

CASE STUDY:

DIGITAL ENGAGEMENT REPORT



Foundation
for Puerto Rico






Digital Engagement Report

In view of the continuous technological evolution in this digital era, touristic activity is increasingly interconnected and improving. The different ways in which travelers interact and engage in touristic activity has been forever shaped as a result of digital presence. The means by which inspiration is created to travel to a particular destination, the different methods that assist in planning and booking a flight, stay and/or restaurant, and even how they can share or disseminate the experiences lived in a destination, are just some of the examples of the **Information and Communications Technology** (ITC's) that have changed the visitor experience within the Visitor Economy (VE). Certainly, this presents various opportunities for businesses that actively participate in the VE. To that end, Foundation for Puerto Rico (FPR) gathers, analyzes and presents data that can serve as a guide to raise awareness and appreciation as to the importance of digital presence in Puerto Rico.



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Foundation for Puerto Rico seeks to unleash the Island's full potential as an active participant in the world economy with sustainable programs that drive social and economic development. From knowledge to action, our goal is to transform Puerto Rico into a destination for the world. We want more people to visit, live, work and invest in Puerto Rico, resulting in multimillion economic growth for the island.

Foundation for Puerto Rico is a non-profit organization since 2011 with a 501(c)(3) public charity designation.

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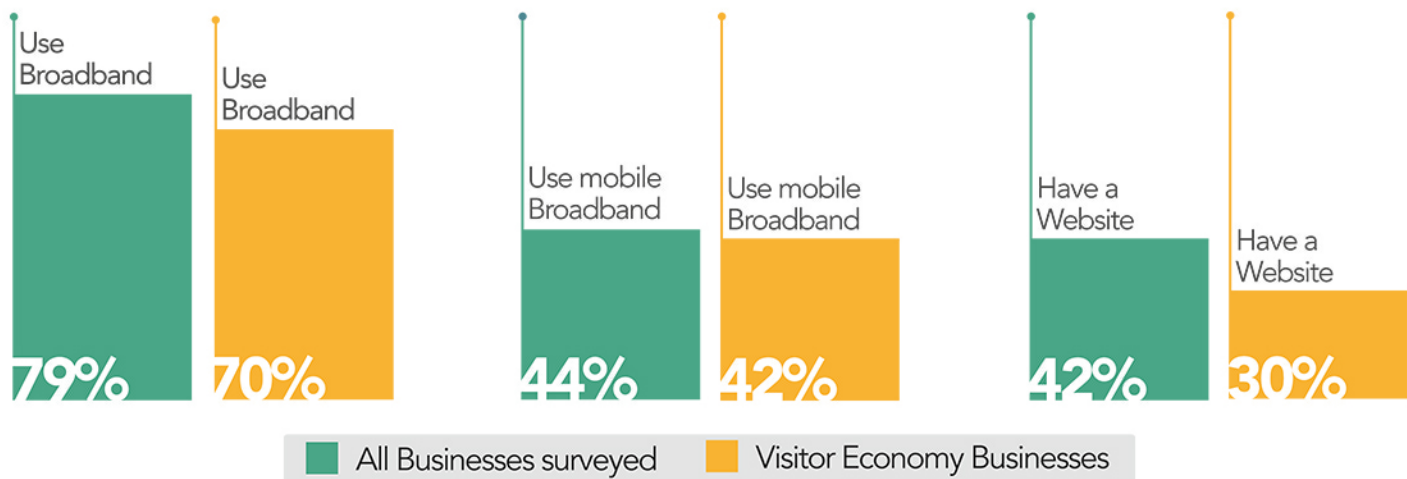
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Digital Presence and ICTs in Puerto Rico

Although a study evaluating the digital presence of businesses on travel platforms does not exist, *Connect PR*, a subsidiary of *Connected Nation* that functions as a non-profit organization in Puerto Rico, performed an assessment in 2014 to measure how companies in Puerto Rico used technology and the internet. The results of the study were very relevant to our discussion. For example, the survey revealed that only 29% generated income through the internet. This shows that few businesses in Puerto Rico have been able to develop the ability to do digital business and reservations. This may be due to challenges in human resources since **38% of the businesses indicated that they experienced difficulty in finding employees with the skills to manage ICT's**. Within the businesses surveyed, FPR segmented those that interact in the VE. In businesses related to the VE activity less than half use mobile internet or have a website.



Graph 1. *Connect PR 2014 Survey* - Percentage usage of businesses in Puerto Rico¹

To better analyze and create perspective, *Connect PR* compared these results with other states in the United States. In Puerto Rico, 38% of businesses indicated difficulty in locating skilled employees in ICTs while in the United States only 21% of businesses have had that concern. In Puerto Rico, 42% of businesses have a website. In contrast, 65% of businesses in the United States have one. This data reflects that a large part of a businesses in the VE of Puerto Rico, as well as businesses in general, have not adapted to the evolution of digital technology and the internet, which, as we have discussed so far, is essential in developing strategies for promotion and the distribution of products and services.

