

Versatile Hospitality Industry around the Globe A Case Study on Development and Challenges in Hospitality Industry - Portugal

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Abstract: A recent study on the tourism sector in Portugal revealed that the industry is likely to grow in the area of luxury hospitality and several niche products like nature, surf, sun, beach, and culture. The regions with positive outlook with respect to tourism include Algarve, Lisbon, Porto and Madeira. The study was published by Cushman & Wakefield in response to the increasing interest of real estate investors in the Portuguese tourism sector. The report "Hospitality Market in Portugal 2017" talks about a booming hotel sector in the country, marked by an excellent performance of hotels and by the ever increasing tourist indicators registered year after year, since 2010. "The performance has been drawing the attention of international investors in tourism products, as they find in these assets an investment option with competitive ROI rates," reads the paper. The study highlights the cities of Lisbon and Porto and the region of Algarve as very appealing destinations to the foreign capital and recognizes the hospitality assets of these zones as a very significant potential of recovery capital. Among the main trends of the evolving tourism sector in Portugal, the authors highlight the product qualification, with an increase in the supply which will tend to focus on higher category facilities, and the expansion of alternative products such as nature (in Açores and Serra Algarvia), surf (on the West coast, in the North of Lisbon, Alentejana and Vicentina), and new 'sun & beach' destinations (in Troy and on the Coast of Alentejana) and of a cultural nature (in Évora, Coimbra, Aveiro, Guimarães and Braga)..

Keywords: Portugal revealed that the industry is likely to grow in the area of luxury hospitality, The report "Hospitality Market in Portugal 2017" talks about a booming hotel sector in the country, The study highlights the cities of Lisbon and Porto and the region of Algarve as very appealing destinations to the foreign capital.

I. INTRODUCTION

[1] A trend of market yields contraction is also noted in the study, mostly driven by the arrival of players with hotel management capabilities and by the increase of generated performances. The analysis points to yet another trend of concentration of operation" in the Portuguese tourism sector, with the current scattering of market operators to be substantially reduced through the growth of the dominant brands, essentially through the acquisition of the existing facilities, but also through some organic growth.

In this evolution process, the assertion of the dominant destinations such as Algarve, Lisbon, Porto and Madeira is expected. In Lisbon's case, there are about 40 known future projects, which will translate to over 3,500 accommodation units in the next five years in the city, the majority of the projects being located in the center of the city and belonging to the four and five-star categories.

Although admitting that the level of growth in the supply in the last few years may evoke some reservations about the sustainability of the sector, the consulting agency points out that the growth of the demand was much bigger.

"Bearing in mind the inaugurations expected for the next three years in the city of Lisbon, the average annual growth of the supply may be estimated at 3%. For their part, the hotel stays in the capital in the last three years increased at an average annual rate of 11%, more than three times the rate expected for the supply," the study states.

1.1 Cuisine & Culture

Your journey begins in the bustling city of Lisbon, a colourful hub of culture, history and charm. [2] Alongside an expert guide you will explore this iconic city from downtown Lisbon, through the Jewish Heritage and up into the picturesque hills. Discover the cities intriguing past, visit unique art galleries, and walk the sloping streets. By evening, immerse yourselves in the lively city atmosphere, dining at one of Lisbon's hidden gems and surrounded by captivating traditional music.

Departing the capital, you will travel south to the picturesque region of Alentejo, characterised by a rich tapestry of landscapes, you will become encompassed by whitewashed villages, vineyards, olive groves and dramatic coastline. Your first stop will be São Lourenço do Barrocal where you will be greeted by an exquisite farm-to-table dinner at a family-run local farm. Your meal will be prepared by your welcoming hosts who use freshly grown organic produce to create unique flavours that reflect the wild surroundings.

