

NEW PROSPECTS FOR TOURISM: THE CASE OF THE SORRENTO PENINSULA

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1. Introduction

Many studies on the tourism sector – as well as the guidelines of the regional government of Campania for the development of tourism – define the longest-standing tourist districts, such as the Sorrento peninsula, as “saturated”: their supply exceeds the demand, they are showing signs of recession, and they are encountering difficulties in devising adequate actions to increase tourist accommodation capacity and tourist presence. However, the Sorrento peninsula is one of the most important local tourist systems in the Mediterranean region, and one that boasts some highly exclusive features. It is a coastal area of outstanding landscape value, with natural reserves, significant archaeological heritage, and a vast, well-organized and diversified accommodation system. New prospects for tourism in this district are hence called for.

Here I illustrate a program proposal I drew up for the municipalities of the Sorrento peninsula and the Island of Capri, to be joined in a partnership for the purpose. This program is meant to be carried out in the context of the “Cultural and Natural Attractors, and Tourism” Interregional Operative Program (the Italian acronym is POIn).¹

In brief, the strategy of the POIn has three main aims: making the most of the potential of an area possessing natural, landscape, and art-historical attractions; avoiding the uncoordinated approaches that have so far characterized policies for the promotion and support of the tourist sector; revitalizing the sector by making up for structural gaps, bringing up the offer to a standard of excellence, and integrating cultural and natural resources into a system.

¹ Il POIn (FESR 2007-2013) concerns the “convergence” Regions of the Italian South. It pursues the strategy of promoting a limited number of interregional networks constituted by regional tourist nodes offering a homogeneous supply and having enough “critical mass” to attract the national and international tourist demand. The Campania Region decided to designate a single tourist node, the “Bay of Naples”.

The process is the result of long and complex process of discussion and planning activated by a Protocol of Institutional Agreement and also carried on in the framework of an Economic and Social Partnership.

My proposal focuses on three main objectives:

- strengthening and officializing a local-level partnership based on the various bottom-up experiences made ever since the implementing of the late 1990s areal plans;
- concentrating on only a few actions at the inter-town level to avoid the shortcomings of these bottom-up experiences, and most notably their lack of strategic coordination;
- developing innovative local capabilities and tools to manage the area's material and immaterial heritage.²

The basic assumption of my proposal is that if a tourist area wishes to be economically competitive it should make the most of its points of excellence, such as historical religious buildings, typical food products and the knowledge and traditions that go into their making, and cultural sites of special art-historical relevance.

A tourist destination is not a mere geographical locality. It is also made up of a local community, economic dynamics enmeshed in political and social relations, and a natural and cultural heritage. Above all, it is made up of a range of tourist products and services offered by a large number of small owners and/or entrepreneurs. As such, a tourist destination is a complex system, and one which today must strive to develop organized and effective ways to attract tourist demand without losing its "genius loci", which is ultimately the main reason why tourists choose one destination rather than another.

The management of tourist destinations has traditionally been in the hands of public institutions, which have often restricted themselves to promotion and tourist information services. Today some Italian regional governments are striving to make local tourist systems more competitive, especially those with a longer history, which, in spite of their excellence, are threatened with gradual exclusion from international circuits as a result of poor management. A tourist destination needs centralized management. My destination management project addresses the overall potential of a destination and aims at involving all who are interested in developing it, including institutions, citizens, first-contact commercial operators, the personnel of tourist attractors, and tour agents. The form of management I propose, in the colled a Destination Management System (DMS). It could provide

² Immaterial heritage, according to the definition of Unesco, is heritage that is "tangible and intangible, inherited or transmitted from one generation to another, founded on history, geography, arts, traditions, rites, festivals, artifacts and knowledge," and as such "provides people a sense of identity and continuity."

an innovative contribution to the development of tourism in the Sorrento Peninsula. It is an organism or legal subject that works in close synergy with the local public administration, but must not necessarily have public legal status. It usually works at three levels, and hence requires complex work organization and the collaboration of different subjects based in the tourist destination:

Level 1 – observation and dynamic analysis of the tourist promotion and accommodation system.

Level 2 – management of elements that are intrinsic to the tourist offer.

Level 3 – commercialization of the tourist product.

