

ON NATURE'S SHOULDERS

RIDING THE BIG WAVES IN NAZARÉ

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The big waves' media campaign launched in Nazaré in 2010 had considerable impact on the local economy, decreasing seasonality and possibly benefiting adjacent municipalities. The results obtained in Nazaré can be inspiring to other municipalities facing similar challenges.

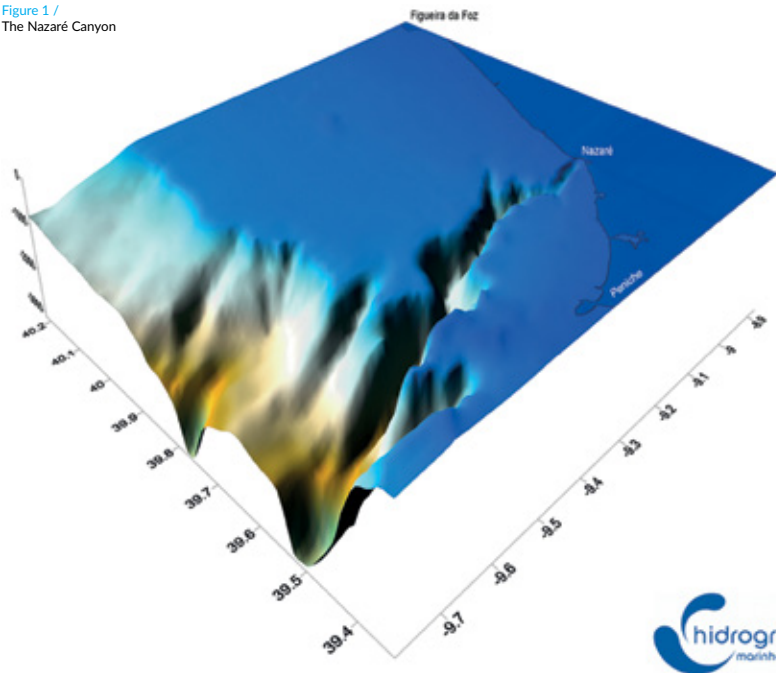
Studies based on the impact of natural uniqueness and site-specific attributes on local economies have grown significantly in the last years. Those features are viewed as key to increase attraction of the different destinations in a globalized world market.



The big waves' media campaign in Nazaré

Recently, Nazaré, an old fishing community located on the west coast of Portugal, became known to the surfers' community as a new spot for surfing: Praia do Norte, a beach in Nazaré, is now part of a small set of spots worldwide where big waves provide unique experiences to those few who can ride them (Figure 1).

Figure 1 /
The Nazaré Canyon



The big waves in Nazaré can reach 30 meters and are a consequence of the Nazaré Canyon, one of the largest canyon systems in Europe, which incises a relatively narrow shelf at the western Iberian margin.



Figure 2/ Big waves surfing in Nazaré. Photo by Nazaré Qualifica, Tó Manel

Over the centuries, the big waves in Nazaré (Figure 2) have been considered a threat to fishermen.

In 2010 the municipal company *Nazaré Qualifica* and the municipality of Nazaré launched a three-year media campaign involving private and public institutions to promote the big waves and tourism in the region. After this marketing media campaign the site became a more popular tourist destination. **By providing the required “informational media infrastructure” that campaign allowed for the worldwide recognition of the value of the big waves** (Figure 3).

After the marketing media campaign, both elite surfers and visitors who enjoy watching the waves started visiting Nazaré, and the site became a more popular tourist destination.

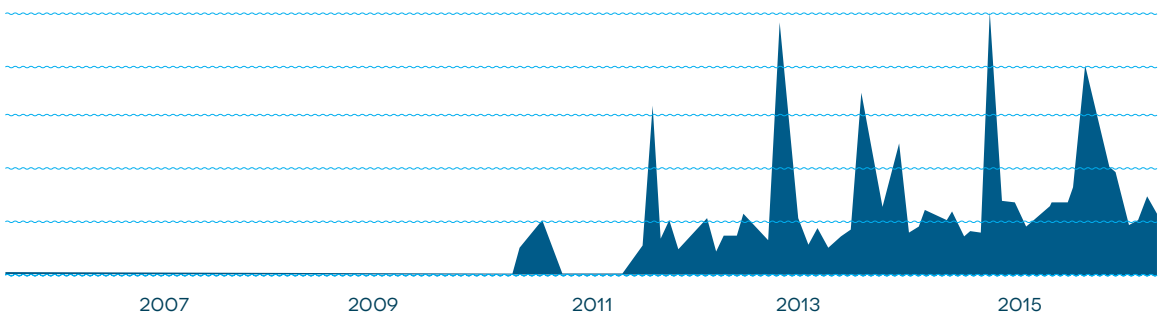


Figure 3/ Google Trends on “Nazaré big waves”

Note: Figures in Google Trends are an index. This is used here only as an indicator of the volume and trend of searches.

