Tourism in Rio Grande do Norte has lost 100,000 arrivals!

O turismo potiguar que chegou a perder 100 mil desembarques!

Turismo potiguar que vino a perder 100 mil desembarques!

Maria Valéria Pereira de Araújo
Holliver Breno Barbosa de Freitas
Julia da Silva Gomes
Maria Isabel de Medeiros Brito

Resumo: O Caso para Ensino “O turismo potiguar que chegou a perder 100 mil desembarques” descreve um cenário de peculiaridades e desafios no qual o destino turístico Natal está inserido. Para tanto, apresenta o histórico de investimentos ocorridos na cidade para desenvolvimento da atividade, como também discute as decisões que deverão ser tomadas pelo atual Secretário de Turismo de Natal diante das dificuldades enfrentadas com a redução da demanda deste destino entre os turistas internacionais. Esta redução deu-se, principalmente, após a crise econômica mundial, com a redução de voos charters para Natal. Questões de infraestrutura e de segurança pública também contribuíram para uma redução no número de visitantes à cidade. É neste contexto que se propõe uma reflexão sobre o cenário no qual Natal está inserida, com o objetivo de mostrar a importância da implantação de políticas públicas, das ações de marketing turístico, das análises de ambientes interno e externo do destino e do estabelecimento de vantagens competitivas. Para a elaboração do caso, foram coletados dados verídicos do turismo divulgados em jornais, revistas e artigos científicos. O caso para ensino pode ser aplicado nos cursos de Graduação ou Pós- Graduação em Administração, Marketing e Turismo.


Abstract: The Case Study "Tourism in Rio Grande do Norte has lost 100,000 arrivals" describes a particular and challenging scenario within the destination Natal. Thus, this case study presents the tourism investment background of Natal and discusses the decisions that should be adopted by the current Tourism Secretary of Natal to face the difficulties brought by the demand drop of this destination among international tourists. This situation took place mainly after the global economic crisis with a reduction of charter flights for (and from) Natal. Infrastructure and public safety issues also contributed to a reduction in the number of visitors to the city. Within this context, a reflection on Natal’s situation is put forward aiming to highlight the importance of the implementation of public policies, tourism marketing actions, analysis of internal and external environments of the destination, and the establishment of competitive advantages. For the preparation of this case study actual data were collected from newspapers, magazines and scientific journals. This case study can be used in graduate or postgraduate programs in Business Administration, Marketing and Tourism.

Keywords: Tourism. Tourism destination. Tourism marketing. Public policy.

1 Universidade Federal do Rio Grande do Norte (UFRN), Natal, RN, Brasil
2 Universidade Federal do Rio Grande do Norte (UFRN), Natal, RN, Brasil
3 Universidade Federal do Rio Grande do Norte (UFRN), Natal, RN, Brasil
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Resumen: El caso de la Enseñanza "El turismo del Rio Grande do Norte que perdió 100.000 aterrizajes"", describe un escenario peculiar y difícil en el que el destino turístico de Natal se encuentra. Presenta la historia de inversiones producida en la ciudad para el desarrollo del turismo, así como se analizan las decisiones que se convienen tomar por el Secretario del turismo actual, dadas las dificultades que se enfrentan con la menor demanda de este destino entre los turistas internacionales. Esta reducción se produjo principalmente después de la crisis económica mundial con una reducción de los vuelos chárter para Natal. Problemas de infraestructura y de seguridad pública también contribuyeron a una reducción en el número de visitantes a la ciudad. En este contexto se propone una reflexión sobre la condición que Natal se inserta con el fin de la demostración de la importancia de la implementación de políticas públicas, la promoción del turismo, el análisis de los ambientes internos y externos de la meta y la creación de ventajas competitivas. Para la preparación del caso no se recogieron datos realistas y turismo publicado en periódicos, revistas y artículos científicos. Este caso se puede aplicar a la enseñanza en los cursos de grado y post grado en Administración de Empresas, Marketing y Turismo.


1 INTRODUCTION

Rio Grande do Norte (RN) is a state in northeastern Brazil with a population of more than 3 million people. The state capital is Natal and its main economic activity is tourism, which relies on the natural beauty of the beaches, mountains and sertão (arid region), receiving more than 2 million visitors in 2014 (Prodetur, 2014).

The city of Natal is the main tourist center. Besides its natural attractions, it has more than 28,000 bed-spaces in accommodations. In 2006, Natal was the second tourism destination in the region, having lost that position to the states of Ceará and Pernambuco, dropping to fourth place, in 2010 (Silva, 2014).

Various factors have contributed to the fall in demand, among them: the sexual exploitation, which has increased with tourism, affecting negatively the image of the destination; reduction of charter flights as of 2006 (Tribuna do Norte, 2015); and reduction of investment in infrastructure aimed at tourism mobility, particularly in Ponta Negra beach, the postcard-perfect image of the capital state, however, badly affected by coastal erosion. In 2013, the reduction of domestic flights became a serious problem to tourism in Rio Grande do Norte state, which has lost 100,000 arrivals (Rocha, 2014); in addition, the increasing violence is worsening the situation.

According to 2015 ranking of Mexico’s Citizens’ Council for Public Security and Criminal Justice, a non-governmental organization, Natal is the eleventh most violent city in the world and the sixth in Brazil. The research considers the number of homicides and the total population to calculate the rate. The survey reports a total 931 murders, in 2014, thus 93 more than the previous year which made Natal move from the twelfth to the eleventh position in terms of urban violence (Tribuna do Norte, 2015).