2. Methodology

I have mainly used a qualitative methodology based on an analysis of the functional aspects of specific economic activities. I investigated demand and supply at several levels, using local and national institutional sources and statistic indicators. I examined statistics for the towns in the designated area to identify similarities in specific variables that are significant for tourist development. I began by collecting up-to-date statistical data on the local tourist system. Such data as a rule is not easily obtained, but I benefited from the collaboration of local tourist offices and the main trade associations in the sector. The operators of monitoring organizations were willing to provide this data not only because of their professional attitude, but also because they were directly involved in the project. I collected copies of local municipal plans for the development of infrastructures and services. In conformity with the POIn guidelines, I singled out the plans addressing the whole area of the peninsula and having objectives that I will be illustrating further on. I easily managed to strike a balance between institutional objectives and socioeconomic expectations, thanks of the shared will of all the subjects involved to put tourism at the center of development policies. Finally, the socioeconomic partnership table ensured the participation of local actors in an effort to activate and involve the whole local community.

3. The tourism supply

3.1. Accommodation infrastructure

The tourist supply of the Sorrento peninsula is still largely concentrated along the seaside, notwithstanding the wealth of art and cultural heritage in the area. In

the area under consideration there are a total of 168 accommodation structures with 16,592 beds.

Table 1 – Accommodation capacity by type and town Year 2011.

Towns	5 STAR AND 5 STAR EXTRA		4 STAR		3 STAR		2 STAR		1 STAR		Apartments		TOTAL	
	N	B	N	B	N	B	N	B	N	B	N	B	N	B
Massa														
Lubrense	0	0	11	1063	22	1129	0	0	1	21	1	76	35	2289
Meta	0	0	2	341	1	82	0	0	0	0	0	0	3	423
Piano di														
Sorrento	0	0	4	407	4	216	0	0	0	0	0	0	8	623
Sant'Agnello	2	314	10	1717	5	330	1	46	0	0	0	0	18	2407
Sorrento	3	546	33	5986	36	2533	3	106	5	121	2	92	82	9384
Vico Equense	2	121	4	371	8	585	7	367	0	0	1	22	22	1466

Source: ISTAT.

The overall quality of the tourist supply in the Sorrento peninsula is influenced by a clear prevalence of small hotels as opposed to comparatively few 4 and 5-star hotels. The quality/type index of accommodation (Table 2) clearly highlights this.

The index summarizes the characteristics of the various forms of accommodation available for tourists. It corresponds to the ratio of middle-high range facilities (five and four star) to middle-low ones (three to one star).

Table 2 – Hotel quality rate.

	Hotels	Beds
Massa Lubrense	0.5	0.9
Meta	2.0	4.2
Piano di Sorrento	1.0	1.9
Sant'Agnello	2.0	5.4
Sorrento	0.8	2.4
Vico Equense	0.4	0.5

The index shows that Meta and Sant'Agnello have a significant availability of upper-range hotel accommodation. Both towns also have a high availability of beds, especially Sant'Agnello, with its index of 5.4.

As to overall accommodation capability, calculated as the ratio between the number of available beds and the resident population, Sorrento stands ahead of the

other municipalities, with twice as high an index as Sant'Agnello's and with the other towns lagging even further behind (Table 3).

Table 3 – Accommodation capability rate.

	B	Resident population as of 31 December 2010	Index
Massa Lubrense	2289	13985	0.16
Meta	423	8041	0.05
Piano di Sorrento	623	13136	0.05
Sant'Agnello	2407	9079	0.27
Sorrento	9384	16589	0.57
Vico Equense	1466	20980	0.07

Source: My adaptation of ISTAT data.

As to the density of accommodation structures, calculated in beds per square km, Sorrento confirms its leadership, followed by Sant'Agnello, Meta, and Massa Lubrense (Table 4).

Table 4 – Accommodation density.

	B	Sq. km	Index
Massa Lubrense	2289	19.71	116
Meta	423	2.20	192
Piano di Sorrento	623	7.30	85
Sant'Agnello	2407	4.10	587
Sorrento	9384	9.93	945
Vico Equense	1466	29.30	50

As we shall see, tourism in the Sorrento peninsula is seasonal. This influences the degree, of use of facilities.

The utilization index of an accommodation facility expresses the probability that a bed will be occupied by a client during a given period. It is calculated as the ratio of the total number of nights spent by clients in a hotel to that hotel's total supply of beds.³

³ The gross utilization index is calculated with respect to the full year, regardless of closing days. The net use index is calculated on the basis of actual opening days.

Table 5 – Net utilization index for hotels in Sorrento for the 2000-2010 period.