Related to the use of technology focused on the user, a recent study by the *Sales and Marketing Executives Association* (SME) and *Estudios Técnicos, Inc.*, was presented in order to understand the behavior of the local internet user and to provide insight on the impact of digital media in Puerto Rico. This study presents current internet and cellular usage frequency, social networks, advertising, online shopping and behaviors, content interest, among others. Internet frequency represented 71% of local users surveyed, of which 93% get connected through their cell phone. In terms of content

interest, 28.3% indicated that they were interested in topics related to tourism when watching videos. Relative to advertising, 37% is inclined to watch ads or publicity related to travel as a kind of product or service, while 37% said that at the local level, they bought an airplane or cruise ticket, and made hotel or car rental reservations. The consumers surveyed indicated that they used the following internet pages:



Figure 1. SME Digital & Estudios Técnicos, Inc. Digital Mobile Behaviour Study - Travel & Tourism Segment

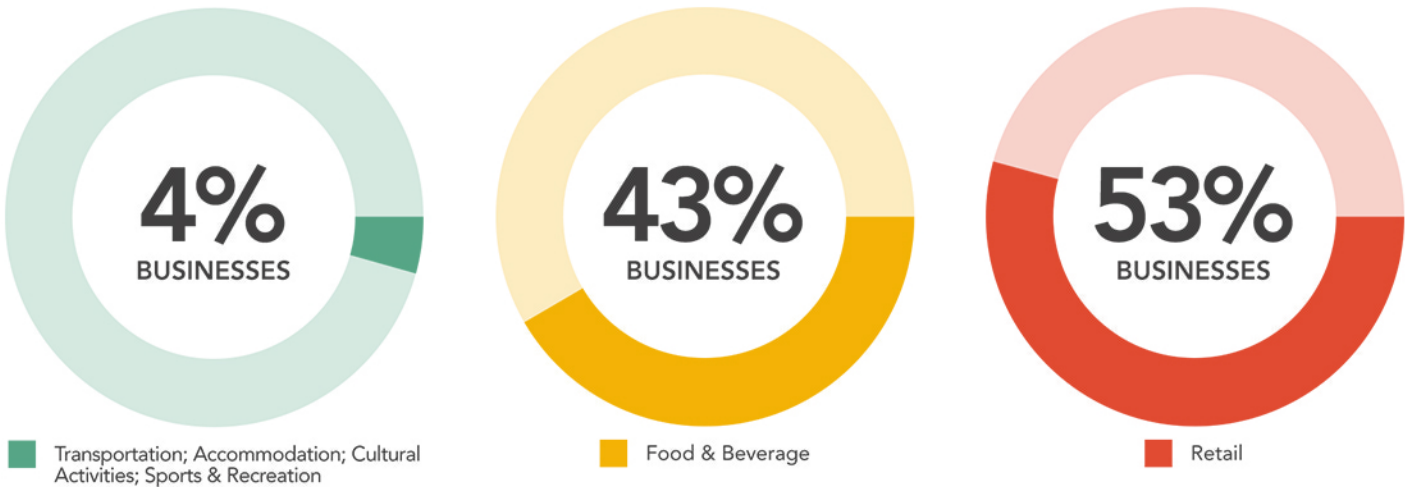
Loíza Street, Santurce - Case Study

In addition to the *Connect PR* study, a few years ago, FPR began studying the ecosystem of the visitor's economy in Puerto Rico to identify challenges and opportunities within it. In 2016, FPR began an exploratory study looking to identify the perceptions of business owners within the island's tourism ecosystem.³ Through the course of this exercise, several questions came up. For example, how many businesses comprise our tourism ecosystem? Which challenges do they face, and which opportunities can be developed to offset those challenges? **After analyzing dozens of interviews, FPR identified a few patterns, among them, the need to develop the digital positioning of their brand, and the marketing of their products.** These strategies would provide a solution to the limited digital projection of their business. Additionally, the study revealed that most business owners perceived the government as only promoting the metropolitan area, as well as the traditional or customary assets and experiences within it. This represents a very limited image and offer of the unique and authentic experiences that are available in Puerto Rico. **As a result, these businesses rely on individual initiatives, client recommendations and references in order to continue in business.**

Even though the study was conducted with a limited sample, the information gathered was enough to validate the complexity of the ecosystem and the need to develop integrated plans. After concluding this study, FPR proceeded to evaluate the digital presence of businesses within the visitors economy, by using real data from local businesses. This was done with the purpose of validating the perceptions of the first study. For this particular exercise, FPR focused on one of the emerging areas within Puerto Rico: Loíza Street in the Santurce sector of San Juan. The exercise consisted of preparing a partial inventory of the businesses in Loíza Street, interviewing their owners and then analyzing their respective digital presence using the following sources as a base: *TripAdvisor*, *Yelp*, and *Google Maps*.