According to Francisco de Paula Filho, resident in Ponta Negra beach, “public investment in the region fall short, especially when it comes to expedite restructuring mobility works, as occurred in the recent destruction, by the tide, of much of the boardwalk and the system of sewers of Ponta Negra beach, whose works extended for over a year”. 

The State Secretary of Tourism, Ruy Gaspar, at the Sixth RN Forum of Tourism, held in March 2015, made the following statement: "Currently the tourism here is very weak. First, it's been ten years since the image of Natal has been promoted in Italy. The economic crisis in Europe is not very good. Today, Brazil, in general, is an expensive destination. But, we want to change that".

In the presentation of an overview of his first hundred days as a Governor, Robson Faria noted the resumption of domestic flights from Campinas (SP) and Belo Horizonte (MG), and of an international flight from Buenos Aires, capital of Argentina, as a new boost to state tourism. He highlighted the tax reduction on aviation fuel, to airline companies, as an incentive to commercial and international flights in the destination (Rio Grande do Norte, 2015).

Despite recent affirmative actions on the part of the new state public management, the challenges of the industry are still great, requiring more measures to minimize the sharp decline of tourism in RN.

2 TOURISM IN THE CITY OF NATAL

Natal has an area of 167.263 km², a population of 862,044 inhabitants (IBGE, 2014) and was founded on December 25, 1599, on the Potengi River bank. It is known as the "City of the Sun" due to its all-year-round sunshine and one of the main economic activities is tourism. The city had also a prominent role during World War II.

In the 1960s, the construction of the Hotel Internacional dos Reis Magos, in Meio beach, in the eastern part of the city, marked the first steps of tourism. The hotel was considered the sole establishment with quality to receive visitors, though there was the Grand Hotel, in Bairro da Ribeira (neighborhood), birthplace of the city (FURTADO, 2005).

In 1971, the current Potiguar Company for Tourism Promotion – Emprotur was founded, in association with other states, from the Foundation CTI-NE, composed of the official tourism bodies of the nine states of Northeast Brazil.

As of 1980, the country tried to find a solution to the crisis it faced, through the regionalization of tourism. In that sense, efforts were made so as to boost the activity in the various Brazilian regions. In the case of Natal, the project of the construction of the Via Costeira (Coastal Way) was implemented, a ten kilometer avenue along the coast, which favored the establishment of hotels and restaurants by the sea, connecting the Ponta Negra beach to the Forte beach, the southern and the eastern parts of the city (Costa, 2015). The construction of the Convention Center of Natal, in the Via Costeira (see Table 1) contributed to increase the number of tourists in the city, especially business tourism. The new facility was prepared to receive events such as symposiums, congresses, cinema festivals, music, and theatre. It was the chosen venue for the 15th Brazilian Travel Agents’ Congress, which took place August 18 - 22, 1987.
International tourism companies set up hotels and guesthouses in the city providing it with accommodation infrastructure which allowed, in the 1990s, the participation of travel agencies and operators in trade fairs and in national and international events to promote the destination Natal. From then on, the international flight operation initiated, with more than ninety flights per month in 1994 (Furtado, 2005). In an interview published in the magazine ‘Coohotur em Ação’, Ivanaldo Bezerra, State Secretary of Tourism at the time, reports that the arrival of flights from European countries happened in a time when there were no scheduled or charter flights to Natal. "Scandinavian countries sent many tourists to Natal. We also launched TAP scheduled flight Lisbon-Natal"(Coohotur, 2014).

Another major investment came from the Tourism Development Program -PRODE-TUR/RN, developed by the State Government, as of 1995. Natal was one of the cities selected to receive resources for tourism. The program was aimed at developing the basic infrastructure to meet the tourism activities in development, various construction works and the extension of the airport, between 1996 and 2001. Natal was the only municipality in the state that received funds for environmental restoration, sanitation and roads. The PRODE-TUR boosted the international tourist flow and it marked the beginning of the installation of international hotel chains, such as the Pestana Group, from Portugal (Fonseca, 2005).

The urban growth attracted the traders’ interest in the waterfront, given that Government’s investment has prioritized this area. The ‘sun and sea’ tourism exploitation of the Ponta Negra beach, as of the 1990s, brought real estate investment from Spain, Portugal, and Italy. In that period, the real estate in Ponta Negra valuated and hotels and restaurants from international chains established there, and it also attracted immigration; the main consequence was the removal of the native population from their place of dwelling to the outskirts, given that they could not keep up with the cost of living, what led to a separation between locals and tourists in that part of the city (Vidal, 2010).
Another negative aspect of ‘sun and sea’ tourism development was that other areas of Natal, such as the historic center, in the eastern zone of the city, were overlooked. Subsequently, in 2007, the State Government, in partnership with the Municipality, carried out a plan for the renovation of public buildings and the historic center of the capital, trying to promote tourism in other areas besides the beaches. That boosted the city economy, particularly commerce and services, in those points of the capital (Furtado, 2007).

From mid-2008, with the international financial crisis, the flow of international tourists and real estate investment decreased in Natal, and several resorts and residential houses were abandoned or closed. Given this, the different tourism agents have sought alternatives to the sector, such as the creation of new travel packages with tour operators and collective buying (below market values), reduction in the number of employees and close off-season (winter). Simultaneously, more domestic tourists started visiting the area due to greater purchasing power and access to the travel market, thus making up for the accommodation offer (Nani, 2014).

