Chapter 2

Evaluating Tourism Policies and Programmes

Evaluation of the economic contribution and impact of the tourism industry requires consistent approaches to evidence gathering yet tourism evaluation has lagged behind other sectors and industries in developing accepted methodologies. There is a need to raise the standard of evidence-based policy and programme development. This review of evaluation practices recommends various approaches to the evaluation of tourism policies and programmes that will allow for greater comparability and knowledge sharing to develop capacity and capabilities. Application of evaluation frameworks will help policy makers to increase overall competitiveness, sustainability and performance of tourism policies and programmes. Further initiatives are suggested to assess the net impact of activities carried out by tourism promotion agencies and more accurately attribute outcomes to tourism policy. The chapter identifies the need for suitable guidance and training materials on applied evaluation approaches, tools and techniques. A "road map" for the compendium of evaluation methods is also presented. The detailed preparation and step-by-step application of this road map forms one of the main conclusions and recommendations of the chapter alongside specific actions to further promote tourism evaluation.

Introduction

Tourism is an important sector of the economy in many countries. Income and employment effects from the economic impact of tourism are significant and policies that promote and sustain tourism development play an essential role in delivering these economic benefits.

The sector receives a lot of attention from policy makers and the public, which has increased the requirement for evidence to inform policy development. In a complex policy-making context, gathering evidence and attributing impacts to policy interventions is especially difficult. Tourism has complex linkages with other sectors in the economy which creates challenges in defining and measuring the impact of tourism.

Evaluation has developed different approaches, tools and techniques to address this with varying degrees of success and acceptance. Furthermore, evaluation has been recognised as essential for policy-making but the history of evaluation is characterised by many technical, often uncoordinated and fragmented studies conducted in different ways in different countries. Some standardisation in evaluation approach and methods has occurred, however the findings often do not command the required attention to improve policies.

As a consequence of the difficulties in evaluating the economic impacts from tourism, the economic importance of tourism has been underestimated consistently in most countries. In some, the cultural perspectives have also limited the role of evaluation with topics such as competition and impacts being seen predominantly a local consideration.

Tourism generates benefits and value in many ways across a range of activities in local and national economies. The strong cross-sector linkages require tourism contributions to be seen within a comprehensive policy framework and an overall economic development strategy. Providing evidence of these contributions from the evaluation of tourism policies is essential.

Recognition of the need for tourism evaluation has become more prominent in recent years and it has been a regular agenda topic for the OECD Tourism Committee. This committee has been active in generating evidence and debate on evaluation. A survey of member country representatives identified which tourism policies and programmes have been evaluated. Survey responses were received from twenty countries: Australia, Austria, Belgium (Flanders region), Canada, Czech Republic, Denmark, Germany, Greece, Hungary, Israel, Japan, Korea, Mexico, Netherlands, New Zealand, Poland, Portugal, Slovak Republic, Switzerland, and the United States.

This chapter presents a review of the practices, including summaries from country case studies and a suggested road map for future improvements to evaluation practice and learning.

Evaluation issues

Rationale for evaluation: Why evaluate?

There is a clear and strong rationale for tourism evaluation. Good quality evaluation yields valuable evidence in a form that is credible and convincing. It can be conducted in various forms and at various levels as part of policy development and assessment processes. Many countries do this and regularly gather a large volume of tourism information, data and evaluation reports as evidence.

Evaluation has a critical role in measuring the effectiveness and efficiency of public expenditure. The understanding of "what works and how" is an essential consideration of any policy or programme. Tourism must provide clear and timely evidence to demonstrate the extent of its contribution to the national economy if it is to continue to attract government investment and retain prioritisation of support as a significant sector.

Tourism evaluation is the most appropriate means of demonstrating the industry's value to an economy, and should be considered as equally important as having a tourism strategy itself. Well-prepared and executed monitoring and evaluation can be enormously influential where the evidence is clear and tangible with measurable outcomes and impacts that can be attributed to policy initiatives.

Evaluation has a vital role to play in providing policy makers with the evidence required to ensure that future policies target the greatest areas of return in terms of meeting strategic objectives. All too often the connection between the strategic intent and the delivery has become unclear or tenuous. This makes evaluation very difficult and diminishes the confidence in the value of conducting extensive evaluation.

The OECD has recognised this and identified five key reasons to evaluate tourism policies and programmes (Box 2.1).

Box 2.1. Five key reasons to evaluate tourism

- to help policy makers better assess the impacts of their tourism policies and programmes against their objectives, to learn from past successes and failures and to inform decision makers;
- to allow a better cross-government understanding of the efficiency of the "whole-of-government" approach in tourism at national, regional and local levels;
- to provide evidence of return on investment in tourism, cost effectiveness across a portfolio of policies and programmes;
- to stimulate debate among tourism stakeholders (entrepreneurs, residents, tourists, investors, local authorities, etc.);
- to improve the design and implementation of programmes, how they should adapt to changing conditions and what could be done better in the future.

The structure within which tourism evaluation takes place is also important. The benefits from good quality evaluation will be greatest when evaluation is conducted within a clear and coherent national framework. The framework can be used by all the main actors and to benchmark against other regions and OECD countries. Broad involvement

results in a more co-ordinated approach that influences all levels (from local to national) within the framework approach.

For regional and local governments, following a clear national framework helps put in place good practice monitoring and evaluation approaches. It also allows information to be shared more easily with other areas to help improve policy design and build better strategies.

For national government, an evaluation framework has many advantages. It can provide evidence on the extent to which tourism development policies and programmes contribute to achieving objectives for growth and other objectives including the reduction of disparities, growth of private sector investment and environmental improvements. A framework can reveal how contributions are being made and how to these could be increased.

Thus the rationale for doing evaluation is strong even if the practice and understanding of how to apply appropriate tools and techniques requires further improvement. This has become clear from a range of studies and from the OECD Tourism Committee work on evaluation which has shown that in some countries evaluation is defined as a formal requirement within the policy cycle process.

The requirement for evaluation evidence

Evaluation has a vital role in bringing forward evidence and helping to develop an understanding of how tourism interventions influence the performance and economic contribution of the industry in the context of the local, national and international economy. Evaluation and measurement of the size of the tourism sector around the world is challenging and continues to engage numerous organisations and researchers. For the industry, the value from this research must be made more visible and assist in shaping future decisions on investment and growth.

Many claims are made about the volume and value of activity but it can be difficult to get close to the real difference that is made from various forms of intervention and activity. Assessing the economic impact with evidence of these net effects (particularly income and employment estimates) is essential and of real practical use. It can, for example, provide the justification and rationale for investment initiatives to support the tourism industry.

Evaluation evidence can play an important role in helping to understand current challenges, how to meet future challenges as well as learning from previous interventions (Box 2.2).

The need for evaluation to perform effectively in this way is increasing rather than diminishing. Economic cycles and changing market fortunes present particular challenges for tourism policy makers. For example, as future growth from emerging markets comes through more strongly, understanding how to appeal to these markets requires deeper and earlier assessment. This makes cultural awareness issues even more prominent.

There is an important role for evaluation to assist policy makers by revealing how interventions and promotions, such as those aimed at long term attitude change, are having an effect on individual decision-making processes. Interventions to develop a deeper knowledge and understanding of a country and the reasons to visit require evaluation work of this type.

> ### Box 2.2. **Evaluation to face current challenges**
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> Evaluation can assist in many ways including:
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> - informing the preparation of strategies, policies and refining action plans;
> - augmenting performance management, analysing the effects of expenditure and investment by government, partner organisations and the private sector;
> - providing robust and convincing evidence of effects in quantitative and qualitative terms;
> - allowing organisations to measure comparative performance and benchmark with others;
> - providing evidence to support lobbying for additional investment from other related sectors and policy areas, including transportation, skills, infrastructure, marketing and the environment; and
> - demonstrating impact, returns on investment and value for money.

The appropriate form of such evaluation in tourism is often more qualitative rather than the straight quantification of the direct effects of immediate marketing campaigns. However robust evaluation will involve a combination of qualitative and quantitative methods.

Qualitative approaches

The principal advantage of qualitative evaluation over quantitative is the additional information that it can provide (*e.g.* on customer satisfaction, policy appropriateness, sustainability and conflict with other policies). However, qualitative evaluation has the major disadvantage that it is not good at providing reliable estimates of policy impact.

In practice, qualitative evaluation almost inevitably mixes with quantitative aspects, such as use of techniques including visitor surveys, case studies, peer reviews, qualitative cost-benefit evaluation and public participation and feedback on policies. This is often illustrated by the public consultation process associated with many new policies and strategies.