Year	Sorrento
2000	90.9
2001	83.7
2002	63.8
2003	61.9
2004	62.9
2005	68.5
2006	67.4
2007	59.5
2008	49.8
2009	45.8
2010	52.5

Source: *My adaptation of data of the Naples Provincial Tourist Office (Ente Provinciale per il Turismo di Napoli), 2010.*

As we can see, the use of beds in hotels has decreased over the years. This is largely due to an increase of extra hotels supply. The monthly-utilization index is provided by ISTAT only at the regional level. The data provided for the Campania region as a whole, however, are consistent enough with the trends observable in the Sorrento peninsula to be of relevance here.

Table 6 – Gross and net indexes of hotel-utilization by month and region. Year 2010.

Region	Months												Year
	January	February	March	April	May	June	July	August	September	October	November	December	
Gross Use													
Campania	10,5	11,7	17,4	29,2	36,5	40,2	54,5	59,4	50,9	36,8	16,3	15,0	31,9
Italy	17,8	20,7	21,5	24,8	27,9	40,2	54,5	60,4	37,2	24,0	14,0	16,0	30,1
Net Use													
Campania	15,9	17,5	24,5	31,7	38,0	42,0	56,9	60,0	54,4	40,4	21,0	20,4	37,5
Italy	26,6	30,4	30,4	31,7	32,8	43,3	56,2	62,0	41,0	33,8	23,0	24,5	38,2

Source: *ISTAT*

The utilization index thus points to a need to increase hotel use. This could be achieved by improving tourist services, diversifying tourist products and, above all, by integrating into a system the attractors found in the individual towns of the Sorrento peninsula as a whole. Choice destinations like Sorrento – the southern

Italian town with the highest tourist performance – can serve as catalysts and favor this process.

4. Demand

4.1. Tourist arrivals and overnight stays

Overall hotel use considerably diminished in Sorrento from 1997 to 2010 (-19.5%). The drop was higher for Italian tourists, over 28%, versus about 17% for foreigners.

Table 7 – Arrivals and stays at hotels and other accommodation facilities in the Sorrento peninsula, 2000-2011.

	Italians		Foreigners		Total	
	Arrivals	Stays	Arrivals	Stays	Arrivals	Stays
Hotels						
<i>Sorrento-S. Agnello tourist district</i>						
2011	135,519	374,324	427,053	1,861,593	562,572	2,235,917
2010	154,210	441,795	389,818	1,696,750	544,028	2,138,545
<i>Vico Equense tourist district</i>						
2011	22,466	63,669	27,758	114,066	50,224	177,735
2010	21,745	67,573	28,574	103,983	50,319	171,556
Accommodation extra hotels						
<i>Sorrento-S. Agnello tourist district</i>						
2011	19,392	57,053	45,013	155,293	64,405	212,346
2010	18,216	56,533	42,451	145,143	60,667	201,676
<i>Vico Equense tourist district</i>						
2011	1,595	6,101	3,321	19,517	4,916	25,618
2010	914	5,345	2,669	14,932	3,583	20,277
TOTAL %						
<i>Sorrento-S. Agnello tourist district</i>						
2011	24.7	17.6	75.3	82.4	100	100
2010	28.5	21.3	71.5	78.7	100	100
<i>Vico Equense tourist district</i>						
2011	43.6	34.3	56.4	65.7	100	100
2010	42.0	38.0	58.0	62.0	100	100

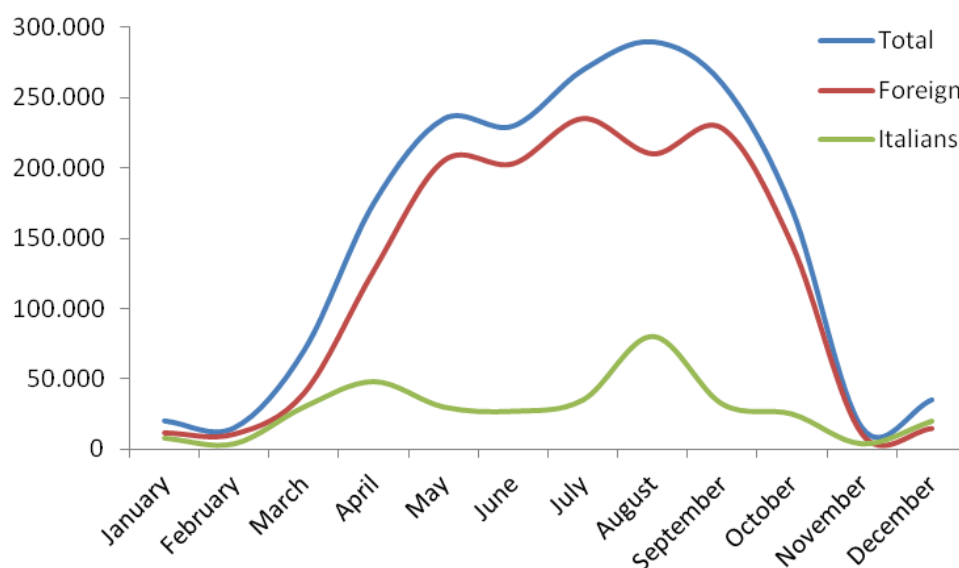
A first partial recovery was recorded in 2011, after a sharp drop in 2008-2009, which can certainly be ascribed to the Naples waste disposal crisis and its negative reflection even on the image of the exquisite Sorrento coast. So in the period under consideration the percentage of foreigners increased: 82.4% of the total in 2011 in the Sorrento-Sant' Agnello tourist district. As is well known, these foreign tourists are prevalently Anglo-Saxon, with the British coming first, followed by North