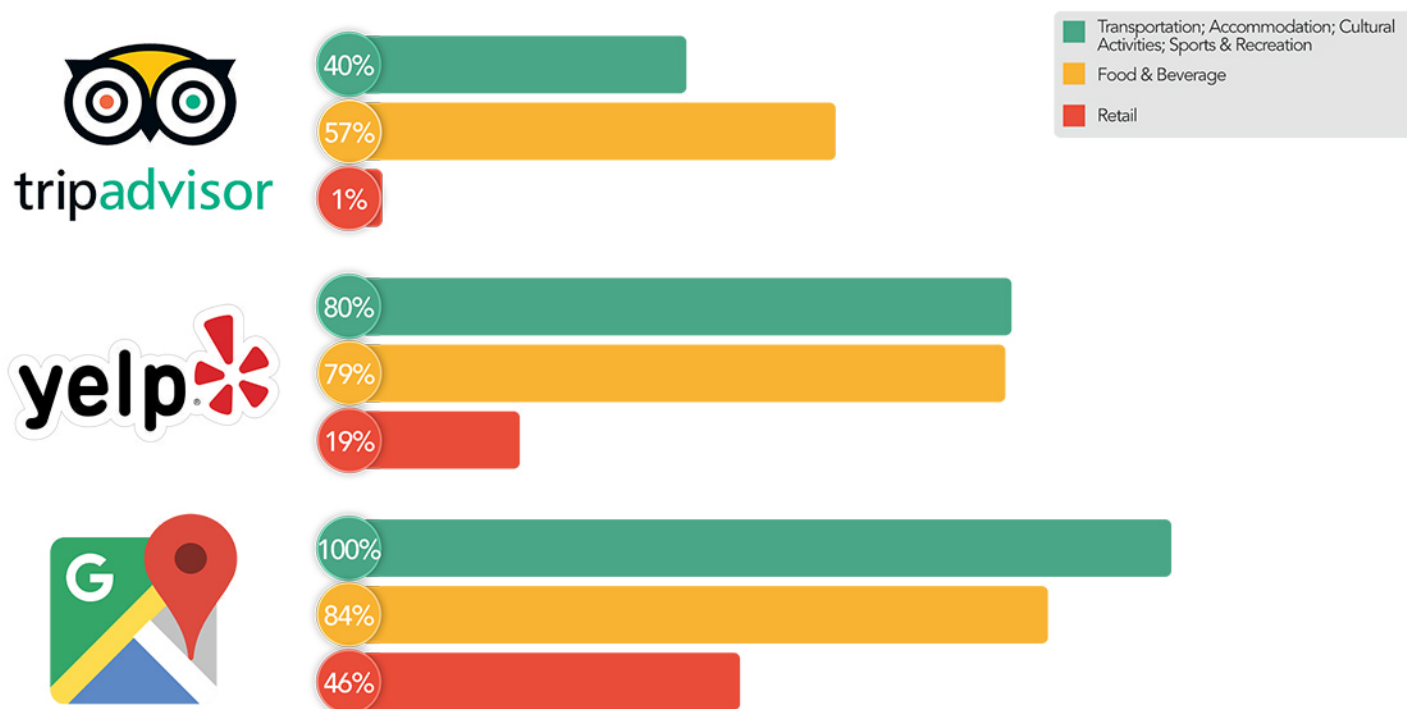
During the interview process, a considerable amount of the business owners stated that they didn't have structured strategies for promotion or digital marketing. Those who did promote, using mainly the social networks, focused mostly on the local market and not on international tourists. In addition, many did not feel qualified to provide training to their employees on the use of digital platforms.

A total of 174 businesses were identified, of which 135 (76%) belong to the VE. The following is a breakdown of the businesses that belong to the VE in Loíza Street, Santurce.



Graph 2. Business Inventory - Calle Loíza, Santurce

Once the interviews were conducted, FPR proceeded to analyze the digital presence of these businesses. The results of this analysis were very relevant to understanding some of the challenges and opportunities that exist regarding the digital presence of the experiences offered and available. In conclusion, a large number of businesses were found to not have a digital presence even within the principal platforms used by travelers to explore destinations and potentially plan their trip.



Graph 3. Businesses in digital platforms by industry

In the case of businesses in the food and beverage industry, the platform that was mostly used was *Google Maps*, with 84%. On the other hand, these businesses have a limited presence on *TripAdvisor*, one of the most important travel platforms in the world. The segment that caused the most alarming was that of the retail sales segment. Although it represents over 50% of the businesses of the VE in the studied area, less than half had a digital presence, and only 1% was registered on *TripAdvisor*. It should be noted that retail sales, and food and beverage represent about 40% of a visitor's spending in Puerto Rico.

Another observation of FPR's case study was the poor interaction or communication that a business owner had with the users of these platforms -something that is important in order to manage or improve the reputation of the business. From the sample, of the 36 businesses with a *TripAdvisor* account, 31 had negative comments posted by travelers on their page, without any response from the business owner or the business itself. In other words, there is very little engagement with the traveler.

