## Title

The issue of economic valuation of wine regions world cultural heritage: The residents’ perceptions and visitors profile of the Alto Douro wine region

## I want to submit an abstract for:

Conference Presentation

## Corresponding Author

João Rebelo

**E-Mail**

jrebelo@utad.pt

## Affiliation

, Department of Economics, Sociology and Management (DESG), Centre for Transdisciplinary Development Studies (CETRAD), University of Trás-os-Montes and Alto Douro (UTAD), Quinta de Prados, 5001-801 Vila Real, Portugal

## Co-Author/s

<table>
<thead>
<tr>
<th>Name</th>
<th>E-Mail</th>
<th>Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lina Lourenço-Gomes</td>
<td><a href="mailto:Isofia@utad.pt">Isofia@utad.pt</a></td>
<td>DESG/CETRAS/UTAD</td>
</tr>
<tr>
<td>Cristina Ribeiro</td>
<td><a href="mailto:cristinaribeiro89@hotmail.com">cristinaribeiro89@hotmail.com</a></td>
<td>UTAD</td>
</tr>
</tbody>
</table>

## Keywords

Wine region, world heritage, economic valuation, main stakeholders, Alto Douro, multivariate data analysis

## Research Question

To discuss the issue of economic valuation of world cultural heritage sites, taking as reference the Alto Douro Wine Region and specifically the residents’ perceptions and visitors profile

## Methods

The statistical data analysis was performed applying univariate and multivariate methodologies (Categorical Principal Component Analysis and Cluster Analysis) to samples of 249 visitors and 250 residents

## Results

Allow us to identify three segments/homogeneous groups of ADWR visitors. Strictly non-economic benefits are the main determinants that led the residents to have a positive view of the UNESCO’s classification

## Abstract

In 1992, the UNESCO World Heritage Committee recognized the possibility of cultural landscapes or “combined works of nature and man” being included in the Convention concerning the Protection of the World Cultural and Natural Heritage. In this typology, the wine regions or cultural landscapes based on the vineyard culture have assumed an increasing relevance overtime and worldwide (Portugal - Alto Douro Wine Region, 2001; Landscape of the Pico Island Vineyard Culture, 2004; France - Jurisdiction of Saint-Emilion, 1999; Loire Valley, 2000;
The international designation as cultural heritage confers a global public good character to these items, alongside the related preservation measures of the attributes underlying the statement of their exceptional universal value. Additionally the provision of cultural heritage (for example in form of preservation) exhibits spillover effects both on production and on consumption that are not captured by the market. The component of non-use value (independent of any use or consumption, as the existence value, option value and bequest value), together with the nature of public goods and externalities poses difficulties in quantifying the economic value that derives from the provision of this type of goods, to the extent that it is difficult to clearly identify who benefit from it as well as who support the costs.

The related costs of maintenance and safeguard as well the use restrictions pose the challenge of meeting the competitiveness of the wine industry, basilar for these regions, with the preservation of the living and evolving cultural landscape nature. This entails a compromise between the strengthening of the wine industry competitiveness (requiring technological advances in terms of the vineyard cultivation and wine production) without jeopardizing the continuity of the values of authenticity and integrity of the site. Addressing this challenge requires a deeper knowledge about the key stakeholders in each region, including the residents who are the driving force behind the wine industry (and consequently of the maintenance in the landscape of the worldwide cultural attributes or characteristics) and the visitors seeking the site and getting private benefits related to the use and public benefits stretching over other elements of the population. Public authorities and landscape managers will need to understand these two forces, their motivations and concerns, to devise efficient and equitable policies that simultaneously ensure the preservation of the cultural item and boost its economic activity giving conditions for the establishment and attraction of population, key element in this process.

The present article aims to present contributions to this issue, taking as a case study, the Alto Douro Wine Region, included in the UNESCO list since 2001. The main concern is, on one side, to identify homogeneous groups of visitors in terms of socioeconomic characteristics, cultural consumer experience and travel/visit behavior (length of stay, average expenditure, accommodation and transport) and on the other side, to identify homogeneous groups of residents regarding their perceptions about the economic and general impacts of the UNESCO listing. The inclusion of both stakeholders in the analysis constitute the novelty aspect of the present research work.

To achieve this goal two sample data were collected, consisting of 249 Portuguese visitors of the Alto Douro Wine Region and of 250 residents in the 13 municipalities of region. The statistical data analysis was performed applying univariate and multivariate methodologies (Categorical Principal Component Analysis and Cluster Analysis). For one side, the results allow to identify three segments or homogeneous groups of visitors (Same-day visitors; Cultural visitors; and Individual mass visitors), emerging policy and entrepreneurial implications related to the expansion of the stay length (Same-day visitors), the improvement of visitor loyalty through repeat visitation (Cultural visitors) and the heritage offered over the year to older visitors (Individual mass visitors). The importance of educational and promotional measures was stressed for the overall sample of visitors. For other side, the strictly non-economic benefits (e.g. opportunities for family enjoyment, high involvement of the community, pride, preservation, new visitors, capital inflows, investments in the region, creation of new jobs) were the main determinants that led the residents to have a positive view of the UNESCO’s classification. This supports the need to adopt policy measures that improve the revenue (added value) for the local population. Additionally, an important evidence is the viticulture activity’ decreases the relative probability of the residents having an income equal to which they have before the inscription on the UNESCO list and the level of education increases the utility associated to alternative corresponding at the maintenance of the economic revenue. Although these results are specific to the Alto Douro wine region, there may be some transfer of knowledge to the other world heritage wine regions based on the shared characteristics between them.

Besides the introduction and conclusion sections, this article includes: a literature review on valuing cultural heritage sites, an economic overview of the Alto Douro Wine Region and the analysis of the results of the survey applied to the visitors and residents.