



# A Final Report on Chile's Tourism Regions

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# Executive Summary

Objective: Increase the competitiveness of tourism in The Chilean region **in the short term**.

Approach: Perform a Principal Component Analysis for 10 Dimensions of Chile's Tourism Regions and identify their main strengths and opportunity areas. Filter out some areas and leave areas with potential development.

Hypothesis: Enhance the competitiveness by improving the reputation. Improve the reputation by improving the quality of the regional tourism.

# Executive Summary - Short-Term Action

Set **Metropolitana, Valparaíso, Los Lagos** as major tourist attractions in Chile and strengthen their weak parts.

The more competitive places currently are, the more we should start to make up for their deficiencies, so that they will become famous on the world stage as soon as possible because of their quality.

# Executive Summary - Short-Term Action

## 1. Metropolitana

Bring up more awareness and measures to protect preserved sites to improve sustainability

Implement policy to prevent strikes to improve Economic Performance

Increase Yearly budget for international tourism promotion to improve Tourism Promotion

Implement more regional strategy plans for tourism development to improve Governmental Involvement and Efficiency

## 2. Valparaíso

Implement policy to establish more banks here to improve Economic Performance

Build more tourism information offices to improve Tourism Promotion

Increase the Entrepreneurial and Innovation funds allocated to tourism related projects to improve Governmental Involvement and Efficiency

## 3. Los Lagos

Supply more Phone service penetration per 1,000 habitants to improve Tourism-Related Services

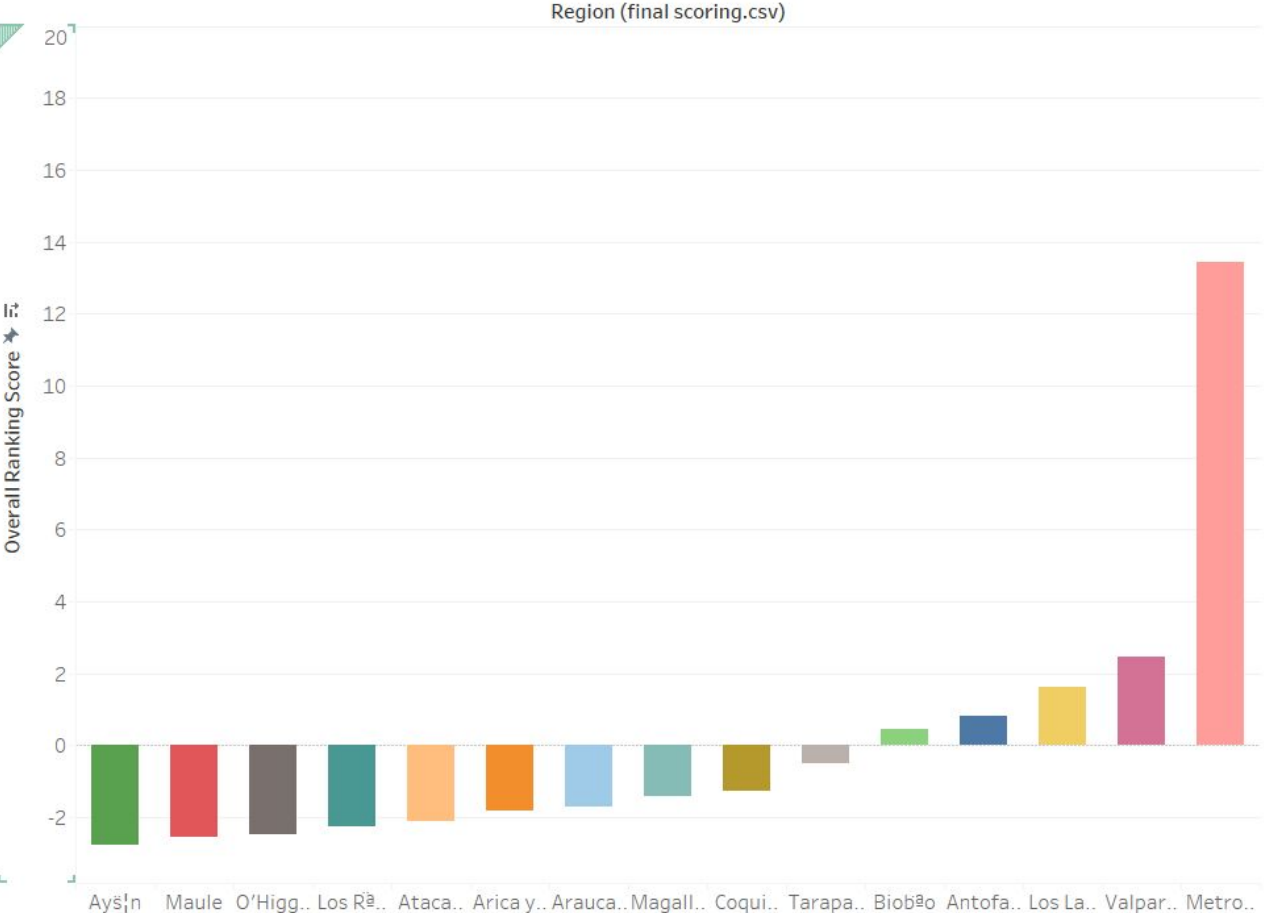
Increase Allocated budget for public safety to improve Security and Safety