Certainly, a digital presence allows business owners to create and/or develop attractive online offers, thus capitalizing on new opportunities and markets. A larger digital presence permits the development of better links between the different industries, thereby increasing interconnectivity and the added demand of a determined tourist area. Think of how the demand for "short-term rentals" in Loíza Street could increase as travelers have more information about the area, be it from the number of restaurants, or be it from places to shop, or even its location within the general metropolitan area. With these results, FPR decided to organize focus groups with several Loíza Street vendors, in order to better understand their challenges with these platforms. During these conversations, the merchants said that among other things, they didn't have the time to work all the platforms at once or that they didn't have the properly trained personnel to manage them. In some cases, there was utter lack of knowledge regarding the importance of having a digital presence and how that could positively factor into the development of a business. Similarly, there was little to no awareness about the importance and potential impact of international visitors, since the business focus was on locals. **To provide a more complete and ample scope, the following diagram symbolizes a compilation of some of the challenges identified by FPR that affect tourism assets in Puerto Rico.**



Figure 2. Challenges that affect tourism assets

With these challenges in mind, FPR decided to get involved in another project, one that would deal with the need for improving the digital presence of businesses in the visitors economy of Puerto Rico. This new strategic tool developed by FPR, was named "**Visitor Information and Experience Warehouse of Puerto Rico**" (VIEWPR).

Visitor Information and Experience Warehouse of Puerto Rico

VIEWPR is a digital platform that adds and stores information about local points of interest, service providers and activities that could be valuable to visitors. Once available in the platform, the information about Puerto Rico's assets is automatically distributed to online travel platforms and other applications, which in turn, would make it visible to the rest of the world. This facilitates the integration of information from multiple sources and even enables the ability to measure the socio-economic impact of the VE in Puerto Rico. The touristic offer available in the platform includes but is not limited to attractions, restaurants, lodging options, tours, and events, among others, and are referred to as "experiences". These experiences include descriptions, historical facts, and creative content, all with the purpose of inspiring and attracting a larger number of visitors to visit and enjoy unique experiences.

Aggregates Tourism
Data & Content



with **over 10,000 unique**
experiences and thousands
of attributes.

Robust DB with
API Distribution



simplified how the data
keep up-to-date
dynamically.

Accessible to Travel
Platforms / Apps



to **inspire travelers**
to explore our
authenticity

Increasing Timely
Visibility to Travelers



creating opportunities to benefit
thousands of families by attracting
visitors to our communities.

Figure 3. VIEWPR Conceptual Diagram

To ensure functionality, sustainability, and reliability of the information, FPR will work with tourism associations, data aggregators, travel platforms, app developers and government agencies to generate and validate the information.

FPR sees VIEWPR as a catalyst to make Puerto Rico's touristic offer visible to the world. For this reason, VIEWPR includes some initiatives that seek to let the citizens themselves be able to actively support their community. Just as other platforms like **Google Maps**, with their Google Local Guides initiative. **VIEWPR Ambassadors** is an initiative that lets citizens and members of the community digitalize and share content related to their assets. This includes events, workshops, competitions and other activities. This is done in order to educate and provide tools so that people and business owners can benefit from developing and managing their digital presence. VIEWPR has, as part of its vision, been able to incorporate intelligence tools, thus taking advantage of the centralization of data and statistics. These strides allow the country to monitor the activity of our visitors throughout their travel cycle, and study their behavior, as well as their economic impact, in order to make timely adjustments. Statistical information such as this will serve as a planning tool for providers to improve existing products, develop new ones and measure the results of their strategies and tactics, as they are executed.

In summary, VIEWPR's direct benefits are the following:

Centralized and transparent information about Puerto Rico's tourism offer. This allows everybody to participate in an inclusive way, regardless of their technical knowledge or the community where they are.

Global visibility of our authentic points of interest on travel platforms and tools. This maximizes the exploration and consumption opportunities around all the island.

Free connectivity with multiple travel platforms through collaboration agreements that allow us to know more about the traveler's activities.