2.1 Sex and Tourism

In the 1970s, the Brazilian Tourism Board – EMBRATUR has started the promotion of Brazil as an international tourism destination. The advertising mindset of the time linked the beauty of the country to female sensuality with the ads depicting women posing in sexy clothes. Later, the use of these images were considered a mistake; the Board realized that such exposure favored the growth of prostitution and the sexual exploitation of children and adolescents. This situation unveiled the weaknesses of Brazil, particularly of RN, regarding the protection of boys and girls, and have put the country on the list of popular tourism destinations for those seeking easy and cheap sex, according to the United Nations World Tourism Organization’s (UNWTO) research, between 2000 and 2006. Non-governmental organizations combating sexual exploitation and violence against women started demanding political accountability and the change of advertising messages. Thus, promotion became focused on the natural beauties, culture, people, and food of Brazil and of Rio Grande do Norte (Laranjeira, 2012).

According to UNTWO, travel for fortuitous sex purposes, wrongly called as “sexual tourism”, is growing both in developed and developing countries, as is the case of Brazil which has high rates of prostitution. Tourists, mainly foreigners, who come to Brazil searching for sex, return to their homelands and talk about their experience, either damaging the country’s image or attracting the curiosity of others (Laranjeira, 2012).

In Natal, the Ponta Negra beach is the main location for sex trade. Serious cases of prostitution, pedophilia, money laundering, and drugs trafficking, broadcast in prime-time on national TV, jeopardize the image of the city as a leisure destination.

Trying to reduce the sexual exploitation, particularly during the 2014 FIFA World Cup, in which Natal was one of the host cities, the Public Ministry of Rio Grande do Norte – MPRN
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In May of that year, launched campaigns to combat prostitution. In one of these the claim was “Don’t look away” whose objective was to sensitize the potential victims of sexual exploitation about their rights; raise people’s awareness; inform national and international soccer fans about sexual abuse of children and adolescents and the punishments associated with it. Furthermore, the campaign encouraged people and fans to report rape and it was shown in 17 countries and carried out in the 12 host cities of the World Cup (Lucena, 2015).

In the same period, another campaign promoted by MPRN and carried out in the Aluizio Alves International Airport, questioned: “You didn’t come to stay for so long, did you?” While the ad campaign was going on, foreign tourists arriving at the Airport received leaflets on the subject and were advised that the practice of sexual exploitation of children and adolescents is a crime in Brazil. The tourists were also invited to collaborate with the campaign, through the national hotline “Disque [Dial] 100” advertised in the flyers.

The Public Ministry worked in partnership with the Public Ministry of Labor - MPT, the Court of the State of Rio Grande do Norte – TJRN, through the court of Infancy and Youth, the State Government, through the police for protection of children and adolescents – DCA, and Federal, Civil and Military Police. And it received the support of the entities that make up the tourist trade, as the Brazilian Hotel Industry Association of RN - ABIH/RN and the Union of Tourist Guides of Rio Grande do Norte - SINGTUR/RN.

### 2.2 Infrastructure Actions

In the 1990s, the implementation of PRODETUR brought changes to the city’s infrastructure. The program provided for, among others, a new passenger terminal at the Augusto Severo International Airport, construction of road access to the main beaches, implementation of sanitation in Via Costeira and part of the neighborhoods of Mãe Luiza and Ponta Negra, and also drainage works, street pavement, and urbanization of the shoreline (Setur, 2015), as depicted in Table 2. The PRODETUR remained until 2000.

#### Table 2 – PRODETUR investments

<table>
<thead>
<tr>
<th>Component/Action</th>
<th>Location</th>
<th>Value us$</th>
<th>Total percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Sanitation (sewage)</td>
<td>Natal</td>
<td>5,675,623</td>
<td>13,56</td>
</tr>
<tr>
<td>Environmental recovery (management plan and operations of the Parque das Dunas)</td>
<td>Natal</td>
<td>1,457,676</td>
<td>3,48</td>
</tr>
<tr>
<td>Institutional development</td>
<td>Órgãos estaduais e municipais</td>
<td>1,989,135</td>
<td>4,75</td>
</tr>
<tr>
<td>Airport</td>
<td>Parnamirim</td>
<td>24,219,490</td>
<td>57,84</td>
</tr>
<tr>
<td>Transport</td>
<td>Natal, Parnamirim, Extremoz, Ceará-Mirim, Nísia Floresta e Tibau do Sul</td>
<td>8,528,898</td>
<td>20,37</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>41,870,222</strong></td>
<td><strong>100,00</strong></td>
</tr>
</tbody>
</table>

Source: Secretaria Estadual de Turismo - SETUR (apud Technum Consultoria, 2002).

**Source:** State Secretary of Tourism – SETUR (apud FURTADO, 2008)
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From these actions, the International Development Bank - IDB understood that investments made in the first phase of the program had not been sufficient to consolidate the tourism activity in the region. Thus, with the support of EMBRATUR, in 2002, the integrated development plan for sustainable tourism – PDITS was put forward in some priority states participating in PRODETUR, inclusive RN.