Build more tourism information offices to improve Tourism Promotion

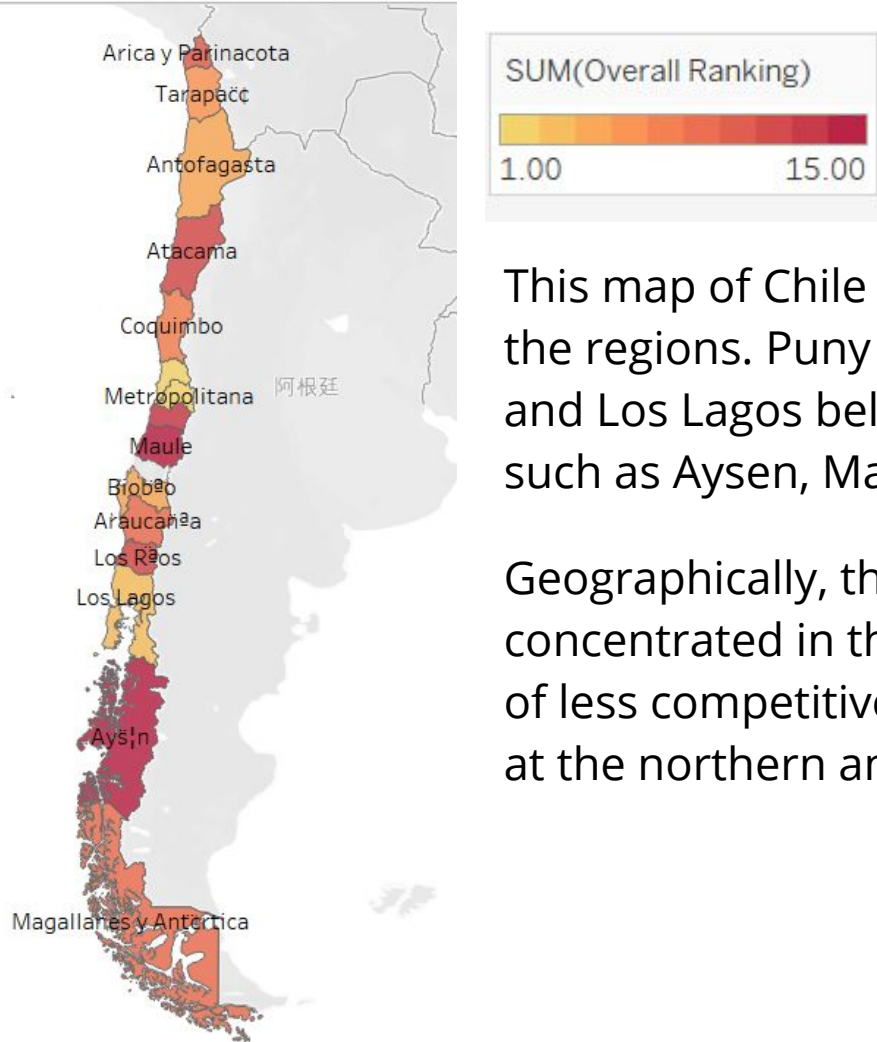
# Executive Summary - Long-Term Action

Long-term action: Further develop the rest of potential areas. They are **Tarapacá, Antofagasta, Coquimbo, Biobío and Los Ríos**

# Overall Ranking



- Region (final scoring.csv)
- Aysén
  - Maule
  - O'Higgins
  - Los Ríos
  - Atacama
  - Arica y Parinacota
  - Araucanía
  - Magallanes y Antártica
  - Coquimbo
  - Tarapacá
  - Biobío
  - Antofagasta
  - Los Lagos
  - Valparaíso
  - Metropolitana



This map of Chile shows the comparative competitiveness of the regions. Puny colors such as Metropolitana, Valparaíso, and Los Lagos belong to competitive areas. Redder areas such as Aysén, Maule and O'Higgins are less competitive.

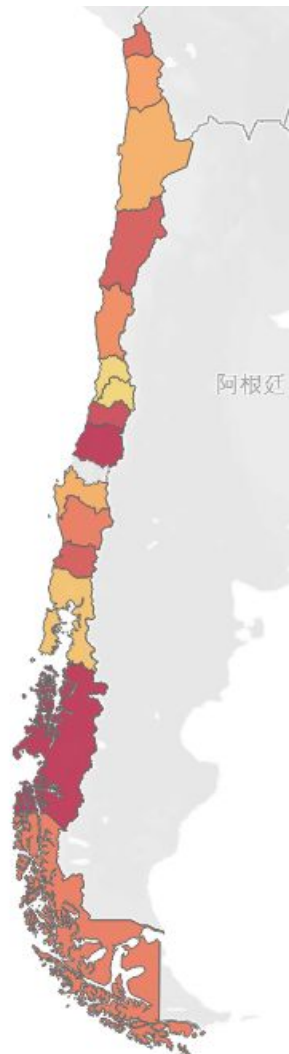
Geographically, the most competitive regions are concentrated in the centre of Chile (though with a sprinkling of less competitive ones), while the less competitive ones are at the northern and southern ends.

# First Step - Filtering Regions

First of all, we should screen out the areas that do not occupy the advantages in uncontrollability, and leave the areas where we can make progress. The uncontrollable factors are natural resources (dim 2), security and safety (dim 7). Areas that have relatively high scores on these factors have the potential to grow in short term.