In a technical sense, many writers and academics have identified a number of key features and characteristics of qualitative research including:

- a focus on meanings, especially the subjective and shared views of participants;
- a commitment to assessing phenomena from the perspective of those being studied;
- an awareness and consideration of the evaluator's role and perspective;
- inquiry in the "real world" through surveys rather than in experimental or group settings;
- a focus on micro-level (*i.e.* policy influences at the level of individuals, small groups or organisations);
- a mainly inductive rather than deductive analytical process (*i.e.* broadly, developing findings from collected data, rather than deduced from theories);
- a lengthy investigation and contact with the subject and context for the research;
- often less formal in the use of non-standardised, semi-structured or unstructured methods;

● considering information, data and feedback in a broader context beyond the use of numbers;

● sensitivity to variations and openness to variety in the responses and the potential implications; and

● exploration of responses, looking to explain meanings and interactions.

Key contributions of qualitative research to policy evaluation are that it:

● helps to understand the processes, impacts and outcomes of the policies and programmes;

● addresses the complexity of multiple interventions;

● addresses the intentions and contexts of policy;

● draws out processes, barriers, and facilitators of policy interventions;

● highlights the intended and unintended consequences of an intervention; and

● identifies people's values, judgements and choices.

Different types of evaluation can use qualitative methods in a variety of ways. In the evaluation of process (what is often termed formative evaluation), qualitative research provides a tool for identifying and understanding:

● what interventions are involved in a service or policy;

● who provides the intervention;

● what forms interventions take; and

● how interventions are delivered.

In the evaluation of impact and outcomes (what is often termed summative evaluation), qualitative evaluation contributes to understanding the:

● complexity of outcomes;

● range and types of impact and outcomes; and

● meanings and attitudes of those delivering and receiving the intervention.

Qualitative methods include the use scales and indices. Many organisations such as the World Economic Forum (WEF) or the World Tourism Organization (UNWTO) use indices to rank countries. These are valuable in providing additional information alongside reports on the overall tourism performance of countries.

Action research is another method that goes deeper into the involvement of tourism actors and stakeholders to reveal how policy and practice, through implementation, work together. This method gathers a summary of experiences from those involved in tourism policy delivery that can be valuable in informing future policy.

Quantitative approaches

Quantitative evaluation involves the use of assessment techniques to gauge the impact of programmes through a comparison of measured outcomes. The fundamental advantage of quantitative evaluation over qualitative evaluation is that it should provide clear answers based on reliable statistical indicators. Many argue that it is more scientific and rigorous.

The principal disadvantages concern the technical difficulties and the relatively narrow nature of the results it offers, which focus primarily on issues of effectiveness and efficiency. It is also open to technical challenge given the range of assumptions and relative

weightings of different relationships that inform values and thus the quantification of effects.

Effective quantitative evaluation also requires extensive data collection on the performance of policies. There are a range of approaches that can be grouped under four headings:

1. TSA-approaches.

2. Open Input-Output models.

3. Computable general equilibrium models.

4. Econometric methods, especially intervention models.

The Tourism Satellite Account (TSA) has considerably expanded the tourism information from traditional databases to measure the impact of visitor consumption expenditure on the economy and provides credible data concerning the scale and significance of tourism in the economy. It is essentially an accounting framework linked to the national accounts; it defines the "tourism industries" and estimates tourism's direct contribution to Gross Domestic Product for the specific country.

The use of Input-Output analysis allows the calculation of the direct, indirect and induced value added effects resulting from visitor expenditure and triggered by marketing expenditure. Input-Output analysis produces estimates of economic contribution and multiplier values relating to transactions, output, income, employment and government revenues.

This approach involves a series of assumptions which can be challenged. As a consequence, various developments in quantitative approach methodology have emerged, such as Computable General Equilibrium (CGE) models which seek to understand the impact of changes on demand and how they will affect both tourism in itself and the wider economy of the destination.

Further sophistication, such as econometric modelling and intervention models, have attempted to explain time series movements in terms of visits, expenditure, employment or other economic impact measures.

Many countries also use techniques such as return on investment (ROI) analysis, especially to measure performance of promotion and marketing programmes. These returns against resources invested could be measured in monetary terms, in visitor numbers or in other kind of quantitative output. However, ROI measurement and reporting in tourism remains narrow in focus and requires further development.

Despite these reservations, there remains a growing requirement for more quantitative evidence to show what value is being generated from tourism policy expenditure. Many countries have produced volumes of data and numerous evaluation reports but there has been a lack of consistency and comparability between these, both within and between countries.

Tourism policies often seek to deliver benefits to different groups as well as contributing to cross policy objectives and measures. There are often tangible contributions but tracing the cause and effect and quantifying the precise contribution from tourism is often difficult and can become a highly technical and complex task that requires intensive external expertise.

Economic impact models have been developed over many years to provide hard evidence of effects covering the volume and value of tourism activity (including day visitors within an area) and estimates of income generated and employment supported by visitor expenditure. These economic approaches assist evaluation by producing estimates of impact through different layers of effect, covering the direct, indirect and induced effects. In summary these cover:

● Direct effect – from tourism visitor spending in businesses;

● Indirect effect – from businesses buying goods and services from their chain of suppliers. Some of these are "backward" linkages as tourism businesses make purchases and some are "forward" linkages as others make investment in hotels, airlines, marketing and catering; and

● Induced effect – from the wages earned and subsequent expenditure by employees in businesses in direct and indirect receipt of visitor spending.

Assessing the real difference, known as the "additionality" effect, and how to attribute effects to various actions and intervention causes is always open to challenge. Setting out the defined scope of an evaluation and how the attribution process will be handled can reduce such difficulties and speed up the process.

The pace of change in markets and consumer behaviour also affects how evaluation is approached and the methods to be used in gathering evidence. The use of the Internet and social media are becoming more important and can be extremely valuable in the evaluation of tourism, especially in tracking interest and potential visitors from an early stage in the decision-making process. The requirement to stimulate interest, nurture and maintain this interest to capture the ultimate economic impacts is now an essential consideration in all tourism initiatives.

Recognising that effects do not occur in isolation should also strengthen the message that evaluation itself must be integral to any tourism initiative. It must be able to work as part of the overall process rather than outside of it to reveal how interventions contribute to change effects. In this way, evaluation will be embedded and recognised as helpful in identifying how to improve effectiveness for greater impact, value for money and improved return on investment.

One important lesson from evaluation is that attempting to isolate individual impact contributions from every policy and programme does not work. The linkages are too close to disentangle at meaningful cost. Anything is possible if resources are unlimited but this is not the case and evaluation findings are always open to challenge given the multiple steps in any detailed quantitative methodology and the assumptions within any calculation of impact.

Formal tools and techniques can assist. Survey evidence and guidance on how to conduct evaluations can help but unless there is continuous comprehensive monitoring and calibration of calculations, it will always be open to contention. Frameworks that cover quantitative and qualitative methods presented with tools such as logic models set in an overall policy context can be used to trace through how interventions deliver different effects including outputs, outcomes and impacts.

The evaluation of promotional programmes is a fundamental part of tourism marketing evaluations. There are various approaches and techniques that can be applied successfully including methods such as measuring the return on investment from

campaigns and conversion models which assess progression from tourist awareness and interest to decision to visit. Such approaches have produced an array of data in many countries and can assist in showing what has been achieved by promotions as well as providing a justification for further investment.

However, not all decisions and progression is made in a logical, linear manner so other non-linear approaches are also useful. Evaluation that applies a combination of approaches is most likely to produce the most informative evidence.

Monitoring and evaluation frameworks

Monitoring and evaluation frameworks provide policy makers at local, regional and national level with the necessary information to see if the forecast change is taking place. It should also bring forward evidence of what in particular is causing that change and how (the attribution of effect to interventions), and the extent of the change that is a result of policy (the additionality).

Complexity can be overcome with an approach to evaluation that uses a framework. A framework allows structured consideration of the questions to be answered and how to track progress in terms of contributions from different policies. A framework approach can also be useful to show the "distance travelled" from the inception of the policy and to have a narrative that "tells the story" of the intervention effects. This can pick up on any unintended consequences as well as verifying the cause and effect relationships between intervention actions.

A monitoring and evaluation framework is a simple structure to set out the sequence of steps in a logical and linear approach to gather and record information on:

- the stated objectives of the policy;
- a baseline position that records the conditions at that point;
- the inputs made into policy delivery, which can be financial and human resources;
- the activities involved in policy delivery; and
- the resulting outputs.