What was the strategy followed by Nazaré's local authorities?

Nazaré municipality committed to promote tourism in the region and increase its competitiveness with respect to other tourist destinations worldwide. By allocating resources to achieve their goal, the public company *Nazaré Qualifica* was created in 2007. The challenge was to identify natural attributes to best promote Nazaré as a touristic destination. Together with Nazaré's local surfers, municipal authorities started an experimental period during which bodyboarding events and other surf related national competitions were organized. The observed impact of the events featuring the big waves, such as the bodyboarding big waves competition, made clear the relevance of big waves. To test the uniqueness of their waves and grant international recognition, world top surfers were invited to Nazaré, namely Garrett McNamara, who travels around the world searching for big wave spots. After 2010, when the promotional campaign was launched and the first big waves were surfed by Garrett McNamara and his team, the recognition of the waves was achieved through several World Guinness Records and World Surf League (WSL) awards.

The Nazaré municipality managed to select an attribute that is part of their social and cultural identity. Hence, the international recognition honored the cultural heritage of the region, contributing to its preservation. An example of this new trend is provided by the *São Miguel Arcanjo* Fort, offering a privileged view on the big waves, which was reopened as a museum.

By how much did the big waves' campaign impact the local economy in Nazaré?

EVALUATION METHOD

In order to estimate the impact of the big waves' campaign on the local economy, we compare the evolution of tourism in Nazaré with and without the media campaign. Since it is not possible to observe what would have happened without the campaign, we use a statistical methodology known as counterfactual analysis. **We consider two counterfactual scenarios to estimate the number of tourists that Nazaré would have attracted in the absence of the media campaign.**

SCENARIO 1

/ Description

We use the Oeste municipalities, excluding Nazaré, as the baseline group. The counterfactual number of tourists that would have visited Nazaré if the media campaign had not occurred is estimated as the projected number of tourists in Nazaré given its past trend plus a correction for the change in trend after 2009 due to factors other than the big waves' campaign, namely the recent boom in tourism in Portugal.

/ Methodology

First, data on tourists' arrivals in Nazaré before the media campaign, from 2004 to 2009, are used to obtain projections for the following years (2011-2014). Next, the same procedure is applied to data from the Oeste coastal municipalities, excluding Nazaré, to obtain projections for the corresponding number of tourists for the same years. Finally, the effect of the media campaign on the number of tourist arrivals in Nazaré for the period 2011-2014 is estimated as the difference between the observed number of tourists in Nazaré and the projected values, including the correction for the change in trend.

SCENARIO 2

/ Description

This second scenario accounts for the presence of potential spillover effects of the big waves' media campaign in Nazaré to the adjacent coastal municipalities in the Oeste region. It thus accounts for the fact that the comparison group may have been affected by the intervention.

/ Methodology

To isolate this effect, the recent change in the growth rate of tourism in coastal municipalities that are located between Lisbon and Oporto but are not part of the Oeste region is estimated. Data on tourists' arrivals of coastal municipalities between Oporto and Lisbon excluding Nazaré's adjacent municipalities (Oeste region) were used to make projections for the period 2011-2014.