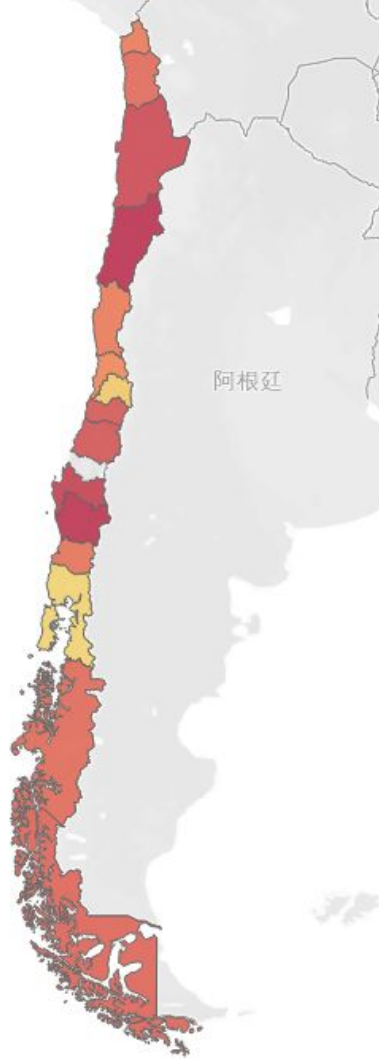


In Terms of Natural Resources and Sustainability

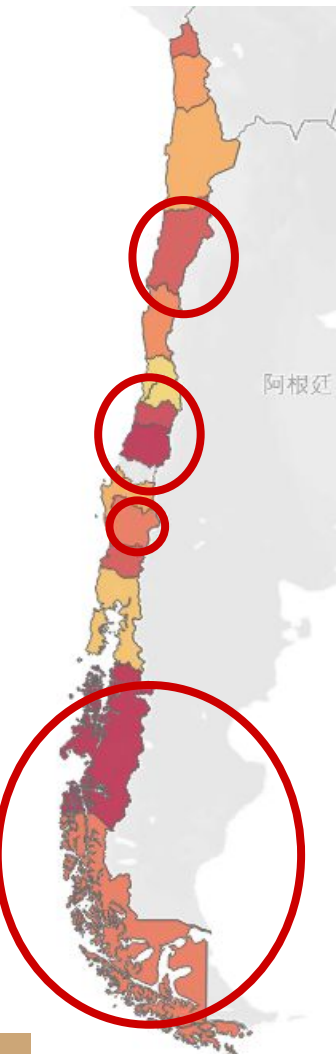


Left: Overall  
Competitiveness  
Ranking

Right: Overall Natural  
Resources and  
Sustainability Ranking



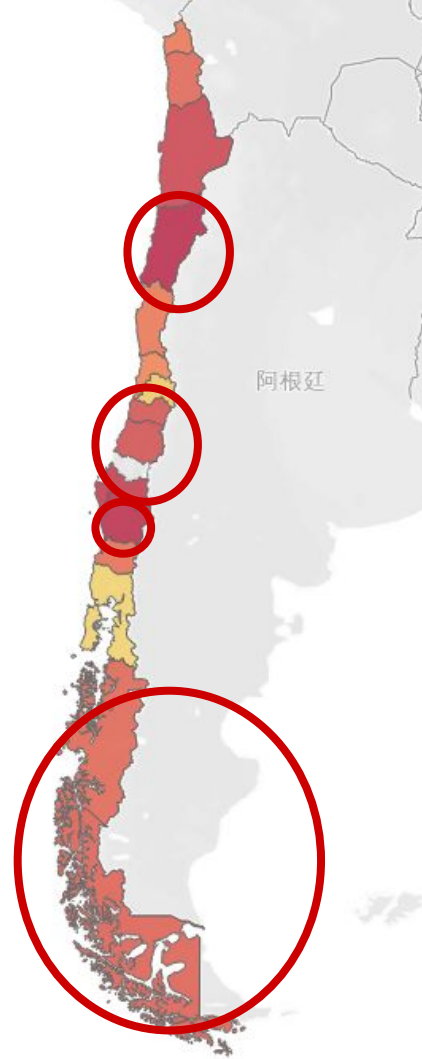
My hypothesis is that a region suitable for tourist attractions should have a high score in terms of natural resources and sustainability. In extreme cases, why should tourists visit a region if there is no landscape at all?



Left: Overall Competitiveness Ranking

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Right: Overall Ranking Natural Resources and Sustainability Ranking



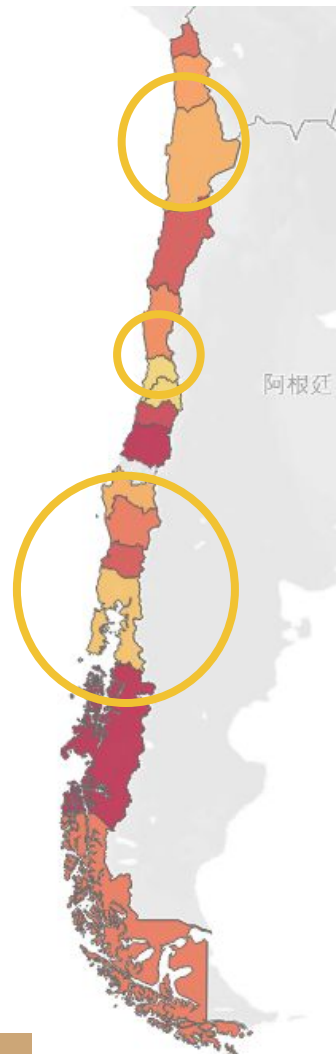
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Areas circled in red are the place that are not suitable for tourism, therefore there is no need to invest the budget in these areas.

**What areas should the client get rid of?**

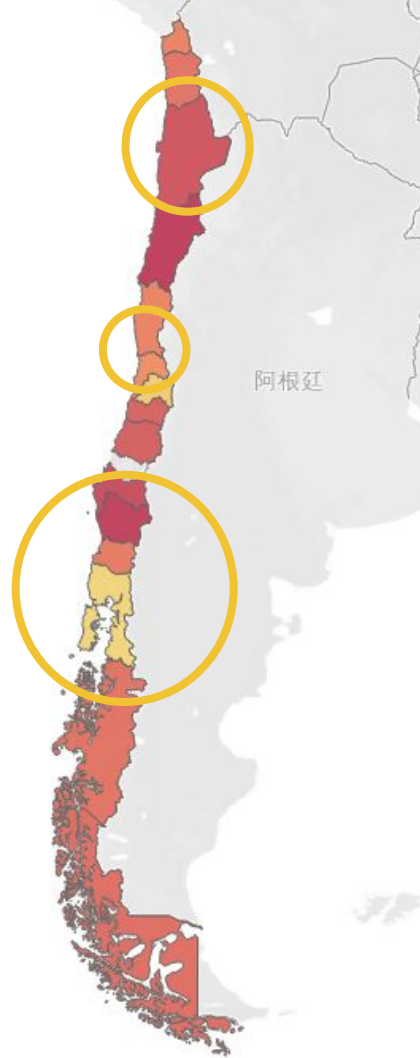
6 areas.

