One of our interviewees summarised the widespread feeling of the *"overall effectiveness of such events in providing contact with foreign operators and building up relations and networks for present and future commercial relations"*. In particular, the "travel experience" was considered by our interviewees to have been a considerable success. One interviewee described the activity as "a key factor for the creation of tourist packages dedicated to the Puglia region and their inclusion in the tourism services of the big international tour operators".
- **Commercial relations among local operators (sellers) and international buyers** were also **positively affected**. Some 11% of local sellers considered the events to have been 'highly effective', and a further 77% assessed them as having been 'effective'. In addition, 68% of interviewees noted that the events had consolidated their commercial relations with the buyers encountered at the events, and 55% said that they now had new on-going commercial relations with buyers. These relationships continue even after a month past the end of the event, for more than half of the sellers. The average number of trade relations built throughout the program is approximately 5 for each seller.
- More generally, in the words of one interviewee, the two events were considered by most of those surveyed as being, *"of particular importance in terms of the improvement of tourist numbers incoming, in terms of investment in the brand's reputation, in the better organization of destinations, and in the differentiation of markets and products on which to launch a more competitive positioning by local operators"*.

However the increase in contacts between operators and the increase in trade relations is only supported by follow-up survey on buyers and sellers. Actual results measuring these effects are not yet subject of monitoring and evaluation by PugliaPromozione, so no other data are available to measure obtained results.

Data on the actual increase in arrivals and presence in accommodation businesses that participated in the events is not available, nor data on the sale of tourist packages by buyers to their customers. This would require a consolidated system of monitoring already at the time of submission of applications and the selection of buyers and sellers. It would also require the definition and implementation of a specific method of analysis of that impact, which is not easily accomplished for a project like BUY PUGLIA and that, in any case, was not carried out.

Therefore, the overall positive assessment of the logic of the project is largely based on the perception of positive results rather than actual measured results. The most critical point of the project is therefore its actual ability to measure the results achieved compared to those that were expected, and thus enabling an effective assessment of the rationale behind the intervention.

7. Sustainability and transferability

A lack of data to verify results makes it difficult to assess the actual sustainability of the participating companies in independently developing their own business in the future. However, the creation of networks between buyers and sellers, even if it is based not on quantitative data, but rather on the indications expressed by the operators at the end of the intervention, leads us to conclude that, at least in the short term, the ability to build on and improve the relationships is possible.

The logic of the intervention is also based on the replacement of operators from one edition to the next. This makes it possible to expect that other relationships between different local and international players will grow in the future.

The need to develop a system for monitoring and evaluating the actual results, in terms of maintaining networks and effectiveness of trade relations, however, remains the most critical point of the project. In the absence of this data and information, it is also difficult to respond effectively to any needs yet unexpressed from the territory, such as the coverage of areas of the country not served, although with a significant tourism potential.

However, supporting the encounter between demand and supply of local tourism products that was realized through BUY PUGLIA is justified mainly by the need to launch a new way of matching sellers and buyers on the international market and increase Puglia reputation over time.

With regard to the possibility of carrying out the project in the absence of ERDF funds, it is necessary to emphasize the importance of public funds to support an "institutional" activity, which is to promote tourism in the territory. Support for the promotion of tourist areas is also, as mentioned above, an activity pertaining to institutions, and therefore will require public intervention in the future, including ERDF.

This obviously does not imply that the project should go on long-term with the support of ERDF. The availability of data on the results would make it possible to change the public intervention with regard to areas of the territory, types of services / products, operators involved, and also of how to meet demand / supply, in order to improve the promotion of the territory.

An important topic for the future, as demonstrated by other European countries is to envisage the participation to costs activities by operators. This can happen, as already in other European countries, when the economic system is more developed and acquires greater financial capacity and a greater market orientation. This is not yet the case in Puglia, but it is certainly an evolutionary perspective to which these orientations tend, and stem from a logic of "start-up" supported by government intervention.

However, the sustainability of these kinds of activities remains a particularly critical issue. The need to support local operators during a period of continuing economic crisis remains a threat to sustainability, although the enhancement of positive relationships and networks among local and international operators may produce results in the future. However, this is not monitored and evaluated at the moment. Eventually the need for financial support for local operators may be reduced.

