
Voluntary Payback Initiatives

Case Study 1: Mallorca (July 2006)

The rise and fall of the Ecotax and its replacement with a Destination Card –
'The Green Card' or 'Targeta Verde'

(Contact: Director, Anna Siquier: 0034 971 784983)

A. The Ecotax

1. The Ecotax (*Ecotasa*) was a well meaning but poorly executed attempt by the former socialist-led coalition government of Mallorca to claw back additional income from tourists.
2. Initially it was regarded as being non controversial; the amount levied was also fair – €1 per person per day levied on hotel guests.
3. Before it was introduced its weaknesses were highlighted:
 - It did not apply to other accommodation providers;
 - It did not include any other supplier in the tourism system;
 - Questions were raised about how it would be administered and the income spent that were unanswered.
4. Despite these concerns the levy was introduced with little consultation with the industry on 1 May 2002 ... just before the start of the tourist season.
5. Tour operators, with set financial agreements with hotels agreed 18 months before, lost money. Hoteliers were aggrieved. The industry was split. There was negative publicity, especially in the core market of Germany.
6. In the first season the hoteliers covered the tax rather than pass it on to the consumer via the operators. Meanwhile the Government hailed the scheme a great success. €60 million was raised in a year and the Government spent €30 million on 'major improvement projects' before being voted out of office.
7. The timing of introducing the tax did not help the Mallorcan Government:
 - Struggling German economy;
 - Aftermath of 9/11;
 - Cheaper alternative destinations.
8. In fact many observers say there is no evidence that the Ecotax had any effect on tourism demand to Mallorca. Significantly **the number of complaints from visitors was in single figures.**
9. Bad press in Mallorca, injudicious choices for projects in spending the money and the crippling effect of hoteliers covering the cost of the Tax led the opposition government to make it a manifesto pledge to scrap the '*Ecotasa*'.
10. In June 2003 islanders voted with their feet, handing the Popular Party an absolute majority. The Socialist Rainbow Coalition and its *Ecotasa* was immediately consigned to history. In 2005 a new, alternative scheme '*The Green Card*' was introduced.

B. The Green Card

Initiated by:	Government of the Balearic Islands
Organised and managed by:	Fundació per el Desenvolupament Sostenible de les Illes Balears (established July 2004) (Foundation for Sustainable Development for the Balearic Islands) www.balears-sostenible.com
Introduced:	For tourists in May 2005 For residents in July 2005
Price to purchase:	€10 for either card (activated via Internet or free phone and PIN)
Patrons of Foundation:	Banks and public bodies (providing core funding) Sa Nostra Govern de les Illes Balears La Caixa Caixa Rural Balears Banca March Caja Duero Caja de Ahorros de Med
Residents and Tourists:	There are separate cards for both markets but same benefits
Key Features:	Free call centre for general multilingual tourism and environmental information 15 minutes of free international and national phone calls Valid for 15 days Coverage: Mallorca, Menorca, Ibiza, Formentera Free map and guide book
Key Message:	<i>'By buying the Green Card you are helping to protect and preserve the natural and cultural heritage and contributing to sustainable development of the Balearic Islands'.</i>
Support / Marketing:	<i>'Your Contribution Counts'</i> A4 x 3 folded promotional leaflet with desk top stand for all outlets. 16-page A4 guide to services for <i>'The Green Card'</i> . Editorials in all tourism magazines, e.g. <i>'Welcome to Mallorca'</i> , published by Consell de Mallorca.
Content / Benefits:	Over 300 establishments regarded as a 'high level of commitment'. Environmental benefits include: <ul style="list-style-type: none">➤ Children's workshop➤ Free bicycles in natural parks➤ Free binoculars in natural parks Wide range of discounts or gifts in attractions, shops, restaurants or entertainments including: <ul style="list-style-type: none">➤ Golf courses➤ Beauty treatments➤ Dining out➤ Retail This does not include accommodation.

The Card allows multiple use at participating businesses but discounts only apply to each transaction.

Gifts are exchanged when transaction is made.

Inclusion Offers:

	Cultural Attractions	Services	Activities	Other
Mallorca	33 + 3 = 36	183 + 35 = 218	47 + 7 = 54	4 + 6 = 6
Menorca	15	7	7	1
Ibiza	2	7	11	1
Total (365)	53	232	72	9

Completed projects funded via the 'Green Card' have included:

- Interpretive audio visual show in five languages on the history of Menorca in Saint Nicolau Castle, Menorca;
- Purchase of solar powered catamaran giving cruises around Mallorca;
- Replanted forest with 43,000 saplings on public lands of Sa Duaia in Arta, Mallorca;
- Improved access and facilities for the disabled at the Can Bateman Visitor Centre at the S'Albufera Nature Reserve, Mallorca;
- New visitor centre for the Ses Salines Nature Reserve in Ibiza.