They are Araucanía, Aysén, Magallanes y Antártica , Maule, O'Higgins, and Atacama.



Left: Overall  
Competitiveness  
Ranking

Right: Overall  
Ranking Natural  
Resources and  
Sustainability Ranking



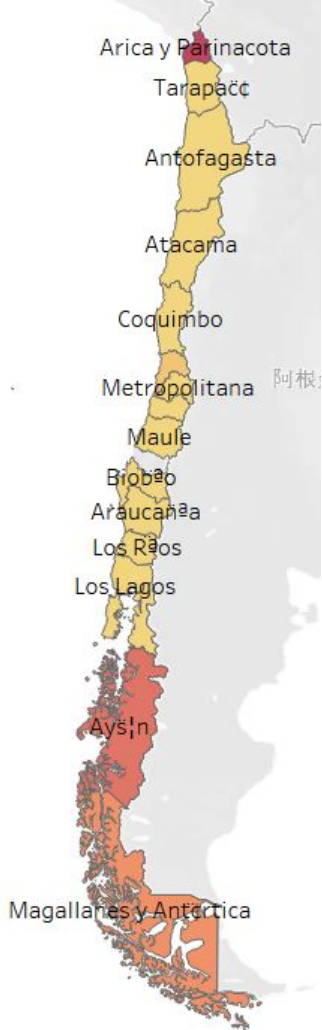
Areas circled in yellow are the place that have some certain advantages for tourism, therefore there is a space to invest the budget in these areas.

**What areas should the client put main focus on improving and developing?**

9 areas.

They are Arica y Parinacota, Tarapacá, Antofagasta, Coquimbo, Valparaíso, Metropolitana, Biobío, Los Ríos and Los Lagos.

# In Terms of Public Health Issues - Post Covid 19



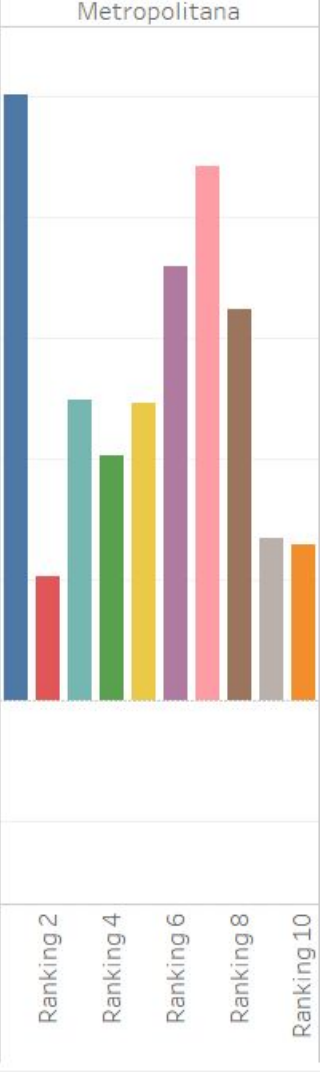
This graph shows the distribution of the density of public health complaints per one million inhabitant.

In short term, I do not recommend the client enables tourists to come to **Arica y Parinacota, Aysén and Magallanes y Antártica.**

# After Filtering

The areas we can invest in are Tarapacá, Antofagasta, Coquimbo, Valparaíso, Metropolitana, Biobío, Los Ríos and Los Lagos. The priority of development in terms of time is ranked by competitiveness.

In the short term, the areas where we focus on investment and development are **Metropolitana, Valparaíso and Los Lagos**. In the long term, the areas where we focus on investment and development are **Tarapacá, Antofagasta, Coquimbo, Biobío and Los Ríos**.



# Identify Weak Areas to Improve - Metropolitana

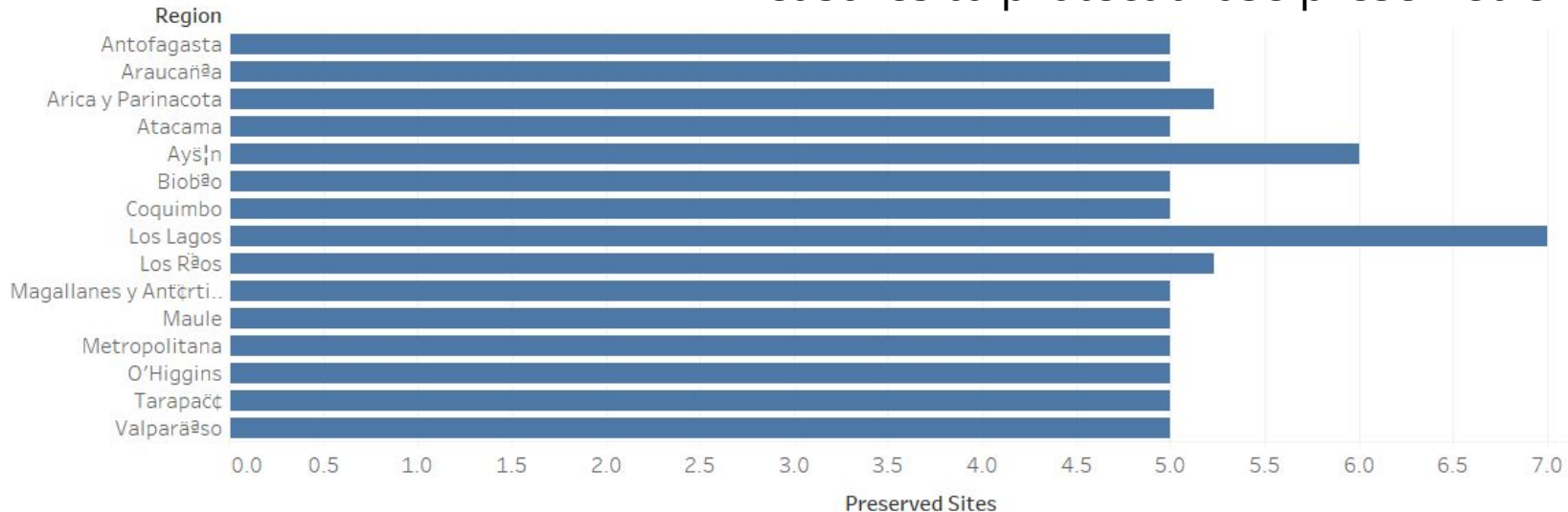
Metropolitana is the No.1 competitive region. There still exists areas we could improve. They are dimension 2 Natural Resources and Sustainability, dimension 8 Economic Performance, dimension 9 Tourism Promotion and dimension 10 Governmental Involvement and Efficiency.