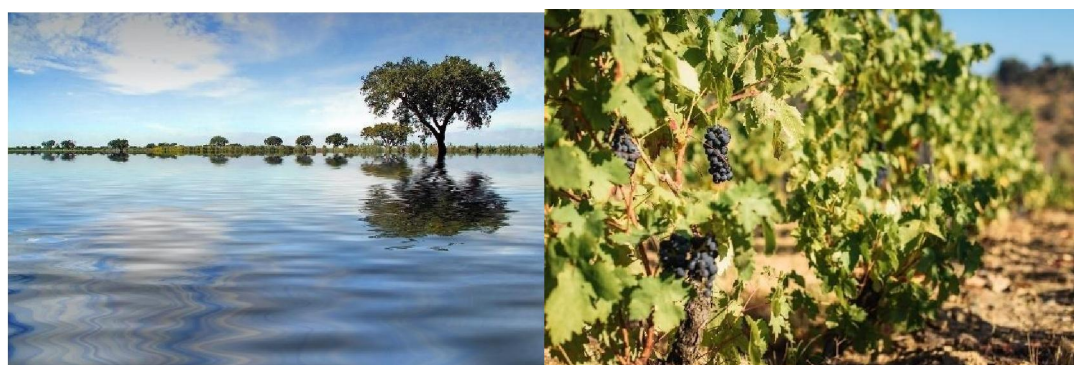
Home to a stunning array of medieval hilltop towns, there is much to explore, including the UNESCO World Heritage Site Évora, a beautiful city inside a castle with museums, monuments, and medieval streets. Follow your guide through labyrinth-like narrow alleys, passing whitewashed homes with splendid azulejos tiles and wrought-iron balconies.

Delightful restaurants provide the perfect spot for a relaxed lunch of exquisite local produce before continuing to the village of Monsaraz, perched on a hilltop overlooking the vast countryside and considered one of the most beautiful places in Portugal. Well preserved, this medieval town retains a unique magic with pebble-stone streets, limestone walls and an imposing 14th century castle.

The rich and fruitful vineyards of Alentejo offer unrivalled wine tasting experiences, known best for its warm red blends. At the charming estate of Herdade do Esporão, dating back to the 13th century, you will embark upon an exclusive wine tasting experience alongside a private guide. Starting with a walk through the luscious vineyards, you will learn about the production of the grape alongside the history of the region before tasting a variety of wines and visiting the wineries cellar.

At night, stargaze above Alqueva Lake, where the excellent conditions and lack of light pollution, have justifiably rendered it as the first starlight tourism destination in the world. Soak in the views of the Milky Way and other constellations, accompanied by the world renowned Portuguese astrophotographer, Mr. Miguel Claro, whose important work has been distinguished worldwide.

Rising in the early hours of the morning, you will take to the skies in a wonderful hot air balloon ride that will showcase the beauty of the region. Gently floating into the sky you will travel where the wind takes you, uncovering captivating vistas of green fertile fields, large olive groves and golden cornfields. Immersed within the peace and quiet of nature, this serene experience will end with a freshly prepared picnic breakfast awaiting you at your landing spot.



[3] Departing Alentejo, you will travel south to the sprawling coastal region of Algarve, where quaint fishing villages, rugged cliffs and pristine sand beaches create a striking landscape. Head out to sea, cruising across the ocean to explore the hidden treasures of the Algarve, remaining relatively untouched by human activity, you will uncover golden cliffs, secluded coves, and remarkable rock formations. Stop for a swim and snorkel as you please before delighting in a freshly prepared lunch onboard. With paddle boards and kayaks at your disposal, after lunch you can set out to explore the intricate bays and remote beaches.

Set out on a biking excursion, a brilliant way to explore the wild coastline and verdant hills of the Algarve. Cycling along the rugged cliffs, passing by sleepy fishing villages and through fertile vineyards, you will explore the diversity of landscapes that the Algarve has to offer. Visit the traditional village of Olhão where you will visit the local Olhão market to experience the bustling atmosphere.



1.2: Trends & Skill in Hospitality Sector

[4] Deloitte's Hospitality Atlas includes an analysis of the accommodation offer in Portugal, its distribution in the national territory and the main challenges and opportunities of the sector in the current economic context.

Along 2018 we saw an increase in hotel supply and demand as the number of guests increased. Moreover, Lisbon is in the top 5 of European cities with higher occupancy rate - only Paris, London and Amsterdam are overcoming the Portuguese capital. This positive evolution has led many international entities to classify Lisbon and other Portuguese cities as the best tourist destinations in Europe and worldwide.