Figure 4 /

Estimation results: number of visitors in Nazaré

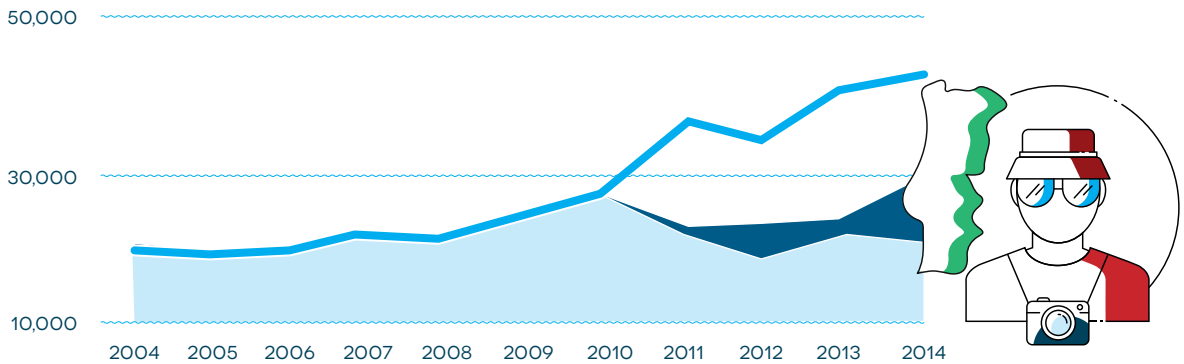


Figure 4a/ Number of domestic visitors

● OBSERVED DATA ● SCENARIO 1 ● SCENARIO 2

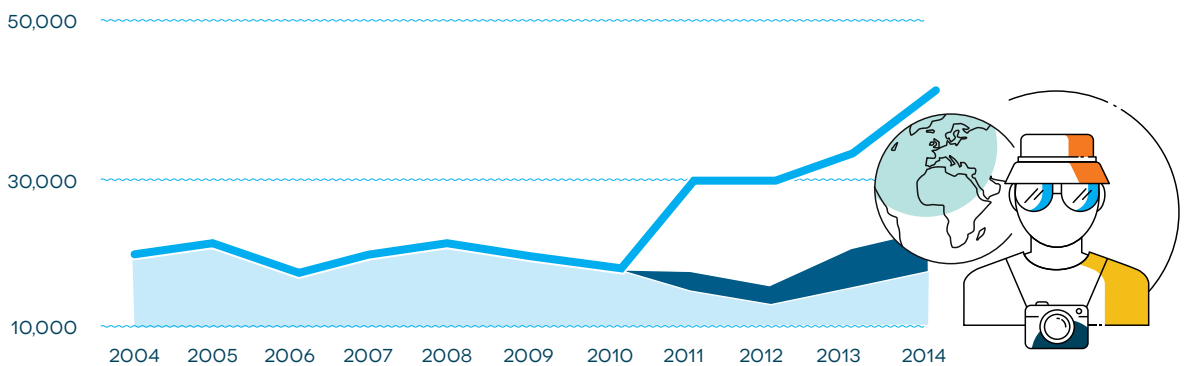


Figure 4b/ Number of international visitors

● OBSERVED DATA ● SCENARIO 1 ● SCENARIO 2

RESULTS

The number of domestic and international visitors has increased significantly after the media campaign in Nazaré. The results for domestic and international visitors are presented in Figures 4a and 4b.

The difference between the scenarios without the big waves' campaign (scenarios 1 and 2) and the scenario with the big waves' campaign (observed data) is the estimated impact of tourists due to the big waves' campaign.

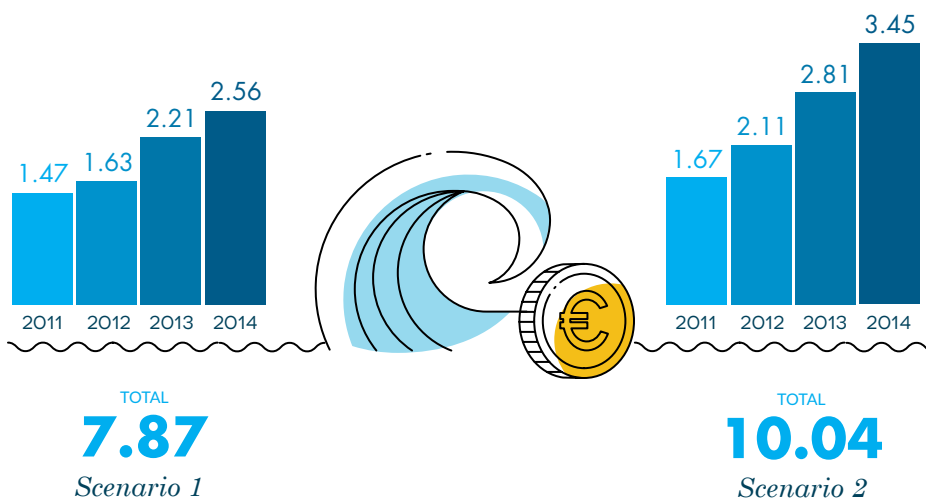
Interestingly enough, the observed data on visitors in Figure 4b suggest that **the big waves' campaign in Nazaré reversed, in the following years, the negative trend observed in 2008-2010.**

The largest impact on the number of domestic and international visitors attracted by the big waves is obtained under the second scenario, in which both the recent boom in tourism in Portugal and the spillover effects of big waves are taken into account. This indicates that a considerable drop in the number of both types of visitors to Nazaré would have occurred without the media campaign.