# Dimension 2 Natural Resources and Sustainability - Segment in Detail

Metropolitana has a average score in preserved sites. We should bring up more awareness and measures to protect those preserved sites.

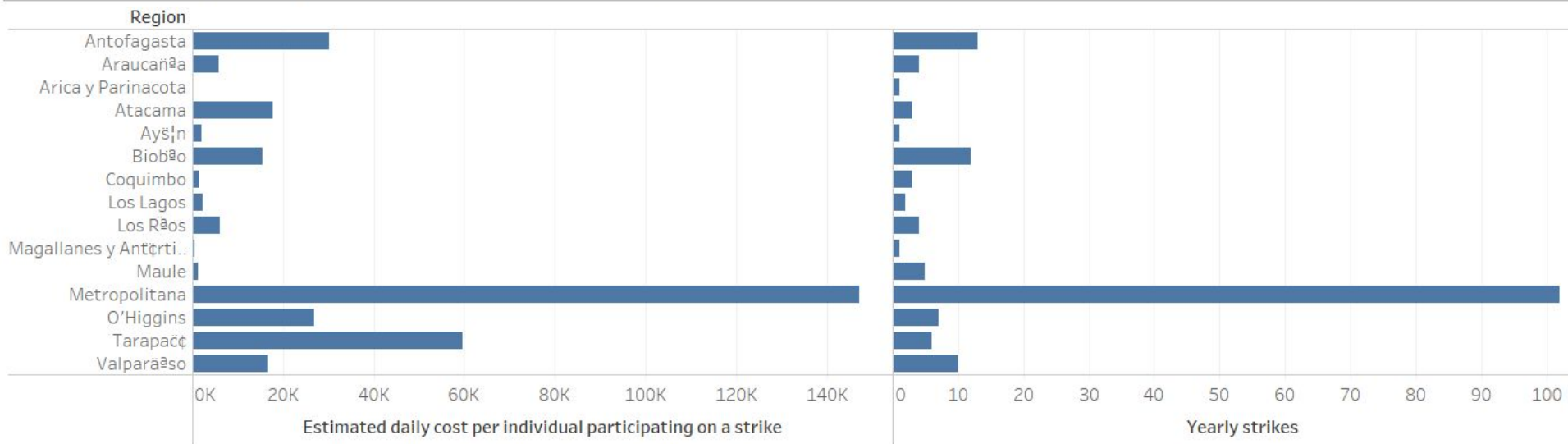
## Preserved Sites



# Dimension 8 Economic Performance - Segment in Detail

Metropolitana has a below-average performance in Estimated daily cost per individual participating on a strike and in Yearly Strikes. Implement policy to prevent strikes.

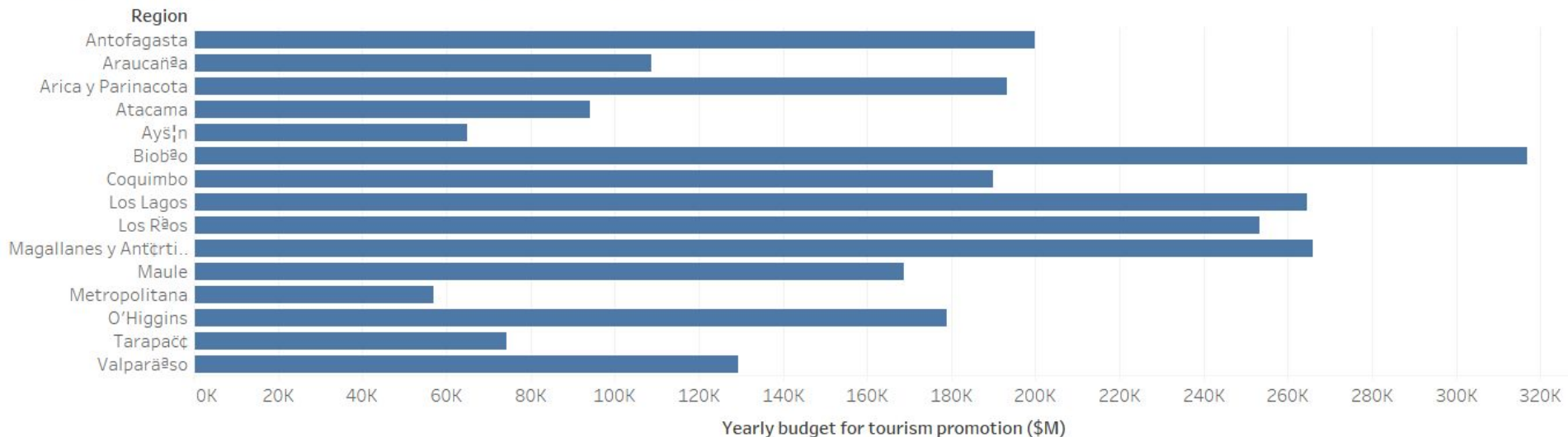
Estimated daily cost per individual participating on a strike / Yearly Strikes



# Dimension 9 Tourism Promotion - Segment in Detail

Metropolitana has a below-average score in Yearly budget for international tourism promotion. Increase it.