Key messages:

- Pestana Hotels & Resorts/Pousadas de Portugal, Vila Galé Hotéis and Accor Hotels are the leading companies in the national ranking based on room numbers;
- Overnight stay revenues reach 3 Billion euros and the number of guests reach 24.7 Million in 2018;
- Lisbon occupancy rate is above the European average (higher than Madrid, Barcelona, Rome and Berlin);
- Investors believe that the hospitality national market has reached its investment peak.

We are currently witnessing major changes in the world both in terms of work and in the choice of leisure time. Crises provoke and stimulate ways to reinvent trends and new models, including work. During the Covid-19 crisis, and despite the concept of digital nomadism already existing, many professionals began to migrate to quieter places and away from the agglomerations working remotely. The possibility of working anywhere in the world is gaining more followers and the Portuguese tourism offer is starting to awaken to this niche market that has a longer stay than the traditional tourist

and greater involvement with the local community in its favor. In Portugal, due to the need to readjust the offer of the hotel sector in response to market trends and the subsistence of a sector so affected by the pandemic, several hotels have adapted to receive guests with longer stays. The purpose of this paper is to contribute to a better understanding of the growth of this type of tourism in Portugal and its implications, focused mainly in the study case of some hotels that made a strategy change to fulfil the nomadism requirements. The final analysis revealed that Portugal has great strategic potential to capture this market, due to its geographic location, the low cost of living it can offer, the excellent quality services and the favorable climate.

1.3 Modernisation & Modification Of Hospitality Standard

[5] The growth of tourism in Portugal is instilling a race in the hospitality sector, with businessmen currently investing in new units throughout the country. 100 new hotels are planned to open.

“As we speak, more than 100 new hotels are currently being edified, many outside the locations with greater tourist intensity in the country, they are being built in the interior, in new regions that are currently growing more than the typical traditional tourism regions, which are still maintaining their growth rates”, revealed the Minister of Economy, Manuel Caldeira Cabral.

By the end of 2019, Portugal should have 115 new hotels, with more than 9.500 rooms, 71% of those projects corresponding to 4 and 5-star hotels, according to data revealed in March by the consultant Cushman&Wakefield.

Tourism in Portugal is experiencing a good period, reaching new historic highs, as the numbers show. The Portuguese hospitality sector hit a new record in 2017. From January to December, 20.6 million guests were registered in national establishments, which represents an increase of 8.9% compared to 2016.

In turn, the overnight stays reached the number of 57.5 million, an increase of 7.4%, according to data from the National Statistical Institute (INE).

Manuel Caldeira Cabral also made an assessment of the several investment fronts that have been launched by the Government in this sector. “In tourism, we launched several credit lines, specially outlined to support tourism enterprises and investments in the industry,” the Minister said.

“We have already allocated 593 million euros for this sector, whose demand and supply are growing strongly, with a high number of new investments and requalification efforts. The program Valorizar has approved 262 projects, and its credit line has been doubled, due to its success,” he added.

“The program Revive has a credit line of 150 million to support rehabilitation works of historic buildings and the supply requalification lines already have 163 projects and more than 200 million in ongoing investments, i.e., many hotels will be renovated, some will be expanded and new hotels will open,” concluded the Minister of Economy.

1.4 Development & Challenges In Hospitality Sector

The hospitality industry faces a lot of challenges when it comes to finding and retaining good and experienced staff members. Due to its seasonal character and high turnover rate, a lot of new hires are either young or inexperienced. Educating them, therefore, is of the utmost importance, especially when safeguarding the reputation of the hotel or restaurant.

Why is it so crucial to educate employees?

Your employees talk to customers, work on reception or greet patrons for the first time. They may be servers who bring your customers coffee with a milk-foam heart drawn on it. They may be cleaning their rooms or leaving towels nicely folded in the bathroom.

Whatever position or function your employees may have, they're the ones talking with the patrons, representing the hotel or restaurant. Your employees are the ones that guests identify the business with. If they are pleasant, cheerful, educated, and communicate well, the guests will have a great experience and come back for more.