This will require a series of performance indicators to be developed in order for metrics to be gathered over a defined time period. In evaluating tourism policies, either in isolation or as part of a wider evaluation of national policies, progress and effects can be tracked using a range of measurements approaches that cover quantitative and qualitative considerations

Progress is often measured against a set of indicators benchmarked internationally and regionally and in a number of countries the benchmarks are used in a range of sophisticated formats including strategy mapping and the balanced scorecard. Many organisations will summarise the process and standard practical steps in guidance documents for internal staff. These organisations recognise the importance of taking the time to develop these processes alongside strategy and policy development cycles.

By investing in capacity building of staff, organisations will have the reassurance that the internal context has been prepared for evaluations to be undertaken effectively and where appropriate commissioned to be done by external experts. National guidance materials normally set out the methodologies to be used and the technical methods that will be deemed acceptable for evaluation evidence to be compliant and therefore

admissible. There are many good examples of such guidance including the UK Magenta Book.

Guidance does not of course guarantee delivery of evaluation evidence or that the evidence builds on good practice and previous learning on what works with tourism policy interventions. Constant promotion of a learning approach in individual organisations will help to address this and also sustain evaluation as a topic of importance. Where evidence is delivered regularly this becomes easier and decision makers begin to request more evaluation and become more demanding customers.

Evaluation will normally start by setting out the policy aim and the logical links to achievement of measurable impacts. The theory and the steps look neat and tidy on paper however there are always practical challenges and often these require additional actions or use of learning from previous work.

This results in evaluations that make a series of necessary assumptions or use proxy measures. This is often unavoidable and sensible as it avoids unnecessary costs in trying to find evidence of every detailed relationship in the tourism industry. In short, it provides a proportionate solution when the significance of the evaluation questions has been considered and it avoids gathering detailed data at prohibitive cost to model every activity. This concept of "proportionality" (devoting resources in accordance with the significance of the challenge and the return likely to be achieved with reference to the evaluation aims and objectives) is central to all evaluation activity.

Key evaluation issues to consider

OECD studies have highlighted a series of lessons and characteristics for promoting and securing effective evaluation (Box 2.3). When positioned correctly, evaluation can be powerful and can change practices and performance for the better. Evidence-based evaluation can produce improved decision-making by linking into the key decision points in the policy development cycle. When evaluation plans become published documents with public commitments, gathering evidence becomes a virtuous part of the policy-making processes.

Some countries have pursued extensive "whole-of-government" evaluation strategies. This comprehensive approach requires devoted resources and a government commitment to maintain and further develop capacities in people and organisations. Such a strategy must be strongly endorsed by promotion of evaluation for learning through a formal decision-making process that also strengthens accountability. A whole-of-government evaluation strategy requires careful evaluation planning, often with annual and three-year evaluation plans agreed. There are numerous examples of this from different countries.

Brazil has adopted a whole-of-government approach to the setting of programme objectives and the creation of a system of performance indicators. Canada combines this with an agenda of rigorous impact evaluations. Australia, the United Kingdom and the United States, use a broader suite of monitoring and evaluation tools and methods including performance indicators, rapid reviews, impact evaluations and performance audits. Detailed guidance and support materials are normally an essential aid to the promotion of such comprehensive approaches.

Both the starting point and destinations for each tourism organisation will be different. There is no single "best approach" to a national or sectoral monitoring and

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Box 2.3. OECD requirements for effective evaluation

● Good evaluation requires management initiative (and often political commitment) and intensive monitoring. The thoroughness of an evaluation should depend upon the scale of the impact of a policy, programme or project, and to some extent on the level of public interest. There may be a high level of interest around a policy which has required a significant degree of expenditure, or one which is highly complex, novel, or represents a pilot for future large scale initiatives.

● The policy activity to be evaluated needs to be clearly specified and interplay between related policy areas should be in-built to the evaluation approach and methodology.

● The logical flow from objectives, to outputs and outcomes should be profiled and quantified as precisely as possible from the beginning (*ex-ante* stage) and tracked through monitoring and evaluation.

● It is important to distinguish between the objectives and outcomes at policy level and the outputs and targets at programme level.

● It is important to review the availability of output and performance measures and targets alongside other monitoring data, and how they relate to the objectives. If this information is inadequate, consideration should be given to the collection of additional data and qualitative information.

● It is important to take a suitable benchmark for comparison and also to establish a base case scenario or counterfactual (what would have happened if the activity under consideration had not been implemented).

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evaluation system. The choices will depend upon the information available and the questions to be answered. Guidance should be pragmatic, making the case for the principles of good evaluation ahead of the strict application of scientific techniques aiming to provide definitive answers.

As an example of appropriate guidance, in a general situation where a tourism professional is considering an evaluation of a programme, certain basic questions require to be asked and checked with an evaluation specialist (Box 2.4).


Box 2.4. Evaluation brief checklist

● Are the goals and objectives of the programme clearly stated?

● Are there performance measures for the programme and are they in line with the objectives?

● Is there an intervention logic that shows links to delivery of the strategy?

● Are these links clear and do they make sense operationally?

● Are there a sufficient number of valid indicators to allow assessment?

● Are there targets that can be legitimately linked with implementation?

● Do we know what success looks like and can we use measures to show it?

● Can we attribute change effects and contributions to success with the interventions of the programme?

● Can we identify which elements of the programme are delivering which results?

An evaluation framework can set these questions in a context to deliver successful evaluation. In all situations, good evaluation requires that three conditions are satisfied at the outset in establishing the context for applying an evaluation and monitoring framework:

● interventions, and the target population, should be clearly identifiable;

● outcomes should be clear, specific and measurable; and

● an appropriate evaluation design should be straightforward to implement.

Frameworks are a popular method of analysing policy performance by examining the logical linkages that connect a policy's means with its ends. This approach aligns the chronological flow of cause and effect in demonstrating progress. The logical framework approach, as recommended in a number of OECD reports, can usefully be depicted as a pyramid (Figure 2.1), as this demonstrates how one step builds upon another. The pyramid also demonstrates the degree of influence that policy makers have over the components of the logical framework: the further away from inputs and towards impact, the less control.

Figure 2.1. **Evaluation progression and policy influence: from inputs to impacts**
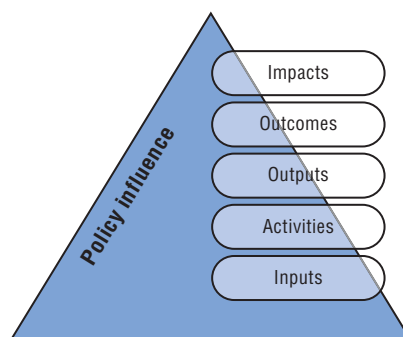
The role of peer reviews in evaluation

Peer review is an approach that helps to avoid high costs and generate learning in-house. It enables an evaluation team to learn directly from the experience of others. The OECD has played an important role in promoting peer reviews and by offering all member countries a suggested framework to compare experiences. In this OECD process, each country's policy is examined by fellow members on an equal basis.

Mutual trust lies at the centre of the process and the countries involved should enter the process with shared confidence and respect. Peer reviews encourage open dialogue that can help clarify positions and indeed resolve disputes in a non-adversarial setting that identifies best practices and robust evidence.

The key to the effectiveness of peer reviews is the "peer pressure" exerted by the country representatives or experts carrying out the review, and the willingness of the country concerned to accept their findings. Peer reviews can also apply the same criteria to a number of countries, and may rank and benchmark performance.

Effective peer reviews should be updated regularly to consider progress, shortfalls or changing circumstances such as an economic downturn. This regular discussion among partners creates and maintains a dynamic pressure on peers to act on the advice they receive. It also allows updated monitoring and evaluation evidence to be used in a timely manner.

Peer review is a useful tool because during the process countries systematically exchange information, attitudes and views on policy decisions and their application. This dialogue can be the basis for further co-operation through, for example, the adoption of new policy guidelines, approaches to evaluation and implementation of methods and frameworks. Peer review can also serve as an important capacity building instrument, since it is a mutual learning process in which best practices are exchanged. This is true not only for the country under review, but also for other countries, especially those involved with peer representatives directly.

Peer review has a successful track record: there is a strong direct relationship between performance and adoption of peer review-endorsed strategies. In terms of evaluation, the peer review process can be powerful in reaching a shared way for OECD countries to proceed. The influence of the peer review will make an impression at each stage in the evaluation process from appraisal, through monitoring to final evaluation and informing future policy initiatives and decision-making.