In the area of infrastructure, the PDITS’ goals were to improve urban conditions of the Via Costeira and Ponta Negra neighborhood; expand city’s sewer system; finish the implementation of the Rota do Sol highway, started with the PRODETUR I, providing conditions for increased flow by building access roads to beach towns; and create a sea circuit (nautical route), by building docks and seaside urbanization (Ferreira, 2009).

Since the beginning, these goals have been updated, according to the needs of the city and to the various programs of Government. In May 2013, in a presentation to the City Council of Tourism, the State Secretary of Tourism, Renato Fernandes, said that tourism in Natal needed urgent actions to improve the infrastructure and to promote the destination (Portal no ar, 2013).

The 2014 FIFA World Cup also brought infrastructure investment to Natal. As shown in Table 3, the municipality indicates as the legacy of the World Cup’s investment the Aluizio Alves International Airport, the stadium Arena das Dunas, the Marine Passenger Terminal, the Rio Grande do Norte Athletic High Performance Center of Federal University of Rio Grande do Norte – UFRN, the marina of Via Costeira, the World War II Museum (Museum of the RAMPA Foundation), and the Drainage Center of Arena das Dunas. Some of these works are not finished, e.g. the Museum.

<table>
<thead>
<tr>
<th>Occupation area</th>
<th>Training works</th>
<th>What</th>
<th>Legacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>URBAN INFRASTRUCTURE</td>
<td>São Gonçalo do Amarante Airport Infraestrutura</td>
<td>Passenger terminal with 40,000 m² of area plus cargo terminal with 10,000 m².</td>
<td>Theme: Airports Type of legacy: Urban, infrastructure, economic.</td>
</tr>
<tr>
<td></td>
<td>Arena das Dunas Soccer Stadium State Government e OAS</td>
<td>An exclusive Multipurpose Complex in the city of Natal, highly modern, meeting all the requirements of FIFA. Infrastructure to host football matches, musical concerts, shows and a wide variety of events.</td>
<td>Theme: Sports Type of legacy: Urban, infrastructure, social, sporting, citizen rights.</td>
</tr>
<tr>
<td></td>
<td>Maritime passenger terminal Codem</td>
<td>Four annexes: a building with two floors for customs, restaurants and shops and reception of tourists. Ability to receive 3,000 passengers simultaneously.</td>
<td>Theme: Port Type of legacy: Urban, infrastructure, economic.</td>
</tr>
<tr>
<td>MACRO- DRAINAGE AND THE ENVIRONMENT</td>
<td>Macro-drainage tunnel Arena das Dunas Natal Town Hall</td>
<td>Macro-drainage tunnel construction measuring 4,500 meters in length linking at least 09 rainwater retention ponds in the east and west zones of the city with the inclusion of a treatment plant for the Potengi River, solving flooding problems in the city (33 flood points). That is, about 45% of this problem in Natal.</td>
<td>Theme: Environment Type of legacy: Urban, environmental, infrastructure, economic.</td>
</tr>
</tbody>
</table>

Source: Natal Municipality (2014)
The Ponta Negra beach, is the main urban beach of the capital located in the neighborhood with the same name, and its main attraction is the Morro do Careca, a 107-meter-high dune, considered the city’s postcard image. In its edge, to meet the tourists’ needs, trade and services were set up, such as bars, restaurants, hotels, hostels, shops, banks, rental cars, taxis.

In recent years, the advance of the sea and coastal erosion, intensified by human action, have affected Ponta Negra. Construction has sprawled to risk areas. Scientific studies show that coastal erosion results from the combination of several factors, natural causes and as a result of human activities, which operate on different scales (Maciel, 2012). The waves and tidal action are eroding the beach, destructing the boardwalk and compromising the sanitation.

The municipality of Natal presented, in April 2013, a recovery project of the Ponta Negra boardwalk, besides the construction of twenty stairs and ten ramps to access the beach. A stone seawall, called riprap, was built on the boardwalk to protect against erosion caused by large tides.

Also beach nourishment will be carried out by an engineering process of hydraulic dredging aiming to place sand on the beach environment. Still in its infancy in Brazil, the process is quite known in several beaches of the East and West coasts of the United States, as well as in coastal countries of Europe.

The procedure has clear advantages, such as of aesthetic nature in relation to other engineering structures, the beneficial use of dredged material from sources close to the coast and the protection and restoration of habitat for turtles and seabirds, in addition to other temporary or permanent animal life on the beach (Semov, 2015).

2.3 Increase and Decrease of Flights in the Tourism Destination

Brazil’s economic stability as of the 1990s, with the introduction of the Real Plan, the improvement of the distribution of income, increased as of 2003, and tax incentives for the aviation industry, such as reducing the ICMS in some states, were important factors to create a favourable environment; expanding the choices in transport modal for domestic tourism, enabling the expansion of new destinations, and the access to airline tickets for a part of the population that previously could not afford to travel by plane (Neves Junior; Paiva, 2008).