However, there are a number of challenges that threaten this crucial relationship:

1. Seasonal need for hiring personnel
2. High staff turnover
3. Complexity and constant change of compliance legislation We'll dig into these a little later.

The need for effective staff training has never been more apparent. And this is where eLearning can play a key role in your development programs.

eLearning can help you to answer a number of important questions, including:

- How can you train every single member of your staff equally well so that your customers can be satisfied with the way they are treated?
- How can you train them at the crucial time and in the most convenient location?
- How do you ensure that each and every one of your customers experiences the same great standard of service?

With eLearning, you ensure that the knowledge sharing is consistent and that there will be almost zero chance of that information being forgotten or misunderstood. And this is especially important in multinational hospitality companies that need to transfer the same corporate culture, ideas, and visions to every country, to every branch, to every hotel.

Training strategy needs to be developed for the new hires, but also the current employees and at all locations, because only education and continuous training can set apart a regular business from the extraordinary one.

II. SUMMARY

This is, by far, the main reason why it is so hard to find and retain good, experienced employees. The seasonal character of the work can provide greater flexibility for the employees. However, in another way it cannot be considered stable employment. This seasonal, touristic character of employment means that employees need to work overtime, during the night and weekends, and for some employees, this can be burdensome. This leads to a number of issues that are typical in the industry.

One such issue is the recruiting of staff who are either young or inexperienced. This type of demographic can be costly for a company as the need for investment in staff training is much greater.

Also, younger employees increasingly expect that employers will invest in their education and see this as a benefit for working for reputable, stable companies. This provision is also evidence of a good culture within an organization, which is important to younger employees. These less experienced staffs are far more prone to switching jobs if they are unhappy, which is why it is important to think about the extra benefits to keep them.

Historically, hospitality companies trained their employees in Face to face (F2F) workshops on the main premises, or at the Head Office. But that proved to be inefficient because people joined the organisation at different times. This meant that new employees would often have to wait for weeks before they made up a group large enough for education to take place. Unskilled staff would then work for several days or weeks, leading to higher levels of reputational risk due to mistakes that could be made in customer-facing roles.

This is where eLearning proves its efficiency – everybody can undertake the training at the very beginning of their roles. There's no longer the need to have to wait for enough people to join. Also, since eLearning can be completed via mobile devices, people are able to do so at a time and place of their choosing.

High staff turnover

This is the challenge that goes hand in hand with the seasonal character of the roles, which have notoriously high staff-turnover. This leads to a need to have to educate new employees over and over again as roles are vacated and filled.

Once again, eLearning proves to be the most efficient method of training, because once a course is created, it can be utilised by an unlimited number of employees. F2F education, in contrast, requires constant repetition of the same training modules, which is highly inefficient and drains company resources.

The complexity and constant change of compliance legislation

In the hospitality industry, compliance legislation is extremely important and can be highly complex. Since hospitality means providing people with accommodation as well as food and drink, there is a deep level of underlying complex legislation that needs to be adhered to.

For example, health & safety courses, as well as many others, need to be taken into consideration if you want to have a lawful business and not risk potential prosecution. Here, the traditional way of teaching has proven to be inadequate. For example, a record needs to be kept to ensure each employee has completed the course. In addition, an appropriate assessment needs to be completed to confirm that the value of the training is realized. Even though there are ways to do this in F2F workshops, it's far better to do it via a suitable eLearning platform, which has accurate and detailed

attendance information and can provide necessary certificates and accreditations. This method is far easier to administer and is much more transparent

1.5 Sustainable Tourism

We have fallen in love with Portugal. We first went on a stop-over on Tap Portugal Airlines that allowed us to layover for up to 5 days with no additional cost. After the first time visiting, we fell in love with the country. And it is a perfect location if you are interested in sustainable travel. Portugal is a famous country in Europe for its beaches, old cities and its massive national parks. We have all seen the pictures of the Algarve region, beautiful Lisbon and the drinks in Porto. Portugal is also the 10th most visited country in Europe. They have a massive 21 million visitors every year. This country knows they have to think about the future of tourism and provide plenty of sustainable options. Therefore they were awarded the Best Sustainable Tourism destination in Europe in 2019. They have been working on their goals the entire year of 2020 as well so we could all hopefully visit this sustainable country next year.