Monitoring and measurement

Much of the evidence for a tourism evaluation will be provided through monitoring, and the evaluation findings will be only as reliable and representative as the evidence on which the evaluation is based. As such, it is essential for anyone conducting an evaluation to have an understanding of where data has come from, how it was collected and for what purpose it was collected, be it the tourism evaluation or other.

Some practical examples of popular tourism strategy objectives, associated measures and their means of collection are summarised in Table 2.1 below:

Table 2.1. **Collecting evaluation evidence**

Objective	Measures	Means of collection
Attract more international visitors	Number of visits by international visitors	Administrative information (*e.g.* visas), surveys
Increased average spend	Spend per day by tourists	Tourist surveys, balance of payments data
Increase visits throughout the year	Monthly distribution of visits	Administrative information (*e.g.* visas), occupancy data
Increase employment in tourism	Number of jobs in tourism	Labour force survey, taxation notices, tourism survey data
Improve productivity in the tourism economy	Tourism income per unit of labour	Combination of tourism spend indicators and tourism employment indicators
Improve levels of visitor satisfaction	Visitor satisfaction ratings	Tourism qualitative survey, opinion surveys

A successful evaluation will want to "dig deeper" than the outcome level results outlined in the table above, to understand the component contributors to the measure. This includes assessing the success of the strategy in raising interest in visiting the country, through to conversion of interest into visits, expenditure and supporting employment.

Once in place, tracking of tourists' movements and activities can provide the information to assess what is contributed to the strategic goals. There are many ways for doing this, such as:

● tourism travel cards;

● attraction "tokens" supplied at tourist agency offices;

● exit surveys;

● key tourism consumables (*e.g.* postcards, bed nights) tracking; and

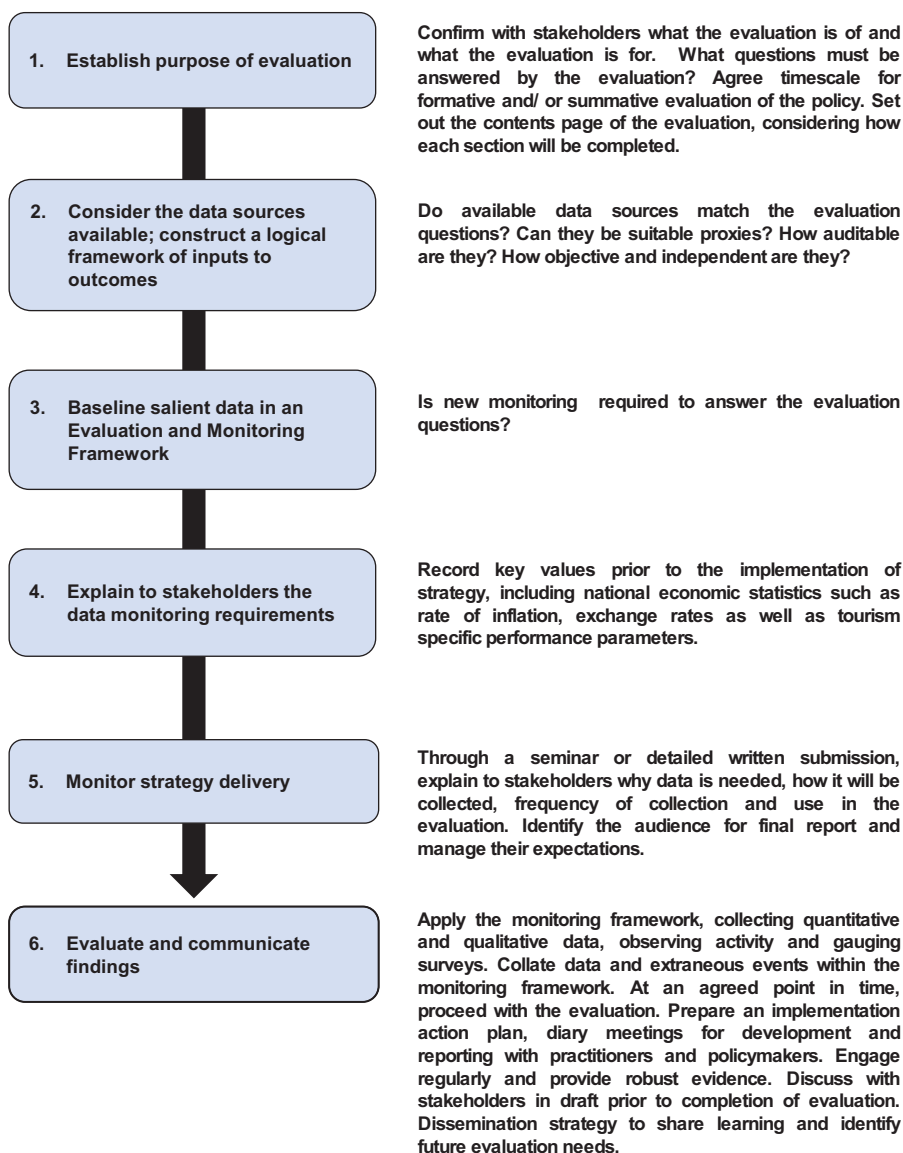● holiday concierge choices of destinations (*e.g.* for coach trips).

The above list can be seen as an indirect means of tracking tourism movements. Direct tracking, *e.g.* by use of visitor passports to a trail of facilities and events or on transport networks or use of GPS, is emerging and in some cases electronic tags within identity badges have been issued to visitors.

Trends indicate an increasing use of information and communication technologies. This could assist evaluations by gathering extensive data as well as feedback on qualitative choice preferences where such information can be made available in an acceptable format with recognised safeguards.

In summary, a number of techniques are possible and all have a potential role to enhance the availability, and in many cases the accuracy, of evaluation information. The specific context will vary in each country and the choice of evaluation tools and techniques will depend on the objectives and evaluation questions being addressed.

Evaluation road map

With the range of quantitative and qualitative techniques plus potential use of tourism indices, peer reviews and focus groups, it is important to have a framework for gathering, assessing and communicating information. It is also helpful to have a guide to the range of possible evaluation approaches and techniques that could be considered. Figure 2.2 illustrates a "road map" for the compendium of evaluation methods and suggests the series of steps to be taken in approaching an evaluation.

Figure 2.2. **Evaluation road map**

1. Establish purpose of evaluation	Confirm with stakeholders what the evaluation is of and what the evaluation is for. What questions must be answered by the evaluation? Agree timescale for formative and/ or summative evaluation of the policy. Set out the contents page of the evaluation, considering how each section will be completed.
2. Consider the data sources available; construct a logical framework of inputs to outcomes	Do available data sources match the evaluation questions? Can they be suitable proxies? How auditable are they? How objective and independent are they?
3. Baseline salient data in an Evaluation and Monitoring Framework	Is new monitoring required to answer the evaluation questions?
4. Explain to stakeholders the data monitoring requirements	Record key values prior to the implementation of strategy, including national economic statistics such as rate of inflation, exchange rates as well as tourism specific performance parameters.
5. Monitor strategy delivery	Through a seminar or detailed written submission, explain to stakeholders why data is needed, how it will be collected, frequency of collection and use in the evaluation. Identify the audience for final report and manage their expectations.
6. Evaluate and communicate findings	Apply the monitoring framework, collecting quantitative and qualitative data, observing activity and gauging surveys. Collate data and extraneous events within the monitoring framework. At an agreed point in time, proceed with the evaluation. Prepare an implementation action plan, diary meetings for development and reporting with practitioners and policymakers. Engage regularly and provide robust evidence. Discuss with stakeholders in draft prior to completion of evaluation. Dissemination strategy to share learning and identify future evaluation needs.

Country evaluation practices

The extent to which evaluation approaches vary across countries can be seen from the range of reports and formats that are published regularly by governments.

The OECD Tourism Committee has undertaken a survey of tourism evaluation approaches in member countries in 2010-11. The analysis of approaches found many examples of the principles and practice of good evaluation described earlier. It also identified practical examples and options for evaluating national tourism programmes from a number of countries.

OECD Tourism Committee work shows that tourism policies are indeed increasingly part of an integrated policy and development perspective – they are no longer being developed in isolation; rather they are seen as part of the development of national economies and there has been a steady and progressive move towards ever greater integration and whole-of-government approaches.