Americans. Tourism from Eastern European countries is on the rise. Foreign tourism has a strong influence on the accommodation supply. Foreigners make up about 85% of the clientele of 4 and 5-star hotels, and 76% of 3-star ones.

The data indicates an increase in the use of extra accommodation. This depends on a growth in demand, both among Italian and foreign tourists, for more “authentic” forms of accommodation, allowing self-catering in some cases, such as holiday farms, bed-and-breakfasts and apartments for rent. At the same time, the demand for low-cost tourism has increased, and the Internet has allowed even small and very small local businesses to cut out for themselves a share of the global tourist market, taking advantage of the well-established popularity of the destination.

The distribution of tourist presence over the year shows, in the case of Sorrento, an active period of over 7 months a year, from April to October. The fact that tourist stay remains stable in the area even in September and October indicates that climate is the factor here rather than beach tourism. As regards this aspect, foreign and Italian tourists display a very different behavior, as the latter continue to prefer the summer months.

Figure 1 – *Monthly presences in Sorrento hotels, 2010.*



Source: *My adaptation of data of the Naples Provincial Tourist Office (Ente Provinciale per il Turismo di Napoli), 2010.*

5. SWOT analysis

I think it will be useful at this point to go into a SWOT analysis,⁴ and one that also takes account of some socio-economic aspects that I have not gone into here for the sake of brevity.

Table 8 – *SWOT analysis of the tourist sector.*

Strengths		Weaknesses	
1.	A well-established image at the national and especially the international level.	1	Geographical focus of the tourist demand in English-speaking countries (United Kingdom, United States).
2.	Significant tourist flows.	2	Seasonality of the tourist supply, although to a lesser degree than other seaside areas.
3.	Nearness to Pompeii, one of the best-known archaeological sites in the world.	3	Limited per capita average tourist expense, mainly due to the prevalence of organized tours.
4.	Broad and diversified supply of accommodation.	4	Lack of services for some key targets – families, elites, affluent young people – and a perception of the area as “old-oriented”.
5.	Professionalism of tourist operators.	5	Lack of nighttime entertainment.
6.	An exceptional environment with especially valuable features. Existence of a protected zone system.	6	Limited availability of sports facilities.
7.	A good availability of artistic, cultural and archaeological heritage, and the enduring of a variety of traditions.	7	Weakness of local and network pleasure boating services, inadequacy of individual ports and of the local circuit.
8.	Essentially rural character of the area, both as regards land use and the culture of the local population; high qualitative potential of local plant and animal food productions.	8	Difficulty of accessing certain visitor sites.
9.	Quality of local wine-making and cuisine, thanks to the presence of world-class chefs and restaurants.	9	Inadequate management of landscape resources.
10.	Typical productions directly or indirectly connected to tourism, such as pasta, cheese, <i>limoncello</i> , paper, carpentry, wood inlay, etc.	10	Co-occurrence and reciprocal interference of excursion tourism and “elite” tourism, especially on weekends and during the high season, threatening to undercut higher-value demand.
11.	Experience in negotiated and integrated planning.	11	Excessive crowding in the high season.
		12	Congestion of roads and low quality of the local Circumvesuviana railway.
		13	Proliferation of bed and breakfasts, which benefit from tax exemptions and thus unfairly compete with traditional accommodation facilities.
		14	A lack of interest in sustainable and eco-compatible tourism; limited recourse to renewable energy sources.
		15	Scarce urban culture and scarce quality of urban planning and landscape policies, scarce urban and housing quality.
		12.	Inadequacy of broad sectors of the public administration.
		13.	The existence of a submerged economy.
		14.	Lack of modern tourist governance systems and/or systematic monitoring of the tourism performance as regards key aspects such as economic impact, environmental sustainability, the needs of the demand, professional updating, etc.