According to Cardoso Junior (2009), the figures released by the INFRAERO show that, from 2005 to 2008, more than 400,000 domestic passengers’ arrivals and departures took place in the Augusto Severo International Airport, the main gateway for tourists in the State of Rio Grande do Norte. The researcher compares the state capitals of the Northeast (Table 4) and Natal presents one of the highest increase in passengers, 40.3 percent, second only to San Luis, capital of Maranhão.
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Table 4 – Domestic Flights – Operational movement of passengers

<table>
<thead>
<tr>
<th>City</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>Variation 2008/05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natal</td>
<td>1.054.050</td>
<td>1.142.767</td>
<td>1.359.340</td>
<td>1.479.256</td>
<td>40,3%</td>
</tr>
<tr>
<td>Fortaleza</td>
<td>2.524.606</td>
<td>3.014.698</td>
<td>3.346.558</td>
<td>3.222.883</td>
<td>27,7%</td>
</tr>
<tr>
<td>João Pessoa</td>
<td>339.128</td>
<td>415.255</td>
<td>500.547</td>
<td>448.440</td>
<td>32,2%</td>
</tr>
<tr>
<td>Maceió</td>
<td>740.610</td>
<td>846.203</td>
<td>917.170</td>
<td>934.951</td>
<td>26,2%</td>
</tr>
<tr>
<td>Recife</td>
<td>3.422.657</td>
<td>3.781.895</td>
<td>4.010.932</td>
<td>4.460.031</td>
<td>30,3%</td>
</tr>
<tr>
<td>Salvador</td>
<td>4.292.989</td>
<td>5.051.055</td>
<td>5.519.541</td>
<td>5.656.705</td>
<td>31,8%</td>
</tr>
<tr>
<td>São Luís</td>
<td>569.258</td>
<td>738.658</td>
<td>899.299</td>
<td>870.421</td>
<td>52,9%</td>
</tr>
<tr>
<td>Outras</td>
<td>826.439</td>
<td>1.010.604</td>
<td>1.266.369</td>
<td>1.230.048</td>
<td>48,8%</td>
</tr>
<tr>
<td>Nordeste</td>
<td>13.769.737</td>
<td>16.001.135</td>
<td>17.819.756</td>
<td>18.302.735</td>
<td>32,9%</td>
</tr>
<tr>
<td>Brasil</td>
<td>83.483.534</td>
<td>90.005.151</td>
<td>97.951.731</td>
<td>99.974.794</td>
<td>19,8%</td>
</tr>
</tbody>
</table>

Source: Cardoso Junior (2009)

In 2009, considering the months from January to November, when the study was conducted, and with the growing trend on domestic flights, Natal presented an average of 149,400 passengers. In October of that year 163,499 arrivals/departures were registered, the highest number (Figure 1). However, as of 2009, the flights charters from/to Natal are reduced. INFRAERO data attest that these numbers were a result of the global crisis of recent years and due to the high prices of airline tickets to/from Natal, compared to other capitals of the Northeast (TV União, 2013).

Figure 1 - Domestic Flights: monthly and yearly averages of the operational movement of passengers in 2008/2009

Source: Cardoso Junior (2009)
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According to 2013 INFRAERO’ yearly report, even the increase of domestic passengers in 2012 in relation to the previous year, the number of planes decreased. The number of passengers increased by 122.625, while the flights decreased by 472, in this interval.

In April 2014, Max Fonseca, president of the Brazilian Association of Bars and Restaurants - ABRASEL, gave an interview to the TV show RN Acontece, from Band TV station, in which he considered that “the reduction of flights is a serious problem, the major problem for tourism in Rio Grande do Norte. We’ve come to lose 100,000 arrivals. This reduction of the number of the domestic flights is, therefore, considered one of the reasons for the tourism crisis in Rio Grande do Norte.”

The Inframérica consortium, responsible for the construction and administration of the new Aluízio Alves International Airport, located in the municipality of São Gonçalo do Amarante, the metropolitan region of Natal, criticized the state government for its neglect of tourism, noting that it is necessary to invest in advertising and marketing, aiming to promote the state in other airports of the company. Through its spokesman, Ibermon Gomes, the company asserted that "we need to show RN, there is lack of competitiveness. The entrepreneurs of other destinations come from other regions and advertise here in our state. We must promote more, get out of our comfort zone that made us stop working. Where are the weekend charters flights we used to have?" The statement was made during the 5th RN Tourism Forum, held in 2014, in Natal. Despite the construction of the new airport, Natal drop from first among the best airports of Brazil, to the twelfth place; until the last quarter of 2013, when the flights were operated from the Augusto Severo International Airport, Natal occupied the fourth position, at the national level, even occupying the first place in the beginning of 2014, until it was deactivated.

From then on, actions to increase international flights for RN are being discussed. One of the measures was the decree signed by Governor Robson Faria, in February 2015, reducing the ICMS tax on aviation fuel (QAV) for domestic and international flights. With this measure, the state would have several compensation, including recovering the lost flights in recent years, as well as the expansion of domestic and international flight system (Giovani, 2015). A response to the government incentive is already established, according to news published on the Portal G1, on April 25, 2015, when the state government announced the operation of a new direct flight from Belo Horizonte to Natal, on a weekly basis, always on Saturdays, and with capacity for 118 passengers, and scheduled operation starting July 4.

The State Secretary of Tourism, Ruy Gaspar, pointed out other perspectives for the international flights originating in Santiago (Chile), Bogotá (Colombia), Milan (Italy), Stockholm (Sweden) and Frankfurt (Germany). The goal set by the responsible of SETUR, at the end of four years of management is to increase the average tourist occupation by 20 percent. "This would represent a boost in our economy of over R$ 800 million per year." (Governo, 2015).

2.4 The evolution of the violence in Natal
For a long time Natal was considered one of the most peaceful state capitals of Brazil, a fact referred in many studies about violence in the country, particularly in the Northeast, but that has changed.