It is also being widely recognised that tourism has many stakeholders – citizens, governments, transport providers, education and skills, local government and the business community. The integrated policy perspective asks direct questions on the ways that national tourism policies link effectively with other key policies in transport, skills and enterprise development and to what extent private sector stakeholders are involved in developing, and actually implementing, tourism policies and programmes.

The OECD Tourism Committee work identified a range of measures that are being used to assess the performance of tourism in most countries. Quantitative methods and Key Performance Indicator metrics are used by many countries to assess the performance of their national strategies within an evaluation framework approach. As noted earlier, the TSA has become an internationally renowned approach and contributes considerably to our understanding of the tourism industry, its performance and impact.

Governments spend a significant amount of public money on country promotion and specific tourism promotion initiatives. It is clear from the case studies that evaluation focus and effort reflects the attention of policy makers on reaching a greater understanding of what effect this actually delivers and how to achieve greater value for money in times of increased budget constraint.

However, the OECD Tourism Committee work indicates that evaluation in tourism is only partially applied; some policies and programmes are evaluated regularly and with rigour, while others avoid scrutiny altogether or are evaluated in a much less challenging manner. An analysis of evidence and illustrative examples are provided below.

Strategy and goals

The increased alignment of policies and programmes has seen evaluation become more important in setting goals and assessing strategic achievements. National tourism policy development has recognised the role of various evaluation tools and techniques, including scenario planning and SWOT (Strength/Weakness/Opportunity/Threat) analysis, a helpful and easy to use tool to assist identify and order policy priorities (Box 2.5).

Tourism progress is being tracked through various monitoring and evaluation approaches. This extends beyond the direct effects on tourism. This recognises that effective tourism policies strengthen cohesion between tourism and other sectors (*e.g.* transport, education and training, environment) and so increase the performance of the sector. There is also country evidence that tourism policy benefits from explicit links to the national priorities for development. This has occurred in a number of countries.

Stakeholder participation

All countries recognise the importance of engagement to gather support and track changes resulting from policy interventions. Stakeholder engagement and on-going participation is a feature and a key stage in the process of tourism strategy/policy

Box 2.5. **The Czech Republic: Using SWOT analysis to determine
policy priorities**

The State Tourism Policy Concept in the Czech Republic (2007-13) was developed using SWOT analysis techniques which helped policy makers recognise five key priority development areas in the industry:

● Urban and cultural tourism.

● Nature holidays.

● Sports and activities holidays.

● Spa tourism.

● Congress and business tourism.

By using the SWOT technique, policy was developed with evaluation questions becoming an integral part of the overall strategy process. The engagement also ensured stakeholder participation to assess strengths, weaknesses, opportunities and threats in a purposeful and meaningful way. The process of consultation included gathering evidence from state administrative bodies such as the Ministry of Labour and Social Affairs and also local government and trade associations such as the Association of Spa Places and the Association of Tourist Information Centres. Evaluation was agreed as an integral follow up from the consultation process. Monitoring arrangements include tracking progress and gathering views as the policy is put into action. The SWOT was agreed to be updated and re-assessed regularly to adjust for changes.

development. Various organisations have applied evaluation tools and techniques that include an adaptation of recognised approaches for tourism (*e.g. www.worldbank.org/participation*).

Feedback also highlights that the whole approach of stakeholder analysis requires further development and refinement. There are evaluation tools and engagement techniques which can be used across the continuum of participation, from mandatory consultation to full, active public engagement and a genuine "challenge and build" process of open debate.

Stakeholders can participate at different levels from passive involvement to active empowerment although experience from a number of countries notes that stakeholder participation may change at different phases of the policy process. The evaluation tools must capture this engagement at all stages in the policy process.

In Poland a careful approach was taken to secure stakeholder support under four Operational Priorities: A Highly Competitive Tourist Product; Development of Human Resources Contributing to Tourism Development; Marketing Support, and; Shaping the Tourist Space. Each of these priorities has different operational objectives with a respective set of measures (Box 2.6).

Israel also provides an example of how the Ministry of Tourism took the initiative to encourage closer working between the public and private sectors (Box 2.7).

Other methods to maintain stakeholder engagement include the use of regular policy working groups and committees, expert groups and communities of practice as well as written submissions to create productive joint working. The effectiveness of these

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Box 2.6. **Poland: Securing stakeholder support**

The content and structure of the document Poland Directions for Tourism Development to 2015 have been based on four foundation issues on:

● Shaping the relationship between the development of tourism and the socio-economic development of the country.

● Creating agreement between various entities on the development of tourism on the basis of amalgamating activities and potential.

● Assuring flexibility to make possible adaptation of goals and measures to changing circumstances in the whole process of implementation.

● Promoting sustainable consumption, shaping public health through tourism, supporting actions that contribute towards a reduction of the pressure on the global climate.

The Directions involved treating tourism objectives, defining tourism's role broadly in both the economic and social development of the country. This included making use of untapped potential, strengthening social capital and socio-economic cohesion. Members of the Interministerial Team co-ordinate the tasks of the government and recommendations for co-ordinating the tasks of all entities acting for tourism development. The Team comprises 15 Ministers and 2 central government institutions and plays a crucial role in ensuring stakeholders interact in setting goals and scoping evaluation.

Box 2.7. **Israel: Bringing stakeholders together**

In 2006, the Ministry of Tourism initiated and formed the Marketing Forum which comprises representatives from the public and private sectors. This included policy makers, hoteliers, tour operators, airlines, travel agents, other professionals and senior representatives of key ministries including Tourism and Finance. The forum continues to meet regularly to discuss issues, form plans and synchronise bids for resources and investment. Engagement has been effective and created a positive working environment based around a greater appreciation of how different perspectives can work together.

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approaches determines the success of the evaluation process and the energy to drive forward and implement the findings to future policy decisions.

Planning for successful evaluation

Countries recognise the importance of allocating adequate resources to conduct evaluation of policies and programmes however there is evidence of increasing competition between policy areas for resources. Many countries are not in a position to set aside independent evaluation budgets for their policies and programmes.

In some countries, such as the United Kingdom, the preparation of three year evaluation plans with expenditure commitments does give some financial resource. This can be strengthened where there is also a formal requirement to present evidence in seeking approval for new programme expenditure.

In certain countries there are strong and disciplined evaluation approaches. For example, in Canada a dedicated budget and detailed timetable programme was set aside

for policy development including evaluation. Similarly in Denmark all projects are required to be measured and evaluated according to a defined set of performance indicators.

These two countries identify a range of important factors in preparing for evaluation, such as targets being set and measured, stakeholders being involved in planning, and committing resources. This together with the other survey responses point to the need for policy planning to:

● ensure that the policy objectives are set and measured according to a defined evaluation structure;

● ensure that all stakeholders take ownership of the policy objectives and resultant targets, namely that they accept a shared view of what success will look like and how details such as measures, targets and indicators can be developed; and

● define the scope of the evaluation, namely to decide the timing and level of resources to be allocated.

The evidence confirms that planning stage considerations should cover the setting of baselines, benchmarks and milestones. For example, international benchmarking is seen as an important tool in that it enables governments to compare their performance with similar countries or regions, including the impact of tourism on national economic development (Box 2.8).

Box 2.8. **Canada: Including industry benchmarking as part of the planning process**

In 2008, the Canadian Tourism Commission undertook a national benchmarking study on the vibrancy and competitiveness of the Canadian tourism industry. The objective of the study was to explore "Where do we rank in the context of the Canadian Economy?" and to provide a new frame of analysis for comparing the performance of the Canadian tourism sector (and the tourism component of related industries) with other Canadian economic sectors and other conventional industries. Although detailed and inevitably time consuming to assemble, the results provided Canada with a milestone or benchmark for future comparison of performance of the sector, economically and financially, against other sectors of the Canadian economy (tourism ranked fourth in a composite performance index ranking eleven sectors).

Identifying appropriate benchmarks is always challenging and can introduce significant risks for governments if inappropriate benchmarks are chosen. There are obvious attractions in making inter-country benchmarks, especially with near neighbours and rivals, as well as intra country benchmarks with other sectors. This competition can be converted to co-operation and productive knowledge sharing and there is clearly much scope for this, especially between countries that have geographic proximity or policy similarities.

A useful tool employed by a number of countries that can help in evaluation is the TSA. This together with others such as the Travel and Tourism Competitiveness Index are important starting points but do not tell the whole story in evaluation.