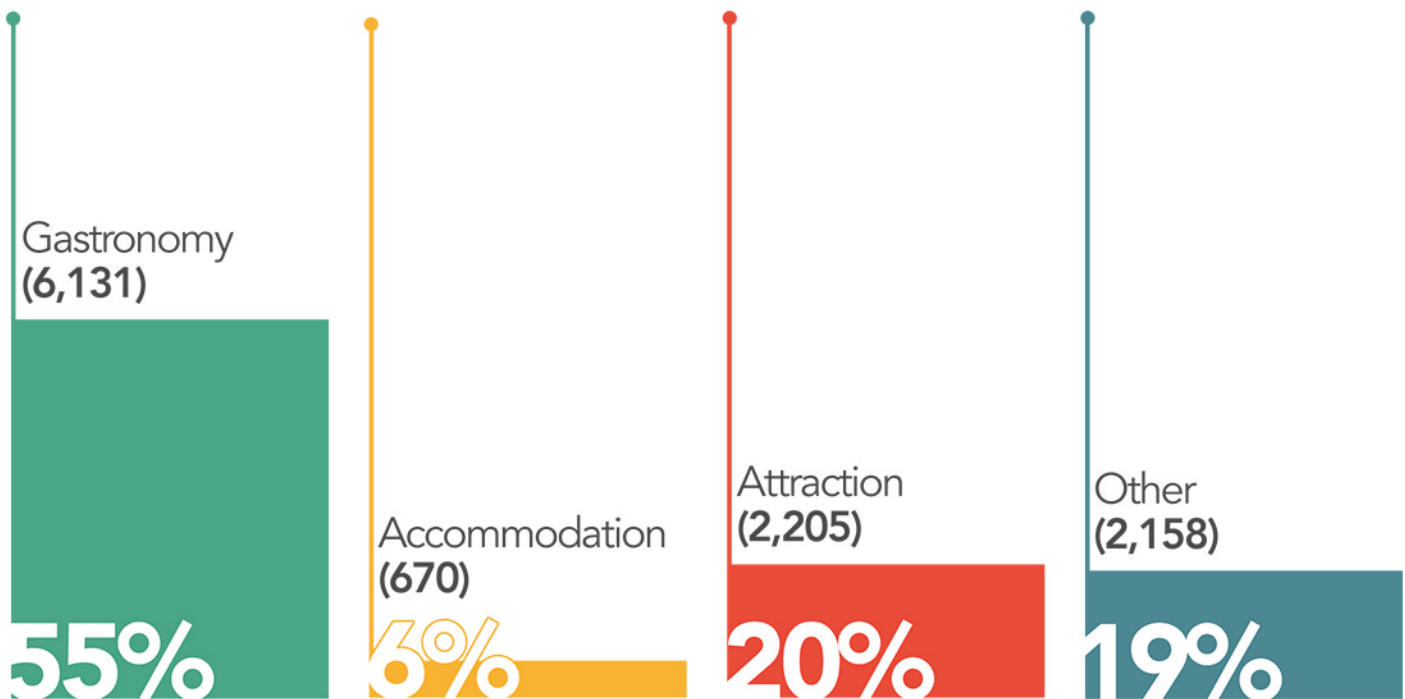
Data collection that can complement traditional statistics and help providers in the planning and decision-making process, as well as in improving the visitor's experience.

FPR hopes that this new tool will complement and drive the development of other digital destination marketing initiatives and becomes a bridge to other organizations that play a role in Puerto Rico's visitor's economy. Due to the great importance of having a digital presence, and the use of ICT's for the development of businesses, FPR believes that this new instrument will strengthen the business ecosystem of the visitor's economy and will compliment the efforts of the new destination marketing organization of Puerto Rico.