⁴ SWOT is the acronym of Strengths, Weaknesses, Opportunities and Threats.

Table 8 (continue) – SWOT analysis of the tourist sector.

Opportunities		Risks	
1.	The rise of new tourist-demand markets in the high-spending emerging economies (China, India, Brazil, etc.).	1	Competition leading to an increasing drop of prices.
		2	Growing deterioration of the natural and cultural historical heritage.
		3	Disaffection of the demand unless the product is innovated.
2.	The existence in the area of a combination of resources – historical and archaeological, cultural, natural, etc. – which, if adequately developed, could contribute to a diversification and de-seasonalization of the demand, as well as the creation of high-added-value services.	4	The economic crisis of the countries where the local tourist demand traditionally originates from (Great Britain, United States).
		5	Lack of coordination of development policies and dispersion of available resources.
		6	Lack of attention for environmental quality involving risks to the local natural heritage.
		7	A trend to building replacement and deterioration of the urban fabric in the interior of the area.
3.	The quality of the local food production sector, which could provide the basis for an increase in enogastronomic tourism.	8	Growing competition with other areas on the Mediterranean coast (notably the Balears and French coast), especially in the low season, partly as a result of the growth of low-cost tourism.

Source: Adapted from “PIT Penisola Sorrentino-Amalfitana”.

Table 9 – The tourist services needed to draw new demand to the area under study, distinguished by target.

Tourist product	Cluster			
	Retired high spenders	High-spending families	Elite	Young people
Beach tourism	Beach services with personalized assistance	Availability of baby-sitters and entertainment for kids	Quality entertainment. Cultural events (exhibitions etc.)	Nighttime entertainment. Sports
Cultural tourism	Cultural events (concerts, theater). Improved access to cultural sites	Entertainment and tour guides for children. Entertainment for teenagers traveling with the family	Quality cultural offer	Quality cultural offer
Pleasure boating	Network of dedicated services providing an easy connection with attractions on land	Network of dedicated services providing an easy connection with attractions on land	Network of dedicated services providing an easy connections with attractions on land	Network of dedicated services providing an easy connections with attractions on land
Nature tourism	Improved structures and services.	Personalized services (for example for families with young children or teenagers).	Exclusive and innovative facilities and services	Creating or improving a supply aimed exclusively at the cluster target (e.g., diving).
Thermal tourism	Improved facilities and services.	Additional services (e.g., entertainment for children).	Expanding the range of services of exclusive localities while keeping up their standards.	Developing the supply to make thermal tourism also attractive to younger people.

Having considered all of the above aspects, the only way to reverse the current trend and draw new demand is to cater to new demand segments than more the current ones by offering new tourist services (Table 9).

6. New prospects for tourism

Having considered the limits and the potentialities of the area, I drew up a program of prospective action which, in accordance with the POIn guidelines, intends to contribute to the development of the “Baia di Napoli” tourist node by making the most of the cultural, natural and landscape attractors in the area.

This program has three main objectives:

1. restoring and developing cultural, natural and tourist attractors in a systemic perspective;
2. expanding and improving existing mooring places in a systemic or “circuit” perspective, possibly involving a specialization of ports, and providing a variety of tourist services for pleasure boating (nature and cultural tourism, sports, cuisine, beaches...);
3. implementing a single shared Destination Management System (DMS) to rationalize and innovate the management of the tourist destination in question; this system, to be implemented in collaboration with the local town administrations, will provide the framework for strategies and actions aimed at building up the capacity of local institutions, managing the performance of the area and its tourist companies, marketing the area, and aggregating and promoting the area’s tourist supply as a whole.

These objectives will be pursuable by means of:

- infrastructural actions, selected by the town governments themselves, favoring projects benefiting the whole district;
- the international promotion of a cluster of tourist products that are strongly symbolic of the area.

In the short term, the success of this strategy will be measurable on the basis of its ability to:

- a. contribute to the diversification of reasons for visiting the area, through a transition from mere beach tourism—a sector in which the area is becoming less and less competitive—to a mix of climatic and cultural products aimed at new demand targets (cultural, nature and enogastronomic tourists, pleasure boaters, etc.);
- b. promote an even more accentuated sustainable deseasonalization of tourist flows;
- c. stimulate an increase of daily tourist expense.