Some countries have expanded the vision and applied additional analysis tools. For example, VisitDenmark have extended evaluation planning to include use of focus groups

as an integral part of the evaluation approach (Box 2.9). Focus groups gather individuals together to discuss the topic under evaluation and can add depth and richness to data and other evidence gained from survey work. It also allows benchmarking information to be discussed in order to explore the underlying causes and contributing factors that could explain differences in country performance.

Box 2.9. VisitDenmark planning for evaluation

In VisitDenmark, all projects and programmes follow a project model which dictates evaluation using assessment of Result goals and Effect goals to document the significant contributions from major marketing projects. Project managers define and agree how and when marketing activity is measured and evaluated. Minimum time and dedicated resources are allocated for planning evaluation to ensure:

● agreed targets are set and measured according to the defined evaluation structure;

● all stakeholders are engaged and take ownership of the targets, accepting the assessment of success; and

● the scope of the evaluation is defined and total resource commitment agreed.

International benchmarking is used in planning the evaluations and comparing conversion rates using International Universal Media and previous evaluation evidence.

The earlier examples from the Czech Republic and Poland show how useful tools can ensure all stakeholders take ownership of the policy objectives and resultant targets by involving them in planning the evaluation. In such approaches, activities can be co-ordinated by different mechanisms such as working groups and monitoring committees to be aligned with the various operational programmes and become integral to successful implementation.

There is evidence that gaining agreement on the scope of the evaluation is important when planning for a successful evaluation. This is illustrated by the case study of the New Zealand Ministry of Tourism evaluation of the Maori Tourism Facilitation Service (Box 2.10).

Box 2.10. New Zealand Maori Tourism Facilitation Service (MTFS)

The MTFS was established in October 2004 to provide business assessment and mentoring to Maori tourism businesses. The aim was to assist businesses in early development and established phases, to improve performance and to ensure the delivery of a quality tourism experience.

At the outset, a clear rationale was set out for the programme and how it linked to other initiatives, a governance structure was established and clear guiding principles drawn up for the project. In line with implementation of the service, a range of measures were identified and agreed to be used for evaluation. These practical measures linked directly to the objectives of the programme and provided the basis for a robust evaluation framework with SMART indicators profiling participants, performance and outcomes.

Such examples show how to agree the scope of the evaluation with the "client". Consultation meetings can be used to reach agreement on the approach and the key questions to be answered by the evaluation methodology. The resources to conduct the evaluation can also be built into the original project proposal. This communicates an important message: evaluation is an intrinsic part of the project with dedicated budget and staff rather than an added extra.

Framework and themes for policy evaluation

OECD work reveals that a robust evaluation framework is recognised as essential for the implementation of an effective policy or a programme. The experience in various countries shows that the development of such frameworks takes time and careful consideration involving partners and stakeholders.

It is also important that the framework is structured around priority strategic headings. The following five thematic headings are drawn from the OECD work on practices in different countries. This presents a useful summary of the key categories relevant to all members and stakeholders:

- Economic (employment, business starts, GVA, GDP).
- Social (skills, local community development linkages).
- Physical (facilities, infrastructure, environmental).
- Profile and perceptions (identity, image and branding).
- Capacity building (human resources, local capabilities).

OECD Tourism Committee work reveals that there are many popular indicators in use for measuring tourism success around these themes. A range of indicators appear consistently. It is interesting to compare these indicators to other research (Table 2.2). It is clear that many of the areas of interest for research shown in the second column have no corresponding indicators in the first one. This makes the detailed tracking of a cause and effect approach to evaluation exceptional rather than routine. Individual use of such approaches does occur but this is rarely clear at the national level. This points also to the need for further development of a more standardised and logical approach to tourism evaluation.

Table 2.2. **Popular indicators for measuring success**

Popular indicators in use	Other research, with a focus on promotion
● Average visitor expenditure per person per day ● Average length of stay ● Number of foreign tourists ● Total number of nights stayed ● Total number of tourists ● Country of origin ● Image of country ● Tourism employment ● Motivation to visit nation ● Tourist classification/group ● Conference facility utilisation ● Visitor satisfaction ● Country rank in UNWTO list	● Image ● Visitors ● Specific markets ● Website visitors ● Fairs ● Print advertising ● New potential ● Specific target groups ● Web campaigns ● Requests for information ● RTV advertising ● Workshops ● Activities of own office and representatives abroad ● free publicity

Some countries have invested considerably in a measurement approach. In Denmark, many approaches have been tried, including the development of a structured series of indicators (Box 2.11). Portugal is another country where detailed case study evidence has been gathered.

Box 2.11. **Denmark: Developing indicators**

In Denmark, a series of detailed measures have been developed to show how the national tourism policy is being implemented. Key indicators are compared year by year to show:

- tourism business areas (coastal, city and meeting);
- the economic significance of tourism;
- Denmark's brand position;
- Denmark's place on the Simon Anholts nation brand index;
- Danish brand values (oasis, unpretentious, clever) when compared to other key competitors;
- Denmark's European market share;
- partner satisfaction;
- employment profiles, added value corporate press coverage;
- total cost of running VisitDenmark (marketing, destination development and tourism research);
- co-financing;
- marketing spend;
- effect of marketing projects;
- destination development (participating partners).

This wide-ranging collection of indicators represents one of the more comprehensive measurement frameworks. It also highlights the essential analytical role in any evaluation to filter the "noise" from extensive data. This produces a clearer understanding of the key contributing activities to successful tourism policy. There is however scope to reorganise the collection of indicators to follow the stages of the logical framework of policy interventions.

Evaluation implementation

There is general recognition among OECD members that evaluation should be implemented as an integrated part of a strategic planning approach with an agenda and resources agreed at the outset as part of a policy cycle. In many countries with an established tradition of evaluation, including Canada and the United Kingdom (Box 2.12), evaluation budgets and staff responsibilities for conducting and reporting evaluation findings have been set as a regular component of the policy process. In such countries, evaluation is an integrated part of the programme plan where activity is co-ordinated and organised between the evaluation teams or responsible personnel in different organisations.

Specific initiatives and major events (such as the Olympics or Football World Cup) prompt additional evaluation efforts. These events also provide important opportunities to demonstrate the worth of evaluation and the economic importance of tourism.

Box 2.12. United Kingdom best practice communities

The United Kingdom has a long tradition of evaluation and knowledge sharing. Groups such as the National Tourism Best Value Group which was created in 1999 established a sound basis for the collection of comparative information, benchmarking, and the provision of a platform for sharing best practice. This led to other developments including Destination Performance UK a self-help membership organisation for local authority tourism services and DMOs/DMPs committed to the principles of performance management and best practice. This group learned that:

● Destination and management performance monitoring needs to be seen as an integral part of the management process and should be carried out continuously.

● Information collected should seek to recognise the needs of the Tourism Intelligence Partnership (TIP) in securing more robust and timely data at the local level.

● Where DMOs exist that are supported financially or in staffing terms by local authorities, they should provide the data required for those authorities to monitor and evaluate the results of their investment.

● Volume and value data, using the best available comparable model, needs to be collected on an annual basis.

● Visitor surveys need to be carried out on a comprehensive basis at least every three to five years. Interim surveys on a smaller scale should be used to provide monitoring checks.

● Satisfaction surveys need to be carried out for TIC customers and tourism businesses on an annual basis with resident satisfaction surveys being carried out less frequently, say every three years.

● All surveys should be based on a set of standardised core questions to enable comparison and benchmarking with other destinations.

● Creating a benchmarking club is a cost effective way of sharing information and experience.

Using core performance indicators establishes a set of performance measures for a destination.

Source: English Tourism Authority.

Market diversities within countries have created some resistance toward the implementation of a standardised evaluation approach. To overcome this, a number of countries have kept evaluation "light touch" with a process and methodologies that are flexible and more emphasis on relevance than being over rigorous or academic. This can win support and develop the evaluation function more naturally over time.

Examples of rigorous approaches to evaluation exist in all OECD countries as is evident from specific reports and the outputs from various institutions, notably advisory research departments, consultancies and universities. However the availability of skilled staff to conduct evaluations effectively within government tourism departments is a recurrent resource issue.

Practitioners and policy makers recognise that it is important that challenge is a feature of all evaluations. From this challenge, organisations can then build an effective response to guide future decisions around tourism policy.

Evaluation of marketing and promotional campaigns

Tourism is influenced heavily by marketing and promotional campaigns. National Tourism Organisations spend considerable amounts of public money every year on promotional activities with various objectives, which include attracting additional visitors, retaining existing visits, improving perceptions and developing the brand and market position of the country, as well as increasing visitors' expenditure.