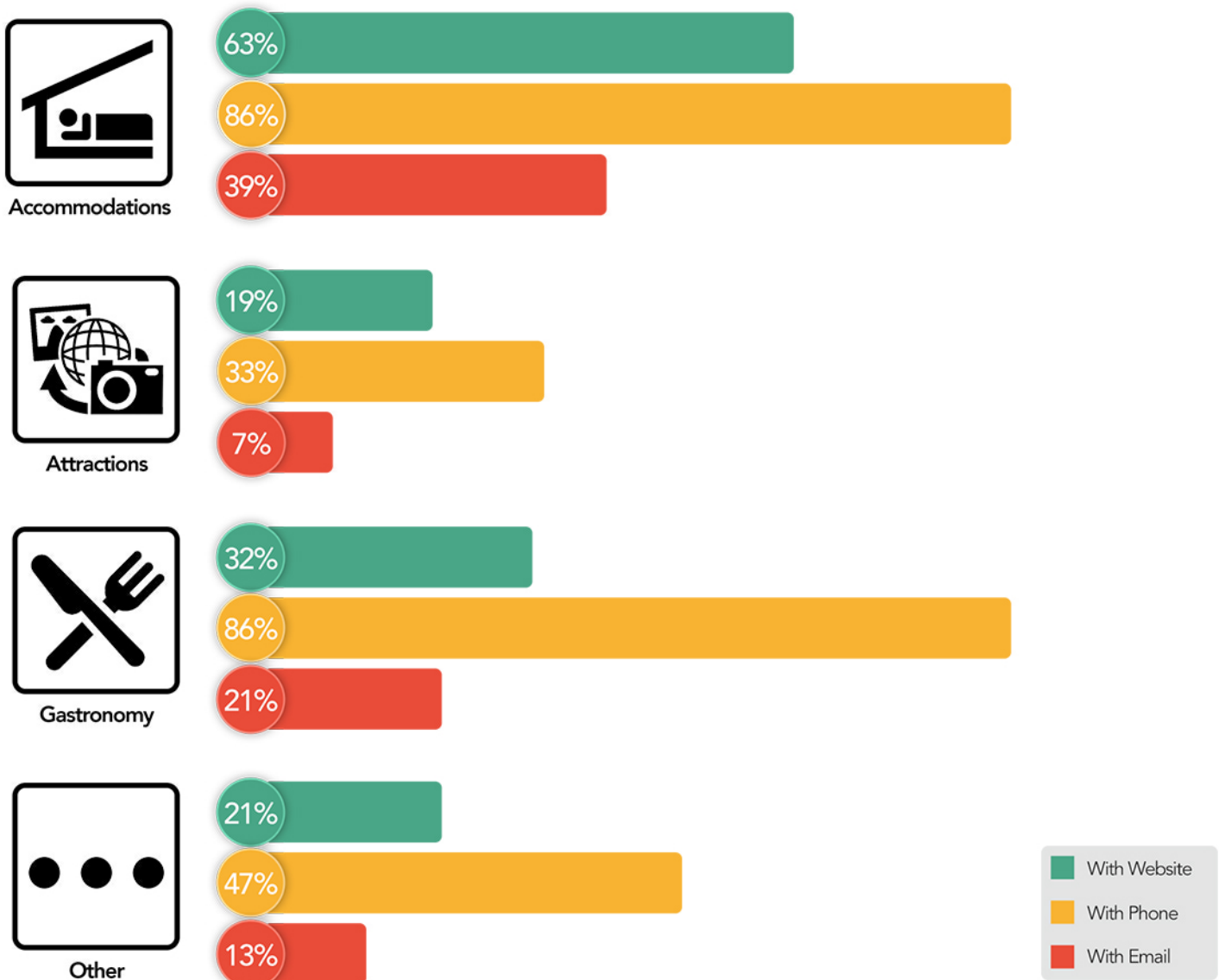
VIEWPR DIGITAL ENGAGEMENT REPORT

FPR firmly believes that if Puerto Rico increases its digital presence, potential visitors will learn that the island has a lot more to offer than just the traditional sun, resorts and beaches. With a strong digital presence, they will learn that Puerto Rico offers the best of both worlds: world renowned natural and cultural attractions, first class gastronomy, and infinite authentic experiences to be enjoyed by all kinds of visitors. To make it a world destination, Puerto Rico needs its experiences included on global traveler platforms, and a coherent and concerted plan for its development as a destination.



Graph 4. Total of venues identified

Apart from lacking online visibility, one of the biggest challenges is that the businesses that do have a digital presence, do not necessarily have their information up-to-date. To validate this claim, VIEWPR's team used data previously collected and evaluated it.⁴ By August 2018, they had collected a total of 11,164 points of interest, of which 8,610 confirmed they were OPEN after Hurricane Maria. More than 80% of those who confirmed to be OPEN were businesses classified as industries within the visitor's economy. Of these, 29% had a web page and 17% had an available email.



Graph 5. Percentage of VE venues identified

After examining the collected data, VIEWPR’s team decided to produce a more detailed analysis about the digital presence of local businesses (or venues) which actively participate in Puerto Rico’s visitor’s economy.⁵ The sample comprised of 102 venues in five municipalities: Aguadilla, Isabela, Loíza, Orocovis, and Bayamón.⁶ Fourteen fields were analyzed such as: name, status, phone, e-mail, website, address, town/municipality, and timetables. These fields were crosschecked throughout the following platforms: *Facebook*, *TripAdvisor*, and *Google*. The first thing that VIEWPR sought to determine was whether these venues were on the platforms. From the total venues, 93% had a digital presence on *Facebook*, followed by *Google* with 88%, and *TripAdvisor* with 52%. Surprisingly, one of the world’s most important travel platform has the least percentage. We can assume that almost half of the venues are not interested in tourist activity or do not know the impact that it could have in their business, which creates a great opportunity to educate them and make them appreciate the importance of the VE.



Graph 6. Percentage of VE venues with digital engagement

Not only was VIEWPR able to validate their presence in these platforms, they also analyzed if they had claimed their business within the identified platforms. 25% had claimed their business in *Google*, 23% on *TripAdvisor* and 73% on *Facebook*.



Graph 7. Percentage of VE venues that claimed their businesses

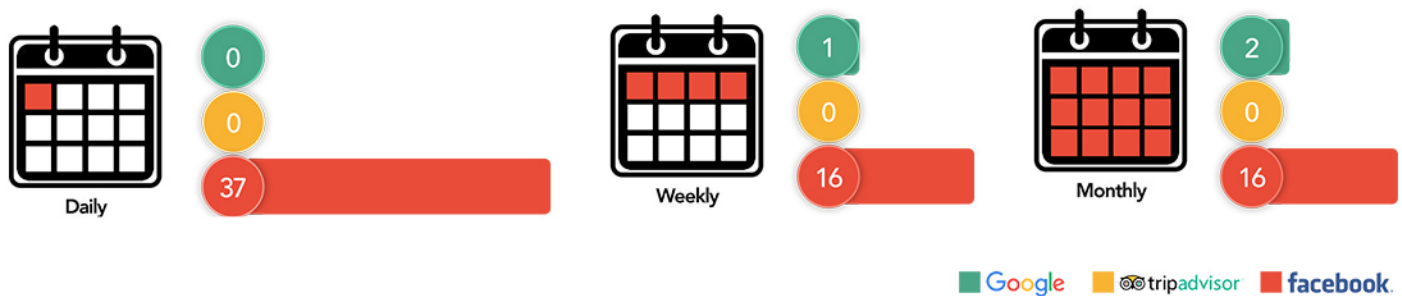
One of the points highlighted in the present report is the importance of comments, feedback and reviews provided by users/consumers on digital platforms. Out of the business surveyed, 44% responded to consumer/user input on Facebook, 7% on Google, and on TripAdvisor, the world's most important travel and reviews platform, only 9% responded. In general, 34% of the identified comments were negative. It's imperative to understand that when you have a digital presence in any of these platforms, there will always be space for any type of external scrutiny.