In a Sunday edition of the newspaper Diário de Natal, O Poti, Albuquerque (2003), points out that RN was the third least violent state of Brazil, according to the Ministry of Justice’s ranking. In 2007, an issue published in the newspaper Tribuna do Norte revealed that the city was the 9th most violent capital in the country. Guardiã and Sarmento (2010) refer that Natal is still considered a peaceful city, but similarly to Brazil, the crime rate has been increasing. The number of homicides, robberies and thefts in the city have increased consistently, affecting all spheres of society. In a press article published in the ‘Jornal de Hoje’, edition of January 17, 2014, Natal appears in an international study as one of the sixteen most violent Brazilian cities in the world, and the fourth of the country, with 57.62 homicides per 100,000 residents. That study puts on evidence the public security crisis of RN, with more than 1,600 violent deaths, in 2013.

The increasing numbers of crime affects negatively the image of the country, particularly Natal, as happened in the 2014 FIFA World Cup. According to the website UOL (2014), several embassies such as those of Germany, United States of America, France, Spain, and Australia warned their citizens traveling to Brazil about violence in the country. In January 2015, in an interview to the newspaper ‘Tribuna do Norte’, the homicide inspector, Frank Albuquerque, said that patrolling on the streets does not inhibit or contributes to reduce the number of homicides "because you can't have a police officer on every corner" (Tribuna do Norte, 2015).

Frank Albuquerque added that the majority of the homicides does not happen incidentally, they are planned and the victims are generally murdered next to their houses. In some cases, he said, the homicides that have been taking place in Natal are related to power struggles within organized crime, identified in Natal as ‘Sindicato do RN’ (Syndicate of RN) and ‘PCC’.

2.5 The problem

Tourism activities in Natal are one of the main sources of revenues of the RN state. According to Rocha (2014), tourism generate to local economy 150,000 jobs. In 2006, the city was the second most popular tourism destination in the Northeast, however, it dropped to the fourth place in 2010, behind neighboring states of Ceará and Pernambuco (TRIBUNA DO NORTE, 2015). In 2013, the number of passenger flights to the destination decreased compared to 2012. The drop represented 10.99 percent regarding planes and 9.5 percent of passengers (Infraero, 2013).
Given this scenario, the Secretary of Tourism of Natal, Fred Queiroz, faces some challenges: to plan and develop projects, taking into account the complexity and features of tourism, to overcome difficulties and problems that affect tourism demand in the municipality.

The Secretary, in his reflections, asks what actions can be developed to solve or minimize the problems caused by the drop in demand of the tourism destination Natal/RN, given the problems that have occurred in recent years.

DATA SOURCES

The case was prepared through a survey, by means of reliable primary and secondary data (publications) regarding tourism in Natal and the factors that have influenced it over the years, as well as the actions taken by public officials to develop this activity. The names of the protagonists and characters involved in the case, as well as the city, have been maintained.

GUIDELINES FOR CASE DISCUSSION

The objective of this study case is to make students reflect about the decisions of a tourism manager in the context of a destination with structural and social problems, reduced demand, but with the potential to increase the number of visitors. This case can be read in 40 minutes in the classroom and it is suggested the application in undergraduate classes and/or graduate studies in administration, tourism and marketing. It is recommended: 1) a brief explanation about public policy, tourism destination and tourism marketing; 2) individual reading; 3) discussion in small groups; 4) plenary discussion; 5) presentation of the topic and situation by the teacher.

LEARNING OBJECTIVES

The objective is for students to develop: 1) an insight into the importance of public policies that should be developed by the municipality, followed by the tourism manager, to support the increase of tourism in the region; 2) identify strengths, weaknesses, threats and opportunities that impact the decisions to promote and strengthen the demand of tourism destination of Natal, facing the growing competition of other states of the northeast region; 3) discuss and identify marketing activities for the tourism destination of Natal; 4) ability to diagnose, understand and develop alternatives to problem solving.

QUESTIONS
1) How do you see public policies to encourage the development of the tourism destination of Natal over the years?
2) Make an analysis of internal and external environment, strengths and weaknesses, threats and opportunities, of the tourism destination of Natal.
3) If you were the new Secretary of Tourism of Natal, what marketing actions would you put forward to minimize the problems of demand in recent years?

ANALYSIS OF QUESTIONS

The students can answer the first question by referring two different moments which have boosted the growth of tourism activities in Natal, from the implantation of two specific public policies for tourism: the implementation of the project of Via Costeira and the Tourism Development Program on RN - PRODETUR/RN.

The Via Costeira project have put Natal on the route of domestic tourists, increasing the flow of tourists to the city, arousing the interest of international visitors, and attracting real estate investments. In addition, it intensified the occupation and the urbanization of the city’s south coast.

With the implementation of PRODETUR, the international demand increased and the real estate investments grew, particularly in Ponta Negra. The program provided various infrastructure works, such as the new passenger terminal of the Augusto Severo International Airport and road access to the main beaches.

Furthermore, environmental recovery works were carried out, sanitation in neighborhoods of Mãe Luiza, Ponta Negra and Via Costeira, drainage works and new roads, in addition to improving the existing infrastructure. Investments made by PRODETUR in the city attracted foreign groups who have set up bars, restaurants and hotels.