Yearly budget for international tourism promotion (\$M)

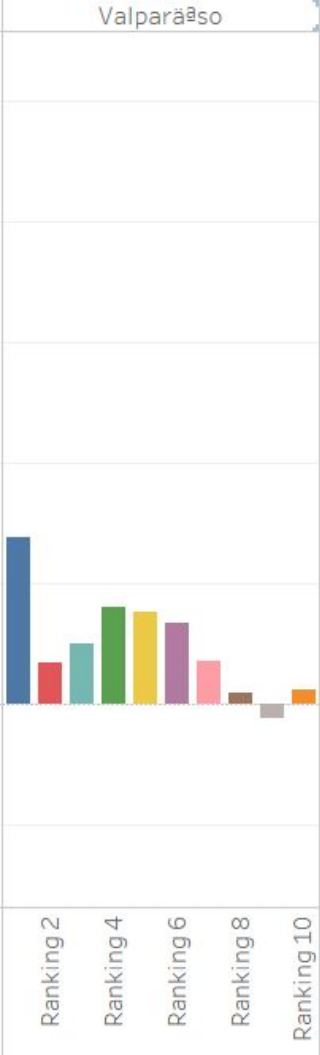


# Dimension 10 Governmental Involvement and Efficiency - Segment in Detail

Metropolitana has a below-average score in Number of Regional Strategy Plans for Tourism Development. We should think about implementing more regional strategy plans for tourism development

Number of Regional Strategy Plans for Tourism Development





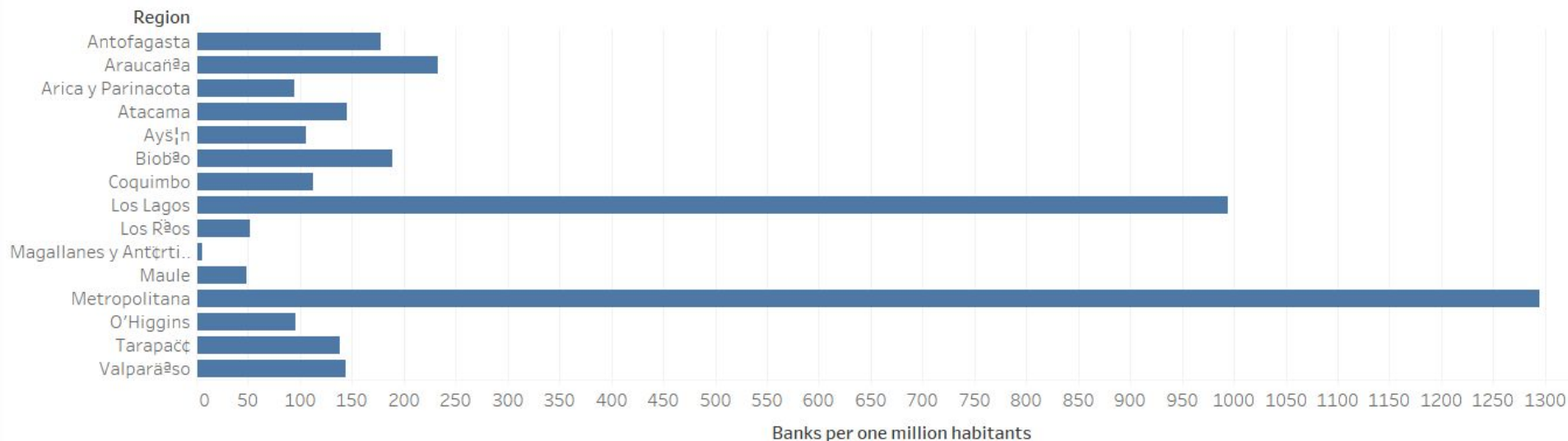
# Identify Weak Areas to Improve - Valparaíso

Valparaíso is the No.2 competitive region. There still exists areas we could improve. They are Dimension 8: Economic Performance, dimension 9 Tourism Promotion and dimension 10 Governmental Involvement and Efficiency.

# Dimension 8 Economic Performance - Segment in Detail

Valparaíso has a below-average score in Banks per one million habitants. Implement policy to establish more banks here.

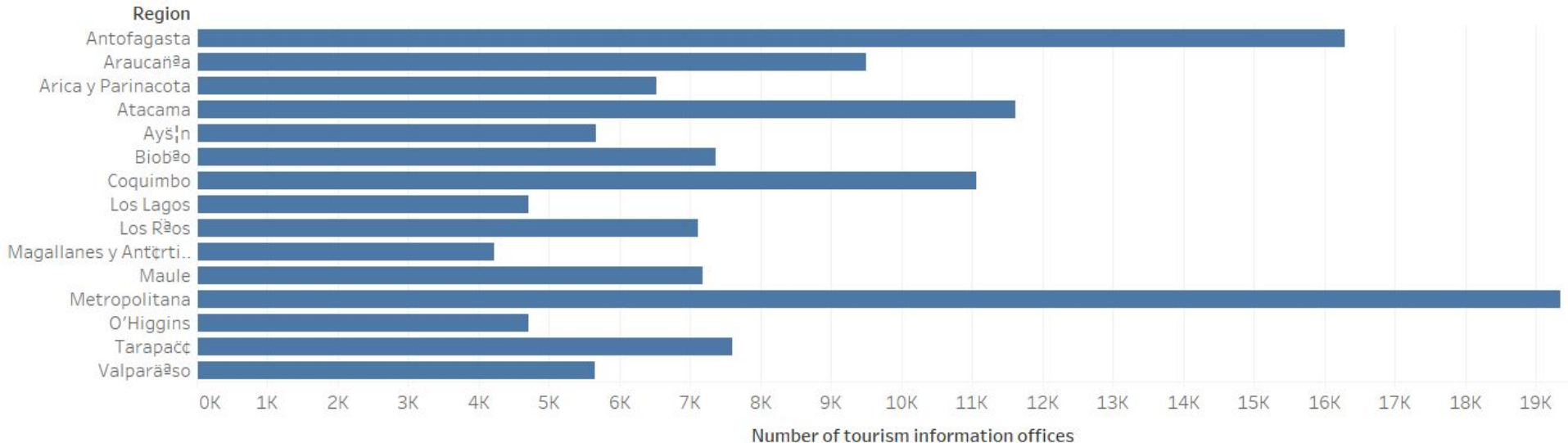
Banks per one million habitants



# Dimension 9 Tourism Promotion - Segment in Detail

Valparaíso has a below-average score in Number of tourism information offices.  
Build at more tourism information offices here.