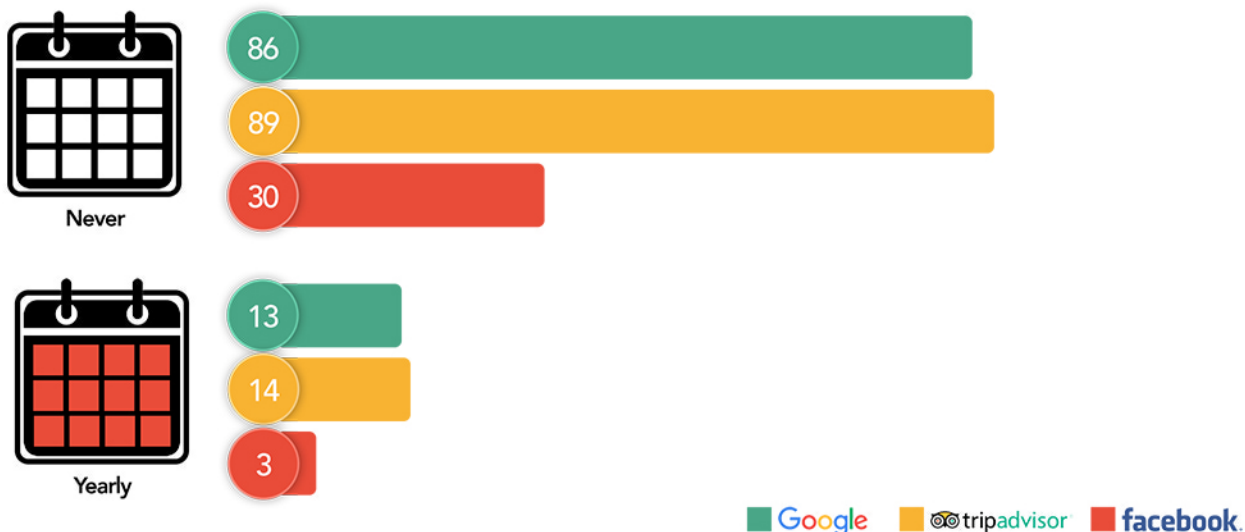
Graph 8. Percentage of VE venues answering reviews

That said, this input can be channeled into every constructive criticism that will help in the performance of the business (image, service, product, etc.). Maintaining these channels of communication let users know that they are considered and vital to providing positive, unique and valuable experiences.

Frequency of online activity/traffic⁷ was a matter that the VIEWPR team also evaluated. The criteria for analysis was based on five types of frequencies: daily, weekly, monthly, yearly, and no traffic/activity. Of the 102 venues, 32 had daily activity (only on Facebook), 16 had weekly activity (on Facebook and Google). The number remained the same on a monthly basis. Yearly, 30 venues had some activity, of these, 13 in *Google*, 14 in *TripAdvisor* and 3 in *Facebook*.



Graph 8. Frequency of activity per VE venue



Graph 9. Frequency of activity per VE venue

Finally, the numbers from the venues that had no activity at all were impressive. Of 102 venues, 84 showed no activity on *Google*, 30 on *Facebook* and 87 on *TripAdvisor*. This, without a doubt represents a flaw, yet at the same time an opportunity to provide technical assistance in order to make these and other businesses more sophisticated.

Lastly, the VIEWPR team cataloged and segmented the similarities, discrepancies, inaccuracies/errors and missing information between each of the platforms. This data crosschecked and compared to determine the results for each evaluated field. Similarities were recognized as when each venue shares exactly the same information across the platforms. For example, if the status of the venue appears as “CLOSED on Mondays” in *Google*, the same information has to appear on *Facebook*. 39% of the venues had similarities across Facebook and *Google*, while on *TripAdvisor* it was only 22%.



Graph 10. Similar information per VE venue

Businesses were cataloged as having discrepancies when the information wasn't present across all platforms or present differently (for example, when they provide a more precise address).



Graph 11. Discrepancies of information per VE venue

Inaccuracies or errors refer to when the information on the platforms weren't correct. This related to business hours, address, telephone number, municipality, or status of the venue. Another category that was evaluated where the fields that were missing information. In each of the platforms studied, the VIEWPR team evaluated each of the 14 fields to analyze similarities, inaccuracies, discrepancies and missing information. The discrepancies within *Google* were 201,262 in *TripAdvisor* and 261 on *Facebook*. Inaccurate information added up to 604 (235 in *Google*, 139 in *TripAdvisor* and 230 on *Facebook*). Finally, 1,090 fields were without information across all platforms (382 in *Google*, 411 in *TripAdvisor* and 297 in *Facebook*).