Fonseca (2005) refers that by enhancing the surroundings and boosting the competitiveness of the RN tourism product, the state public power chose the municipality of Natal to centralize and control state tourism activity. Due to satisfactory conditions in terms of infrastructure and urban services, Natal also presented a most suitable environment for the initial expansion of tourism activity, which occurred with the construction of the Via Costeira in the mid-1980s and with the improvements brought by PRODETUR.

The second issue is related to the construction and implementation of a scenario analysis, with the aim of compiling the relevant data about the destination. In this case, one can adopt the SWOT tool to perform internal and external analysis (see Figure 2), by entering data in a table and thus facilitating clear and transparent display, both internal and external analysis of the destination, and by adopting it strengths can be maximized and the weaknesses minimized, also it allows the identification of threats and the development of actions to address market opportunities. In the case studied, students will be able to identify the strengths and weaknesses of the tourism destination, suggesting that the public tourism manager highlights the strengths identified and mitigates or controls the weak points.
Dantas and Melo (2008), observe that the external environment is entirely or almost entirely outside the control of the organization. However, the organization must know and monitor it frequently in order to seize opportunities and avoid threats. The data obtained is depicted in the following diagram:

**Figure 2 – Components of the SWOT analysis**

<table>
<thead>
<tr>
<th>Internal environment</th>
<th>Predominance of</th>
<th>Strength</th>
<th>Weakness</th>
</tr>
</thead>
<tbody>
<tr>
<td>External environment</td>
<td>Predominance of</td>
<td>Survival</td>
<td>Maintenance</td>
</tr>
<tr>
<td></td>
<td>Threats</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Opportunities</td>
<td>Growth</td>
<td>Development</td>
</tr>
</tbody>
</table>

Source: Dantas and Melo (2008)

The study identified as a strength of the destination Natal (see Table 5) the city’s accommodation infrastructure, which has currently 28,000 bed-spaces, besides the natural attractions and the “sun and sea” tourism.

It is identified as weakness the difficulty of transportation to Natal, besides other problems related to infrastructure. The reduction of direct flights to the destination lead to an increased number of connections and stopovers, and a rise in price, factors that hinder traveling to the tourism destination of Natal/RN.

Regarding the threats it can be referred the search for casual paid sex. Prostitution, broadcasted nationwide, damages the image of the destination and it can reduce the demand, and the demand for other tourism regions in the northeast.

Cultural tourism is the opportunity identified for the destination. This activity extends the possibilities beyond ‘Sun and Sea’ tourism, attracting other segments of tourists. The investment in this type of tourism can promote the demand since it is little explored in the city. The project of a cultural corridor stands out in this regard; it aims to revive historic buildings in Ribeira and Cidade Alta neighborhoods.

**Table 5 – SWOT analysis of the tourism destination**

<table>
<thead>
<tr>
<th>STRENGTHS</th>
<th>WEAKNESSES</th>
<th>THREATS</th>
<th>OPPORTUNITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>Infrastructure problems</td>
<td>Casual paid sex and increasing demand for other states</td>
<td>Cultural Tourism</td>
</tr>
<tr>
<td>infrastructure</td>
<td>and mobility</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: The authors
The authors note that after the SWOT analysis it is necessary to cross opportunities with the strengths, and the weaknesses with the threats, trying to establish strategies to minimize and monitor the negative factors and maximize the opportunities, aiming the capitalization, growth, maintenance and survival of the tourism destination. This allows the analysis of the actual internal and external situation of the Municipality in relation to the possibilities of identification of problems and opportunities and the implementation of actions directed to the development of tourism.

In what refers to the third question, the students may identify the positioning strategies to promote the destination and increase the demand. The choice of Natal to be in the core of the tourism activity can be identified as the first positioning decision, insofar as it differentiates the capital from other destinations. Dias and Cassar (2005) posit that a positioning strategy involves choosing one or more characteristics of a market that represent a competitive advantage of the destination, i.e. something that will make the tourist select one place to the detriment of others. Hence, the positioning is a strategy that allows a destination to be recognized as different from competitors, but identified by the tourist.

As depicted in Table 6, regarding prostitution, the students may put forward actions that would enable to carry out permanently campaigns to raise awareness of tourists and trades in order to reduce paid sex. The “Disque [Dial] 100” hotline can be increasingly disseminated among the population and visitors. Complaints help the investigation of violence and sexual abuse while maintaining the complainant’s confidentiality.

In relation to the works in the Ponta Negra boardwalk, the students may refer the riprap project and the beach nourishment. The works may solve the problems caused by coastal erosion, enhance the look of the place, and increase the tourism, traders and residents flow.

The decrease of flights to Natal should be a concern for the new Secretary of Tourism. The students may suggest the reduction of the ICMS tax rate on aviation fuel, which had already been reduced for domestic and international flights, in February 2015, by the governor Robson Farias. The reduction on the fuel tax has regained flights for the city. As of July, a direct flight Natal – Belo Horizonte will be operated, besides two charter flights, Campinas, SP and Buenos Aires.

Another problem is the increase in violence in Natal. The students can point out the joint action with the Secretary of Public Safety, the convocation of 824 military police officers who have completed training courses and must be called into office. In addition, it is necessary to increase the number of police officers in the streets of Natal. There is policing in the main tourist points of the city such as the waterfront of Ponta Negra and Praia do Meio, but elsewhere in the capital there are no police officers around. The police presence deters criminals’ action and gives people a greater sense of security.