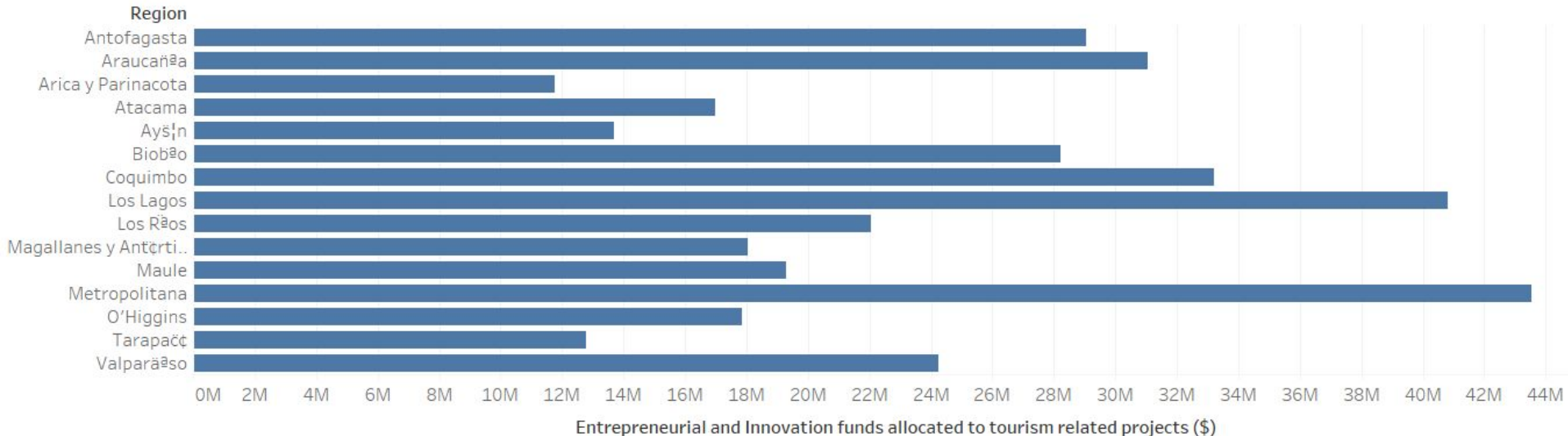
## Tourism information offices



# Dimension 10 Governmental Involvement and Efficiency - Segment in Detail

Valparaíso has an above-the-average score in Entrepreneurial and Innovation funds allocated to tourism related projects. And there still exists a chance to improve this indicator. You can see that Metropolitana got 1.8 times as much fund as Valparaíso did

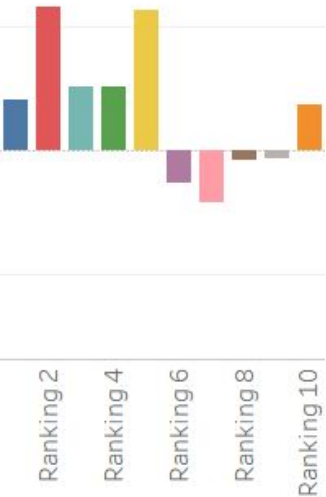
Entrepreneurial and Innovation funds allocated to tourism related projects





# Identify Weak Areas to Improve - Los Lagos

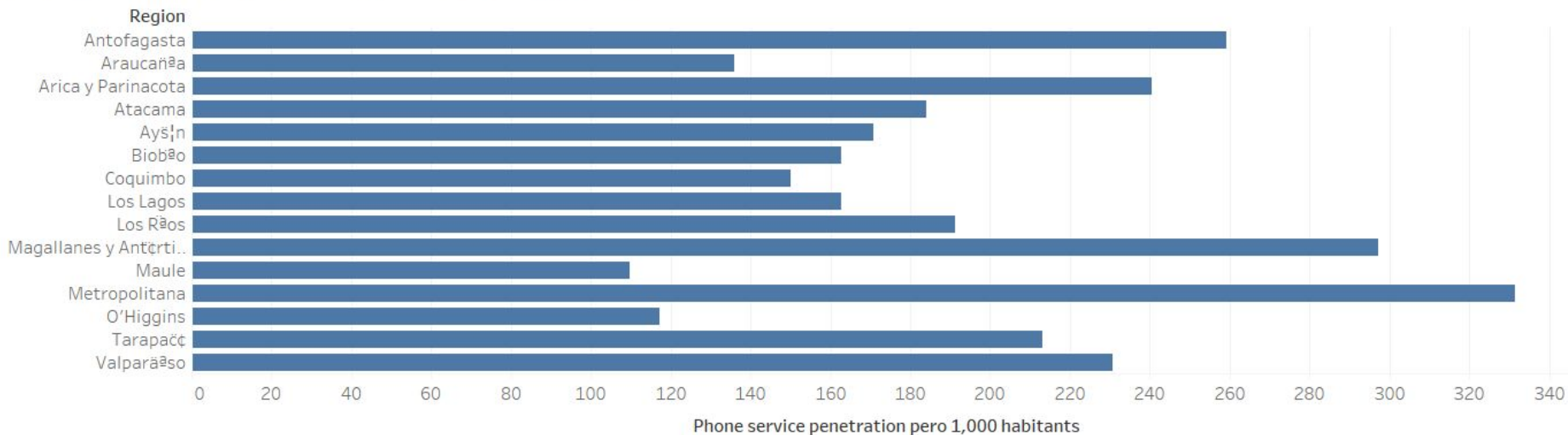
Los Lagos is the No.3 competitive region. There still exists areas we could improve. They are dimension 6 Tourism-Related Services, dimension 7 Security and Safety and dimension 9 Tourism Promotion.