The following results are expected:

- an **integrated system of cultural and historical attractors in the area** (at least one per town), to be achieved by means of a plan for land improvement harmonizing past traditions with present reality and future prospects;
- a **circuit of specialized and complementary moorings spots** (with Sorrento as the main hub) with infrastructure and services facilitating sustainable mobility towards and between attractors;
- an **innovative system of integrated management of the tourist destination** constituted by all the municipal territories of the area, seen and managed as a whole (Destination Management System); this system should be capable of drawing and integrating investments and entrepreneurial cooperation, also as a means to obtain public funding.

One of the main expected results of this project is an innovative system of management of the municipal territories of the area in question as an integrated whole. This organism would be mainly responsible for the management and marketing of the destination. It could be a half public and half private company. Its legal status may vary as needed. In any case, it should have two main functions: marketing and development.

The first function involves a series of strategic activities, such as image definition, branding, positioning, communication management and destination promotion, data collection, and acquiring technical and scientific equipment to increment tourist flows and customer satisfaction.

The second function consists of implementing the sustainable development of the area through actions such as: monitoring air, water and ground pollution; ensuring site accessibility; coordinating the various stakeholders and their interaction with other economic sectors; managing accommodation systems and tourist information, and liaising between them and the public and institutional system; studying the market; developing human resources; managing resources and research on scale economies (as regards personnel, purchases, research and innovation, spin offs, etc.); crisis management; monitoring and measuring the results and impacts of strategies and services on heritage attractiveness, business competitiveness, and the well-being of the resident population, as well as visitors and tourists.

The DMS would be filling a gap, that is, the inexistence of a coordinated and integrated tourist governance model in the Sorrento peninsula – actually a nationwide problem –. In Italy, governance functions are dispersed among several actors, both central and local, and this results in a superimposition or vagueness of roles and responsibilities. For the DMS to work, however, certain conditions need to be fulfilled. It needs to

- earn the recognition of local actors;
- be capable of managing cooperative/competitive relations between actors;

- remain an integral part of the local social fabric, and not be perceived as a foreign body;
- combine marketing with the strategic management of relations between actors based in the destination, with intuition, talent, creativity and a deep knowledge of the area;
- be able to anticipate and meet the needs and wishes of clients;
- achieve significant and demonstrable market results;
- offer services generating a high added value;
- be able to measure the effect of the adopted policies and actions.

The political will expressed by the municipal administrations of the Sorrento peninsula goes precisely in this direction. The tool I propose to achieve these objectives is a balanced scorecard applied to the tourist sector. I have already defined the measuring indexes for this scorecard.

The pilot project intends to:

- examine models and solutions adopted at the national and international level for an optimal management of tourist destinations with similar characteristics as the Sorrento Peninsula;
- set up an adequate DMS model for the socio-environmental and institutional situation of the Sorrento peninsula, and one that is consistent with the existing region-wide public plans;
- identify and activate the resources (human, logistic, technological, financial, etc.) needed to implement the model; identify the most adequate legal form for the DMS;
- trigger and coordinate capacity-building and local-resource performance management and marketing processes in local institutions;
- steer hiring and training processes towards professional profiles capable of meeting the needs of the DMS and the job descriptions requested by companies;
- promote and encourage the foundation of new tourist companies or spinoffs from existing ones;
- promote and encourage the collaboration of companies to adopt common quality standards for locally connoted products.

At the end of the experimental period, the functionalities of the DMS will be tested and its effects measured. The model will be engineered.

SUMMARY

New prospects for tourism: the case of the Sorrento peninsula

The basic assumption of my proposal is that if a tourist area wishes to be economically competitive it should make the most of its points of excellence, such as historical religious buildings, typical food products and the knowledge and traditions that go into their making, and cultural sites of special art-historical relevance.

My destination management project addresses the overall potential of a destination and aims at involving all who are interested in developing it, including institutions, citizens, first-contact commercial operators, the personnel of tourist attractors, and tour agents. The form of management I propose, which I call a Destination Management System (DMS), could provide an innovative contribution to the development of tourism in the Sorrento Peninsula.

One of the main expected results of this project is an innovative system of management of the municipal territories of the area in question as an integrated whole. This organism would be mainly responsible for the management and marketing of the destination.

The tool I propose to achieve these objectives is a balanced scorecard applied to the tourist sector.