In addition, a key feature of the programme has been a travelling educational activity workshop for children on 148 beaches on Mallorca, Menorca, Ibiza and Formentera. In 2005 these were attended by over 3,000 children.

Comments:

Monica Potthast, Manager Green Card

"This has been well received and we have been very pleased with the results. Both markets like the Card. It is easy to use and the businesses benefit from net additional business. They welcome the additional marketing and promotion to key audiences".

Marg, Activities Manager, Marriott San Antenea Resort

"We are keen to introduce this Card as an added value for our guests. They see it promoted all over the Island and want to purchase here at the Resort".

Concierge of Meliá Palas San Antenea

"Emphasis is on us to sell and promote the Card. The display generates interest. Guests like the Card. There is an immediate reward with the 15 minutes free phone calls. This is well received. Our hotel group considers this a good deal for our guests and for the Island".

Revenue Generated:

100% is spent on projects;

Between May 2005 and June 2006 375,000 Cards sold to tourists. This represents approximately 8% of all tourists and 30% of all tourist groups;

Between July 2005 and June 2006 7,000 sold to residents. This represents 1% of the total population of Islands or c4% of households;

Total raised = **€4.45m**, comprising:

€3.75m tourists

€0.70m residents

Concerns:

There are concerns that the accommodation sector is not included in this card system. Organisers are addressing this in two ways:

- Encouraging accommodation providers to be the primary 'sales' outlets for the cards (training of reception staff, familiarisation lectures, visits to providers, etc);
- Encouraging accommodation providers to buy the card to give as added value to their guests.

Objectives of the Foundation:

- (a) For the Balearic Islands to become a reference point for sustainability;
- (b) To promote awareness of sustainable development and tourism;
- (c) To change market perceptions about the Islands;
- (d) To reduce seasonality in tourism.

These objectives are achieved via:

- Managing resources;
- Quality of the visitor experience;
- Branding;
- Investment in projects.

Dr Terry Stevens
February 2007.

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Case Study 2: Ljubljana (Slovenia).

The rise of the Ljubljana Card (January 2007)

- Started 60 now 100 suppliers. Diverse categories including public transport.
- €12 - 3 days/72 hours from purchase.
- Public transport free of charge.
- Mixed range offers.
- Car rental is key 'king size' discounts (N.B. this is defined as 25-30%).
- Recognises needed on PR.
- Web banner important.
- Aim to prolong average stay of visitors from 1.95 stay.
- Must relate to needs of guest in terms of length of stay.
- Sales of card =
 - Some payback to suppliers especially cultural facilities;
 - Tourist associations;
 - Support for events.
- No smart card, all coupon based.
- Ljubljana Tourist Board is a private sector led organisation with city funding but card is a driver of revenue.
- Other income from Casino Tax which is used to invest in tourism infrastructure and community projects, e.g. signing trails, navigable rivers, graffiti campaigns.
- Tourist tax for marketing.
- Ran sales coaching for receptionists to promote card and now incentivising.
- 1,307 sold last year only!!
- Now putting tender to sales promotion company and increasing promotion – not happy with the dynamics of selling.

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Case Study 3: Helsinki (Finland).

The success of the Helsinki Card (January 2007)

1. Produced and published by Helsinki Expert, a limited company wholly owned by Helsinki Tourist Association (itself a private sector company).
2. Card provides range of benefits to tourists including:

Transport (x 3 operators)	<ul style="list-style-type: none"> ➤ Public transport in Helsinki ➤ Finnair Airport Bus ➤ Hertz Rent-a-Car
	Benefits range from free use of city transport to discounts.
Tours (x 8 operators)	Discounted rates on walking, audio and bus tours.
Museums and Sights (x 54 operators)	Free entry to 48 Discounted to 5 Special gift at 1
Theatres / Shows (x 4 operators)	Discounts
Leisure (x 4 operators)	Free admission = 2 Discounts = 2
Restaurants (x 12 operators)	Discounts (10% - 20%) 2 for 1 Free drinks Gift

3. Booklet provides good area maps and public transport routes.
4. Published on eco-labelled paper.
5. Available in four languages in one publication:
 - Finnish
 - Swedish
 - English
 - German

6. Prices (€)

	24 hrs		48 hrs		72 hrs	
	2004	2006	2004	2006	2004	2006
Adult	25	29	35	42	45	53

Child (7-16)	10	11	13	14	16	17
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7. Over 50 sales points throughout the City.
8. Card sales per month and then how many participants to each. Many do not get any £ return regarded as added value. Mathematical formula consistent across all participants – not full rate.
9. Profit investment into other marketing.
10. Marketing is the key – and is wholly integrated across the City – essential to back this.
11. Refused to give details of the formula.
12. Key to its success:
 - Perceived value for customers;
 - Integration with overall destination and in destination marketing;
 - Regarded as essential for tourists to have.