What is sustainable tourism exactly and what does it mean for Portugal

Sustainable tourism is the tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities. That is the definition. In a more human language, contain what we have and make sure it is to a benefit to any party related in tourism, not just the tourists. Portugal is the country that has the most sunshine, yes even more than France, so you can imagine that the solar power they are able to generate is enormous. Portugal has the goal to make the country run off of this kind of renewable energy alone, to eliminate the use of fossil oils. They are working very hard to reduce their impact and go to the top of the list of the most sustainable destinations, all this by 2027! Like we said, their award in 2019 was only the beginning of a change in how Portugal will lead the way to sustainable tourism.

II. CONCLUSION

Sustainable award after award: in 2020 Lisbon, of all European contestants won the title of 'European Green Capital'. First of all, they got the award because of their public transport system, the bus and the tram. No need to rent cars nor hire a car, their public transport can get you from every corner of the city to the other. Lisbon also has an amazing bikesharing scheme, with electric bikes comprising two thirds of the fleet to encourage cycling in the hillier parts of the city since 2017. Because yes, Lisbon is a hilly city. If you do insist on using a car, Lisbon has one of the world's largest networks of electric vehicle charging points, and many car drivers have chosen an electric car to drive their customers around. Lisbon promotes sustainable hotels, think about low impact materials, local workers and a fair wage. Of course there is also the food. Portuguese food is characterized for being extremely good, healthy and very affordable. You can find a lot of typical Portuguese home cooking restaurants all over the city. Many of them insist on cooking with only national ingredients, from farmer to the table, seasonal and delicious.

How to enjoy sustainable tourism in Portugal:

The Portuguese trails: Sustainable tourism is there to promote cycling & walking routes in Portugal. One of these regions is called Sintra-Cascais. There are many hikes and tramping trails in this beautiful national park. From easy to difficult, from in the middle of nowhere to being surrounded by some of the UNESCO listed World Heritage monuments, as in: you can combine your hiking boots with some beautiful heels and feel a princess among those castles. Or even the rugged coastlines and sandy beaches, hello bathing suite! This national park has it all and is located at the doorstep of Lisbon. Many people have heard about Sintra regarding the monuments, yet there is so much more green to discover as well. Portugal has come to the realization that they should promote the region even more for the hiking and cycling trails. It has become very easy to rent a bicycle for half a day or longer and enjoy the monuments plus the trails. Another beauty is Peneda-Gerês National Park. There especially the development of ecotourism to the Mourela Plateau was a beautiful example on how people created a sustainable place for tourism by developing five interpretive paths which lead visitors through the park and allow them to see the conservation practices that are explained in the interpretation center at first hand. Visitors can see the locals farming the way they've always did and learn about their way of life. This focus on tourism has brought new opportunities for local communities and has generated new job opportunities as well. So by visiting Penede-Gerês national park you are investing in the future of the

locals. Of course you are also enjoying the beautiful landscapes at the same time, you can taste the delicious produces they have been making for centuries or marvel over the delicate handcrafts.

The Portuguese waves: we sure can highlight the country's excellence as a surfing destination, some people even say they have the best waves of Europe. Thanks to its very mild climate and often offshore morning breezes Portugal has been able to stand out as a popular surfing destination for surfers. The country has a huge variety of waves and swell size, so it makes an ideal surfing location for surfers of every level. Did you know that Portugal even holds the Guinness World Record for the largest wave surfed? I mean, Portugal should be on top of your list to go surfing. Skip the north of Portugal, move towards the center or just go north of Porto. There are many projects running to keep surfing as close to nature as possible. Our focus lies on Peniche, because this is the world's first town that received the Stoke Surf Destinations certificate for sustainable surfing. This goes beyond surf break protection and surf school regulation. Think about the protection of the 18,500 hectare UNESCO Biosphere Reserve, protecting the local surfers and the ancient roman traditions regarding vibrant fishing. Many European students go to a surfing school in Portugal during the summer holidays and Portugal is doing its best to provide their teachers with the best knowledge not only about how to stand on a board, but also on how to protect the ocean.

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