# Dimension 6 Tourism-Related Services - Segment in Detail

Los Lagos has a average score in Phone service penetration pero 1,000 habitants. Compared with the other two highly competitive regions, Los Lagos has room for improvement in this respect. Supply more of it.

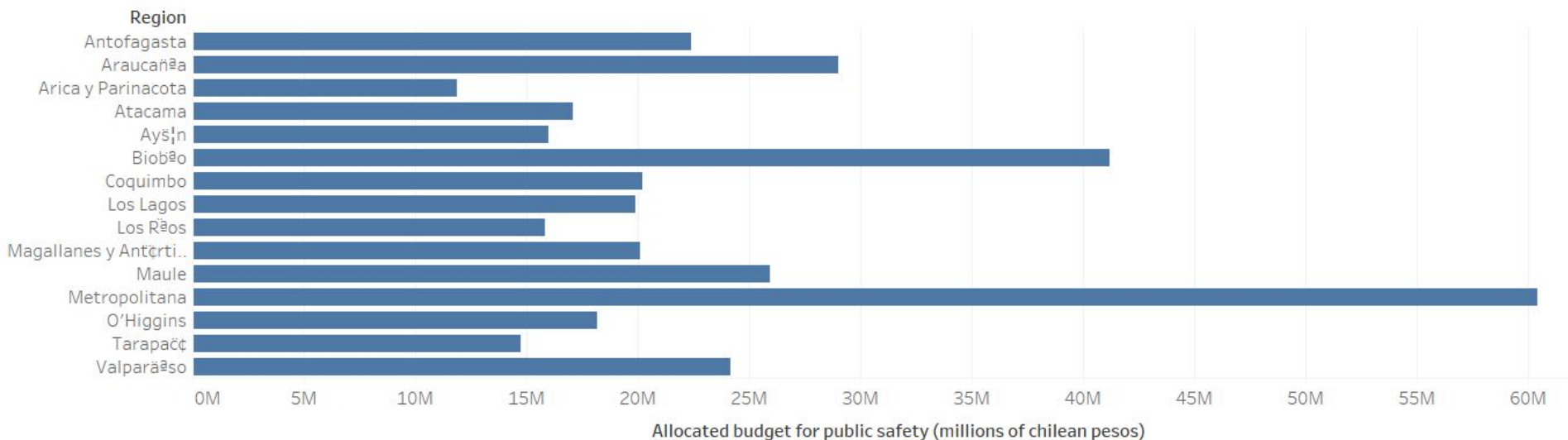
Phone service penetration pero 1,000 habitants



# Dimension 7 Security and Safety - Segment in Detail

Los Lagos has a below-average score in Allocated budget for public safety (millions of chilean pesos). Increase more of it.

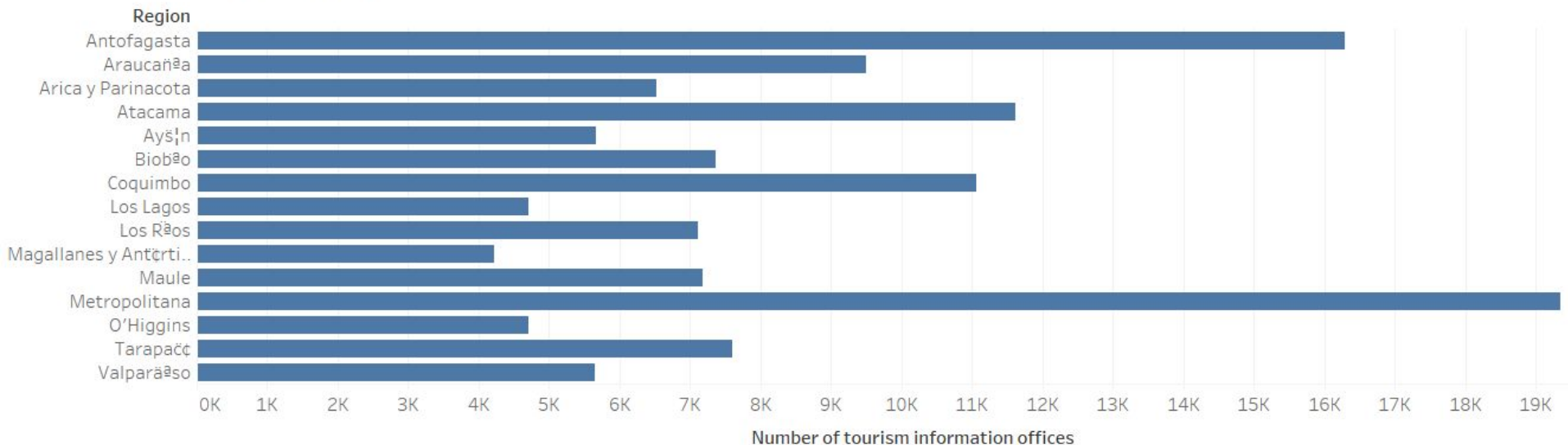
Allocated budget for public safety (millions of chilean pesos)



# Dimension 9 Tourism Promotion - Segment in Detail

Los Lagos has a below-average score in Number of tourism information offices.  
Build at more tourism information offices here.

## Tourism information offices



# Long-Term Action

To be continued.