Some countries have developed robust approaches to measurement indicators which look at the whole process of a customer selection of a destination from the initial psychological triggers for showing interest in a country through to searching for information on the country and finally making a booking (the conversion process). At each stage in this decision process, there are controllable (advertising, communications, etc.) and uncontrollable (weather, financial environment, security) variables.

The approaches found in various countries including Canada, Denmark, Mexico, New Zealand, Portugal, Switzerland and United States recognise the need for measures at every stage (from customer awareness to achievement of market share). The progression path to achieving market share moves from awareness, to preference to an intention to visit.

OECD Tourism Committee work on evaluation reveals that there are a number of measurement approaches, tools and techniques in use. In addition to country specific methods, there are three principal approaches that feature regularly:

- Return on investment.
- Conversion models.
- Non-linear modelling.

Return on investment

There is widespread use of quantitative analytical approaches. This reflects the drive for hard evidence (numbers) to show effectiveness, efficiency and value for money.

The return on investment (ROI) approach is a popular numerical measure of efficiency, being the ratio of financial returns to investment measured over time. It is appealing and readily understood as a measure that can demonstrate how investment in tourism generates returns that lead to an economic impact. Estimates from countries show a variety of ratios for ROI, ranging from national campaign estimates to calculations on individual promotion campaigns.

In the latter case, a similar term, Return on Objective (ROO), is often used as a sub measure of ROI being a ratio of investment in a single objective to the benefits of that objective. Summed, the ROOs will provide the overall ROI of the policy. The calculations can be applied in a simplistic manner or become complex in attempting to count and convert all the returns into a numerical value.

A number of countries and agencies now caution the use of crude ROI as a suitable metric in many programme and policy contexts. It is recognised as difficult to make choices on prioritisation when ROI does not present comparisons in a standardised way. For this reason, other methods should be used in conjunction with ROI.

Conversion models

Some OECD countries have developed the conversion model approach in some detail. Denmark provides a good illustration (Box 2.13 and Figure 2.3). The market survey tools used include web-based techniques, marketing campaign studies and impact assessments.


Box 2.13. **Conversion model in practice**

VisitDenmark provides a good example of a useful tool which can be applied in the evaluation of marketing programmes. This examined the effects of consumer-oriented marketing in relation to four performance indicators called "effect goals" which are:

- Exposure.
- Awareness.
- Preference.
- Actual travel.

The four "effect goals" form a traditional marketing evaluation chain as shown in Figure 2.3 below. Central measurements are made to estimate the conversion rates and progressive movements between the four performance indicators. The technique uses market survey tools to produce estimates of effects generated, such as additional tourism revenue. This is gathered through using series of questionnaires. Quantitative analysis uses actual and historic values to produce calculations, some based on average conversion rates from previous VisitDenmark evaluation evidence and measurements.

Figure 2.3. **VisitDenmark's marketing evaluation chain**

Visit Denmark's four performance indicators for its promotional campaign
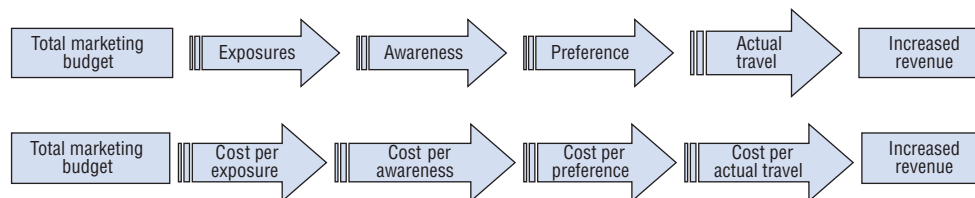
Source: VisitDenmark.

Website tools and techniques. Online methods are efficient ways of gathering intelligence and communicating marketing messages, as well as processing customers. This allows specific promotions and analysis to be conducted, such as placing a campaign questionnaire on line disguised as a competition. In the questionnaire respondents are asked where they obtained knowledge of the site/competition. Also the respondents are asked if their visit to the site has created a preference to visit.

The approach is adopted in several countries, such as in the United States where consumer perceptions are tested before and after campaigns (Box 2.14). Perceptions are measured based on 72 attributes of the United States as a travel destination. Other countries such as Estonia are investing heavily in digital technologies to assess, analyse and track consumers and their preferences. This tracking can then extend to the monitoring and evaluation of tourists and other actors in the industry system to gather an array of intelligence.

> **Box 2.14. United States: Evaluation of tourism promotion campaigns**
>
> In the mid-2000s, the United States committed significant resources to pilot an international tourism promotion campaign. The objectives were to:
>
> - increase awareness of the United States as a travel destination;
> - increase positive perception of the United States as a travel destination;
> - increase interest and intent to visit; and
> - increase economic benefits from visitation.
>
> Pre and post campaign research included an image study, electronic benchmark surveys, travel and booking patterns and a market, media and competitive spend analysis. Analysis produced quantitative assessments of advertising effectiveness and economic returns from investment. The results were used to confirm the successful elements of the program and how to extend the campaign into additional markets.

With the prominence of the Internet in the access of information about tourism and the use of social networking, such approaches and the use of these web-based tools and techniques represent a vital part of the future for the industry.

Marketing campaign studies. Campaign studies are often conducted through online panels run by external research agencies asking a sample of the target audience whether they have seen/heard/experienced the advertising being evaluated, and whether they have obtained a preference for the country as a holiday destination. These have been used in a number of countries including Denmark and the US.

Impact assessment. This measurement is based on the number of exposures in a specific media and on specific market average conversion rates between exposure and awareness, awareness and preference, and between preference and actual travel. In Denmark, this allows VisitDenmark to estimate the effects of a campaign. VisitDenmark can also track longitudinally and compare indicators under each of these effect goals by year.

These techniques involve considerable resources and effort to gather convincing and statistically robust evidence. In some instances industry benchmarks have been applied where survey evidence proves inadequate or too costly to acquire. This is pragmatic but there are risks being driven by external sources such as advertising industry standards.

New Zealand is another country where the conversion process model has been applied to a number of its promotional activities (Box 2.15).

> **Box 2.15. Impact assessment conversion process in New Zealand campaigns**
>
> Evidence from campaigns targeting Australia measured awareness rates of the New Zealand brand through the "What's On" Campaign at 55% (Quarter 2 tracking 2008). Further evidence in turn produced a conversion rate of 8% and was used by the Ministry of Tourism to better understand how customers make up their minds to travel and their perceptions of New Zealand. Indeed the evaluation evidence prompted the New Zealand Ministry of Tourism to make changes to the nature of promotions and to take into account the particular sensitivity of factors such as seasonality.

Canada has conducted substantial impact assessment work through its national tourism organisation, the Canadian Tourism Commission (CTC). The organisation aims to focus on specific international markets and consumer market segments with the highest estimated potential for return on investment. They have recognised the key challenges of being able to directly attribute its efforts to the impacts on the tourism economy (Box 2.16).

Box 2.16. **Impact assessment of promotional campaigns in Canada**

Canadian Tourism Commission (CTC) has traditionally used advertising tracking and conversion studies to assess the impact of its promotional campaigns. Three challenges have been identified by CTC in using this approach:

- Sampling – the failure to use proper sampling techniques and a tendency not to take the implications of sampling error into account in the interpretation of results.
- Non Response Bias – in conversion studies associated with destination information services, there has been a tendency not to factor out those respondents who had decided to visit the destination prior to being exposed to the advertisements. In these cases, the advertisements simply facilitated the collection of information for planning purposes.
- Comprehensive Costs – there is a pervasive failure to include all costs associated with the development of advertising campaigns.

The organisation has developed a forward program to tackle these challenges drawing on the lessons from earlier evaluations and benchmarking.

Portugal has experience of evaluating international media coverage by compiling information and analyses on the number of press trips organised, number of journalists invited and advertisement spend equivalent of the articles produced. Such analysis normally involves in-house and external agency evaluation staff. As in other countries, the approach depends on advertising industry measurement techniques rather than being specific to tourism industry evaluation objectives.

In order to reach impact assessment results, it is essential for the analysis of metrics to include detailed and reliable data from all the parties promoting the country. However, evidence shows that it is extremely difficult to isolate the contribution and net impact of activities carried out by the tourism promotion agency, *i.e.* to attribute effect to the tourism policy. One interesting approach is provided by Switzerland (Box 2.17).