Graph 12. Missing information per VE venue

We can say that, on average, of the 14 fields that the VIEWPR team evaluated, between 13% and 17% contain errors and/or discrepancies regarding the information available on the three platforms analyzed.



Graph 13. Inaccuracy of information per VE venue

Although it was only a preliminary sample, the results were sufficient and extremely important to conclude that there is opportunity to create awareness on the importance that the digital presence represents economically for any local business. Achieving this depends on providing the necessary technical assistance to the business owners through initial and continuous education on how to use these platforms, as well as encouraging active participation in any of the platforms selected.

Conclusion & Next Steps

Every industry that converges in touristic activity has witnessed and even experienced the disruption provoked by the ICTs. ICTs have become catalysts in the decisions and habits of travelers around the world. They have transformed the traveler's experience from the moment they inspired to go to a destination, to when they share their experience then and there, to hundreds of thousands of people instantly at a time. You could say they have changed the rules of the tourism game. More than 95% of today's travelers use digital media during the course of their trips, whether it is before, during or after their completion.⁸ New and alternative means of tourist consumption are developed constantly, challenging businesses that directly or indirectly participate in the VE every day. Currently, travelers are better-informed, and on real time. Smartphones, for example, facilitate access to online content at any time and place, execute purchases, scan codes to access services, and take pictures, among other aspects. ICTs have allowed the ease of acquiring any good or service at any time. They have changed the way in which travelers interact with brands and products, which translates into an impact that affects small and medium-sized providers of tourism services and products in a transcendental manner.

As shown in this initial report, there is a niche, an opportunity within the digital presence for small local businesses that participate in the VE. Without a doubt, there are also certain barriers that must be worked with. As reported by several business owners, many have indicated that they do not have structured digital marketing and promotion strategies. Those that are promoted, mostly use social networks, with information about their offers available only in Spanish, and focused mostly on the local market and not on international tourists. In addition, many did not feel qualified to provide training to their employees on the use of digital platforms and, in some cases, emphasized that employees who had studied in institutions related to tourism, are not sufficiently trained to handle these new platforms. Another observation was the minimal interaction or communication that merchants had with clients through these platforms. Of the challenges identified by the merchants themselves, they indicated that they did not have the time to work all the platforms at once or only interacted in a limited way. In some cases, there was lack of knowledge and understanding about the importance of the digital presence for the development of their businesses. This last point has been validated by several studies related to tourism and small businesses. According to the report of the Orange Foundation, some of the challenges of digital transformation in the tourism sector is the "ignorance of the benefits and advantages of digitization" and "to diversify and personalize the offer with products that respond to the new orientations of the digital tourist demand.

In conclusion, each business owner within the VE should consider adapting to these changes by modifying their services to meet the needs of consumers. It requires constant attention and service that translates into the optimization of businesses, as well as new ways of generating income. Ultimately, in the VE, the goal is to create valuable and pleasant experiences for the consumer.

VIEWPR: Small Businesses in Travel Platforms

Recognizing the vital role of small businesses that directly participate in the VE and the findings of the digital engagement report, part of the challenges identified have been duly addressed. The VIEWPR team will continue to organize a series of technical training and workshops for business owners so they can know the importance of digital presence and be able to get their business in the main travel platforms. VIEWPR's workshops component, agglomerates the following elements:



Figure 5. VIEWPR's workshops elements



Alan Taveras, Co-Founder of *Brands of Puerto Rico* presenting at one of the workshops



Business owners participating in a workshop



Business owners participating in a workshop



VIEWPR team assisting a business owner in a workshop

Currently, more than 50 local businesses have participated in only 3 of the workshops offered. Several collaborators such as *Brands of the Americas* and *Google* have joined this effort so that more local business owners can integrate their business into the digital network. After the first analysis of the digital engagement report, **FPR will be producing the first study of digital presence in travel platforms focused on small businesses in Puerto Rico.**

Endnotes

1. Business within the VE cataloged in the survey - Retail, Food and Beverage, Sports and Recreation, Accomodation.
2. SME Digital & Estudios Técnicos, Inc. (2017) Digital and Mobile Behavioral Study.
3. Foundation for Puerto Rico (2016) Economía del Visitante: Percepciones de proveedores de servicios turísticos en Puerto Rico.
4. The team of curators investigates the information available from the venues on different platforms and determines the fields they deduce are correct. When there are discrepancies, they have to determine what information is correct. Among the different sources of information, they look for which pages have been claimed by the business owners that usually the recovered pages have the most reliable information. If the information is available, contradictory or ambiguous, the team calls directly to the place to obtain and validate the information directly with the personal place.
5. Gastronomy and Attractions were cataloged as "point of interest" or "venues" in the sample.
6. The determination of the chosen municipalities was due to the different interactions that FPR has had in them, excluding Bayamón since they wanted to have a municipality called "metropolitan".
7. It is all direct interaction or publications that the "venue" performs in their respective profiles on the platforms evaluated.
8. BCG (2015) Travel Goes Mobile.
https://www.bcgperspectives.com/content/articles/transportation_travel_tourism_digital_economy_travel_goes_mobile/