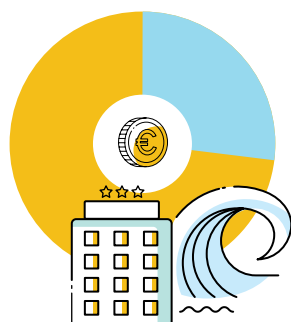
Adjacent municipalities also benefit from the big waves' media campaign. In Figures 4a and 4b, the difference between scenario 1 and scenario 2 indicates the presence of spillover effects of the big waves' media campaign in Nazaré to adjacent municipalities.

The overall estimated economic impact of the big waves is about 7.87 million Euros (scenario 1) and 10.04 million Euros (scenario 2) for 2011-2014 (Figure 5).

Figure 5 /
Estimated impact in Euros (million) of the big waves' campaign



Note / The figures (in Euros 2012) are computed as follows. First, estimates of the average individual expenditures per trip for international and domestic tourists in Nazaré were obtained. Then, they were multiplied by the estimated numbers of visitors in Nazaré from Figures 4a and 4b, respectively. Finally, the overall estimated impact is computed by adding the total international and domestic tourists' expenditures.



THE ESTIMATED IMPACT OF THE BIG WAVES

32% - 41%

of the total revenue of hotel establishments for 2011-2014

To give a sense of scale, the impact estimates are compared to the total revenue of local hotel establishments. The estimated impact of the big waves ranges between 32% and 41% of the total revenue of hotel establishments for 2011-2014, depending on the scenario.

Final Remarks

Local attributes can drive local economic development

The results obtained suggest that the recognition of unique local attributes can drive local economic development. Other municipalities that face similar challenges may follow similar strategies.

Partnership involved local stakeholders and private investors

The Nazaré municipality has designed a well-grounded strategy to increase the attractiveness of the place. Resources were invested for that purpose. This suggests that having a specialized and dedicated team to design and implement a planned strategy may increase the chances of success.

Testing and certifying uniqueness of local attributes was critical to the success of the marketing campaign

Nazaré's local authorities managed to request feedback on the uniqueness of their waves from worldwide recognized experts. The recognition by the World Guinness book of records and the awards granted by the WSL were part of that strategy.

Local attributes and related recreational activities can attract private investment

Nazaré municipality succeeded to attract private investment to sponsor their campaign. Though, and in line with previous research, our case study suggests that the investment of public resources in the first place was important to attract private investors. Moreover, different local attributes and related recreational activities may attract different sponsors. The challenge is to identify the best fit for each selected local attribute.

Local attributes may attract visitors all over the year, contributing to reduce seasonality

Tourism in Portugal is a highly seasonal economic activity. In 2014, 4.9 times more nights were spent during the peak month (August) than in the off-peak month (January). When compared to the other 28 European Union countries, Portugal's seasonality is above average (and in 8th position), after for example Denmark, Italy and France. The number of visitors in Nazaré increased during the whole year, and not only in the high season. Given that the big waves occur between October and February, they also contribute to reduce tourism seasonality in the region. Therefore, it is important that local authorities look for unique characteristics of their regions that may attract visitors (domestic, international or both) all over the year.

To improve the knowledge about tourists' preferences can contribute to promote touristic destinations

To increase the chances of success, it is also critical to understand how visitors value the different local attributes, that is, their preferences. For instance, domestic and international visitors may contribute distinctly to the local economy. A better understanding of visitors' preferences in their whole diversity definitely contributes to increase efficiency when promoting touristic destinations. Therefore, future research should be conducted for that purpose.

Policy coordination between municipalities in Portugal is important to avoid waste of resources

Adjacent municipalities have also benefited from the big waves campaign in Nazaré. Thus, the total economic impact of the big waves' campaign in the Oeste region may be larger than that obtained for Nazaré. While the short distances between the different municipalities in the case of Portugal increase the potential of positive spillover effects across them, it also suggests that policy coordination is important to avoid wasting resources in competing against each other.

The Calouste Gulbenkian Foundation is a Portuguese private institution of public utility, which was created in 1956 in accordance with the last will and testament of Calouste Sarkis Gulbenkian. It actively pursues its statutory aims in the fields of the arts, charity, education and science in Portugal and abroad, including through its UK Branch and Paris Delegation. The Foundation promotes a wide range of direct activity and grants supporting projects and programs.

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