Box 2.17. **Effectiveness measurement concept applied in Switzerland**

The "effectiveness measuring concept" to assessing attribution has been applied in Switzerland. This concept requires a judgment of the influence of a controlled instrument on producing an effect. For example, Switzerland Tourism (ST) has established through surveys that the national tourism website *www.myswitzerland.com* contributes 4% of tourist decisions to stay overnight in Switzerland, while travel agents and brochures contribute 5%. ST has 100% control over the content of myswitzerland.com, therefore the attribution to ST from the website is calculated at 4% × 100% = 4%. In contrast, ST's influence in brochures and travel agents is judged to be only 10%, therefore attribution to ST of the 5% is only 5% × 10% = 0.5%.

Non-linear modelling

Conversion studies are linear and thus do not predict human behaviour. Non-linear approaches have been developed in attempt to determine which controllable variables affect behaviour and in what way.

Non-linear modelling is a complicated mathematical process which uses regression analysis to establish relationships between variables. The complexity is offset by the advantage that it shows much more effectively the relationship between different variables. Like all such models, successful implementation depends on many considerations including the assumptions underlying the model, the quality of data gathered and processed and then the careful analysis of the key findings.

Countries have developed ancillary tools to assist with improving relevance and accuracy of modelling. A variant on the non-linear modelling is the Canadian "Path to Purchase" Model (Box 2.18).

Box 2.18. **The Canadian "Path to Purchase" Model**

The Canadian Tourism Commission (CTC) developed this model as it enables them to compare the brand in all markets, identify the performance points (especially those to compel further action if the brand shows signs of weakening and there is an indication of a decline in conversion), and focus marketing activities to address weak links in the chain.

There are seven steps, taken by the potential customer on the CTC "path to purchase" categorised as follows:

1. Awareness – heard about the destination.
2. On priority list – thinking about going to the destination in the future.
3. On seriously considering list – planning within the next two years.
4. Creating a vacation "movie" – information gathering from many sources.
5. Planning a detailed itinerary.
6. Finalising trip arrangements.
7. Successfully purchasing a trip.

CTC focus this process on improving understanding of how their service offering and marketing plans perform at each step. Monitoring in this way asks challenging questions to prompt timely responses at each step: is the country getting international profile at step one, can the potential customer make their "movie" from available resources at step four, etc.

In 2007, CTC launched a monitoring survey called the Global Tourism Watch. This tracked awareness of Canada's brand and Canada's competitive position in the general holiday main market. CTC can now monitor annual changes in perceptions of Canada against key competitors and gain a greater understanding of consumer travel behaviours and values. From this data, CTC can identify barriers to visiting Canada and how to overcome them.

Sustaining the levels of interest and visitation is another challenge. This requires commitment and investment as well as an ability to tell the story in an appropriate way. The results and findings can then be utilised to best effect.

Utilising evaluation results

OECD Tourism Committee work on evaluation revealed that the ultimate use of evaluation evidence depends upon gaining attention with decision makers. Effective evaluation must be approached with an understanding of how to gain attention and how to make sure the findings are used by policy makers.

Some countries, such as Denmark, have been able to use evaluation evidence with immediate effect on strategic decisions. This is despite the diversity between markets, target audiences and the challenge of comparing results on different forms of intervention including marketing activities.

Timing of evaluation is also important. A useful tool is to create a timetable for the submission of evaluation evidence to decision-making bodies. This can target evaluation output to hit major decision points in the calendar, including business planning and budget allocation dates.

Some countries have formal reporting dates. The Economic Ministry of the Slovak Republic is obliged by the government to submit a report on the progress of the national tourism strategy by the 30th of June each year. In other countries, such as the United Kingdom, there is a strong culture of detailed performance monitoring with monthly, quarterly and annual reporting.

Quality evaluation that gains the attention of decision makers can improve the reputation of evaluation in tourism. In the United Kingdom, the implementation of the Scottish Tourism Framework is directly accountable to the Scottish Parliament Economy, Energy and Tourism Committee. The remit of the Committee is to consider and report on the Scottish economy and the Committee has the power to call witnesses to its meetings for scrutiny and debate. This creates a direct link between reporting evaluation evidence and influencing policy through the appropriate Committee of the Parliament.

Communicating the evaluation findings effectively remains a challenge in most countries. Success requires continuous programme development and a willingness to be innovative in exploring the deeper issues of cause and effect. This is shown in Box 2.19 with some of the extensive evaluation work that has been conducted in Australia.

Box 2.19. **Australian Tourism Development Programme (ATDP)**

In Australia, an independent evaluation of the effectiveness of the Australian Tourism Development Programme (ATDP) was used to inform the future development of the Programme. ATDP was a competitive merit-based grants programme which sought to stimulate the growth of the Australian tourism industry, encourage private sector investment and contribute to national prosperity. The evaluation processes resulted in a number of changes being recommended to the Programme: simplifying application processes and forms, increasing grant levels for business assistance and allowing more time for the development of projects. These recommendations were elevated quickly to enable decision makers to act swiftly. ATDP was subsequently redesigned and renamed TQUAL Grants.

Israel provides another case where research findings were used to make swift changes to policy based on the evaluation evidence (Box 2.20).

Box 2.20. Effective decision-making to reduce barriers to entry in Israel from key markets

In Israel, an evaluation was undertaken into the main obstacles which tourists face in order to get to Israel. The study highlighted a number of issues including visa restrictions and security checks at Ben Gurion Airport. As a result, the government abolished the need for visas from certain countries such as the Russian Federation, which resulted in a significant rise in tourists and improved perception. At the same time, security at check-in at airports and other points of entry were improved.

Conclusions

The evidence reviewed from tourism evaluation in many countries has produced a number of key themes that point towards areas for improvement. Evidence suggests a number of key factors critical to evaluation success (Box 2.21).

Box 2.21. Key success factors in evaluation

- Robust performance indicators. These should be easy to measure, benchmarked regionally, nationally and internationally and applied by policy makers.
- Stakeholder participation. Consultation and active involvement should be promoted through consultations, events and other channels of communication.
- Leadership. A strong commitment to a programme of evaluation that spans all technical approaches as well as clear dissemination of findings is essential. Structures should be in place to ensure timely and regular reporting and discussion.
- Ownership. Policy makers, government and the private sector must take ownership of the evaluation and demonstrate an understanding of the rationale and contribution.
- Governance. Arrangements (such as Memorandums of Understanding and Agreements) need to be in place to ensure that evaluations are co-ordinated between authorities and major evaluations should be conducted as independent and objective assignments
- Time commitment. The appropriate time commitment must be allocated for evaluation. There also needs to be a timetable for the evaluation process to take place with regular quarterly and annual reporting in line with the policy budgetary and decision-making cycles.

Countries are developing the evaluation agenda in different directions. Members of the OECD Tourism Committee share the desire to work more closely in the future to strengthen evaluation approaches and practices especially if the suggested road map (Figure 2.2) is followed.

This chapter reveals many ways to improve the quality and consistency of evaluation of tourism policies and programmes and helps to promote a greater awareness of tourism

evaluation by policy decision makers. The principal conclusions emerging from the study include:

a) Evaluation is context specific: each country has a specific focus and priorities to evaluate. However evaluation frameworks provide structure and could be applied to improve consistency and transferability of evidence and leaning. A narrative commentary on the interpretation of evidence set within a framework would also improve effectiveness by presenting and communicating evaluation evidence in a structured context.

b) Credible evaluation must gather the evidence (quantitative and qualitative) to bring forward credible and convincing information, distinct from other forms of knowledge gathering, such as advocacy, audit and performance management.

c) In times of low growth in most economies, budget pressures will focus the mind on gathering evidence that really adds to understanding and can be delivered as quickly as possible to influence decision-making. Pragmatic solutions which develop capacity should be a priority alongside streamlined reporting structures and strengthening key links with decision makers to improve evaluation effectiveness and relevance.

d) High-quality evaluation should be celebrated. International events and formal adoption of shared guidance materials can keep evaluation prominent and relevant. This will encourage greater public debate, build more capacity and confidence and promote the tourism agenda.

Tourism evaluation has considerable scope for further development and the OECD members can take the initiative in developing a stronger, more co-ordinated future agenda. Through a formal continuation of the Tourism Committee work on evaluation, a community of practice can then emerge from the OECD countries. This will lead to closer collaboration and practical strategic and operational changes in a number of countries.

Joint work in key areas such as evaluation training and other elements of capacity building is fundamental in bringing forward evidence, particularly in times of resource constraint, when decision makers require a strong and clear evidence base on which to make decisions. This is the context that will drive all tourism evaluation activity in the years ahead.