Violence is also motivated by drug use. A strategy that can contribute to reduce violence is, in partnership with the Secretary of Social Assistance, helping the children/ juveniles using drug and take them to rehabilitation centers.
Natal is marketed mainly as a ‘Sun and Sea’ destination. One way of widening that positioning is by adding value to the destination, making it more competitive and increasing demand. That can be achieved through new products within cultural tourism, so far little explored in the city.

Cosma and Negrusa (2008) point out that the cultural tourism is expected to grow at higher rates than the tourism industry in general. The authors refer that 60 percent of European tourists are interested in discovering the cultural heritage and 30 percent of the destinations are chosen according to the monuments that can be visited.

The destination of Natal has several attractions that emphasize its historical relevance such as the ‘Fortaleza dos Reis Magos’ (Fortress of the Three Wise Men), Museum of the II World War, and the Ribeira and Cidade Alta neighborhoods.

Ferraz, Trigueiro and Tinoco (2007) refer that the tourist appeal of Natal relies on the landscape value of sun, sea, dunes, and on sensory pleasures commonly associated to tropical environments. The idea of cultural tourism is still restricted to an elite group who has, almost exclusively, the privilege of knowledge and fruition of cultural assets, usually outside Natal and Brazil.

The investment in cultural tourism draws, according to the marketing plan of SETUR (2008), national and international tourists, as well as hotels, guesthouses and restaurants, expanding the tourism of the city, in addition to sun and beach tourism, increasing demand and preserving the historic monuments of the city. It improves the access infrastructure to these locations. The neighborhoods of the cultural corridor only have movement of people during weekdays and business hours. On weekends these areas are empty, with only a few residents.

The students may also mention the existence of other assets which can be used to tourism. Sites such as ‘Cidade da Criança’ (Children City Park), the Yachts Club Sunset Project, ‘Parque das Dunas’ (Dunes Park), ‘Bosque das Mangueiras’ (Park) have the features for attracting tourism and possess already facilities like restaurants and bars, they only lack better promotion.

Regarding tourism diversification the students may highlight the possibility of the tourism manager put forward actions in order to promote the destination to other targets, diversifying the products/services or the markets.

Hall Jr. (1995) reports that diversification is often used to expand markets, increase sales and, consequently, profitability. This investment will prevent the product from decline with the rise of other tourism destinations. In this case, the marketing campaigns should explore other attractions besides the beaches and the natural beauties. Natal will not lose its status as the “City of the Sun”, but it can add other benefits and differentiators, and thus increase the number of visitors.

Table 6 – Actions put forward to the Secretary of Tourism
Tourism in Rio Grande do Norte has lost 100,000 arrivals!

<table>
<thead>
<tr>
<th>MAIN PROBLEMS</th>
<th>ACTIONS</th>
<th>CP</th>
<th>MMP</th>
<th>LLP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prostitution</td>
<td>Maintain a permanent effort along with the Public Ministry to raise the awareness of tourists and traders</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td></td>
<td>Dissemination and encouragement of use of “Disque [Dial] 100” hotline for reporting sexual abuse</td>
<td></td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Ponta Negra boardwalk</td>
<td>Riprap project and Ponta Negra beach nourishment, prepared and implemented by the Municipal Secretary of Public Works</td>
<td>Xx</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Reduction of flights to Natal</td>
<td>Reduction of ICMS tax on aviation fuel (QAV)</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Increasing violence in Natal</td>
<td>Joint action with the Secretary of Public Security to summon the military police officers approved in training</td>
<td>Xx</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>More police on the streets</td>
<td>x</td>
<td>Xx</td>
<td>xx</td>
</tr>
<tr>
<td></td>
<td>Joint action with the Secretary of Social Assistance to treat drug-addicts, taking them off the streets</td>
<td>x</td>
<td>xx</td>
<td>xx</td>
</tr>
<tr>
<td>Drop in demand for the destination</td>
<td>Implementation of the project cultural corridor, joint action with the Secretary of Culture</td>
<td></td>
<td>x</td>
<td>xx</td>
</tr>
<tr>
<td></td>
<td>Revival of projects such as ‘Cidade da Criança’ (Children City Park), Yacht Club, and ‘Bosque das Mangueiras’</td>
<td></td>
<td></td>
<td>xx</td>
</tr>
</tbody>
</table>

Source: The authors

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Maria Valéria Pereira de Araújo
Professora do Departamento de Administração, do Programa de Pos-Graduação em Turismo e Coordenadora da Base de Pesquisa do Método do Caso na Universidade Federal do Rio Grande do Norte - UFRN, Natal - RN. Com Doutorado em Estratégia Empresarial pela Universidade Federal da Paraíba - UFPB. E-mail: valeriaraujoufpb@gmail.com

Holliver Breno Barbosa de Freitas
Bacharel em Direito pela Universidade Federal do Rio Grande do Norte (2005); Especialista em Gestão Estratégica de Negócios pelo Centro Universitário do Rio Grande do Norte (2014). Atualmente, graduando do Curso de Turismo pela Universidade Federal do Rio Grande do Norte. E-mail: holliverbb@hotmail.com

Julia da Silva Gomes
Estudante do Curso de Administração. Centro de Ciências Sociais. Universidade do Rio Grande do Norte. E-mail: julia.sgomes@outlook.com

Maria Isabel de Medeiros Brito
Administradora pela Universidade Federal do Rio Grande do Norte, desde 2012. CRA/RN: 04553. E-mail: belmedeiros@gmail.com