It can be argued that ERDF has to some degree provided specific answers to specific market failures mainly connected to the small size and fragmentation of local operators and to provide them support in the economic crisis.

8. Conclusions and lessons learnt

Planning and governance

- The need to develop more innovative tools than provided by existing traditional international tourism fairs was born in particular from a desire on the part of local operators to reduce the high costs of travelling to international fairs. There was also a desire to develop new tools to facilitate a more direct contact with operators and to build relationships geared towards the needs of both supply and demand.
- This has led PugliaPromozione to develop a much more bottom-up form of intervention. At the same time, the management and implementation of the event has continued to use a top-down logic, with strong leadership provided by PugliaPromozione. This appears to have led to an efficient realization of the events, from both the point of view of the administrative procedures, as well as the day-to-day management of the event. However, the mix of a bottom-up logic (drawn from the needs of local sellers) with a top-down implementation process was deemed as necessary even if it could be further improved;

Implementation

- The process of connecting supply and demand still needs to be improved, as it must facilitate the development of better networks of collaboration both during and after the event;
- The matching process between the buyers and sellers conducted at the central level *"is to be considered as the main critical issue of project"*. Interviewees felt that there was a need to further enhance the methods used, which did not always produce satisfactory results. As such, it needs to be improved. During the interviews a number of improvements were suggested:
 - the identification of characteristics, needs, and demands of the buyers and sellers may be improved by better defining tools for collecting information. For example, it was suggested that developing an interactive web platform where buyers and sellers may intervene and check the on-ongoing activities would be useful;
 - The replacement of the matching process at the central level by a process run by the buyers themselves might be a better solution;
 - An extension of the time dedicated to the 'travel experiences' part of the project was thought to be needed, to allow sellers to better evaluate the quality of host establishments and to deepen their knowledge of the region.
- These kinds of events are heavily dependent on the willingness of the intermediate market organizations to participate. Hence the organizers need to carry out wide and outreaching communication campaigns targeted at the major foreign buyers. This is not cheap;
- There is a need to increase the presence and use of broadband right across the region and the sector;

- There appears to be a need to increase the available time for both meetings and travel experiences in order to better support the networking between buyers and sellers;
- There needs to be more effective networking agreements, especially for the participation of small local sellers, if they are to benefit from the BUY PUGLIA events;
- Pugliapromozione is studying ways to improve the project, such as a better use of the web and greater opportunities for interaction between the operators before the event actually takes place. In addition, steps are being put in place to encourage greater opportunities for meetings to be organized and networks built autonomously.

Management and monitoring

- The most critical point of the project is its actual ability to measure the results achieved compared to those expected, and thus enable an assessment of the rationale behind the intervention. This would require a monitoring system already in place at the time of submission of applications and selection of buyers and sellers. It would also require the definition and implementation of a specific method of analysis measuring the impact, which is not easily accomplished for a project like BUY PUGLIA.
- In the absence of a system of monitoring and evaluation of the results, it is difficult to respond effectively to any needs yet unexpressed from the territory, such as the coverage of areas in the country not served even though they have significant tourism potential, and thus improve the planning of future operations.

Results

- Although based only on the results of following-up surveys at the end of the event, the results seem positive. In particular, the increase in trade relations between buyers and sellers and the level of satisfaction expressed with respect to the event, are encouraging;
- The networks of stakeholders has been stimulated and improved. The direct contacts with cultural and environmental resources during the 'travel experiences' was particularly appreciated by participants and seems to have been a very effective part of the project;

Sustainability

- The availability of ERDF funding over the 2007-2013 period is considered important for the achievement of these results;
- ERDF has to some degree provided specific answers to specific market failures mainly connected to the small size and fragmentation of local operators and to provide them support during the on-going economic crisis.
- The use of ERDF in the future programming period may need to be maintained especially with regard to the collection and analysis of needs, the design and implementation of new project/tools, the facilitation of networks of operators).

- From a strategic point of view, BUY PUGLIA may well have to adapt in the future to fit changing market conditions. The expected decrease in the intermediated market in favour of an increase in autonomous (i.e. 'self-build' vacations) tourism makes it necessary to think up new and innovative tools for the operators. To achieve this, ERDF financing could perhaps be considered in the future for new communication and information tools (e.g. web, social networking etc.) in the tourism sector.

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