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# **The re-born of the New Old Lisbon: Analysis of the impact of Short-term rentals platforms and Entrepreneurship**

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## **Abstract**

Lisbon is today's best world travel city destination, according to the World Travel Awards. Regarding the current tourism dynamics in Lisbon, an analysis is made on Short-term rentals platforms and on the city's entrepreneurship network, in order to evaluate the impact that those two factors had on the touristic performance of the city of Lisbon. In both analysis, we take into account the factors, technology and innovation, as critical drivers for the enduring searching of disruption and superior value creation.

**Keywords:** Tourism, Short-term rentals platforms, entrepreneurship, technology

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## **Introduction**

As for 2018, the city of Lisbon, Portugal was the major winner of the World Travel Awards, having won the prize of “Europe’s leading city destination”. Since 2009, that Lisbon is awarded by being an exquisite and unique touristic city. For this recognition, several factors have to be taken into account, as its culture, heritage (ancient beautiful monuments), its value (one of the cheapest cities to visit in Europe), its location, climate, safety (one of the safest places in Europe and world), variety (from the most wonderful natural parks in *Arrábida* to the most amazing world-class golf and casinos in *Estoril* and an amazing shore that delivers the most wonderful waves to be practice by world-class surfers in Cascais). Lisbon has appeared in several international articles claiming that it is the place to visit and about its wonderful. (The Telegraph, CNN, The Guardian).

2018, was also a year to remember, as Lisbon was the host of the biggest entrepreneurial event in the world, Web Summit and the host of the biggest song contest in Europe, Eurovision, creating again the motto to visit Lisbon and to potentiate its known and unknown.

These are some of the factors that contribute to Lisbon being Europe’s leading destination in Europe, but there are two factors that play a major role, increasing Lisbon’s attractiveness:

1. Booking online platforms
2. Entertainment and Leisure Start-ups

The first one has become such important/crucial factors has now people can find accommodation in any part of the town at a very affordable price. Moreover, we are watching to the rise of a touristic phenomenon, that is sharing economy. One of the main platforms that works relying on these values is, for example, Airbnb. Through this online platform people can rent rooms and places from other people, getting a smaller price than a hotel room. On Airbnb, people put their rooms, places for rent, for tourists to rent and use them for different purposes.

Platforms like this took such a dimension, mainly for younger people that are eager to travel, seeking adventures and a lot of different places, but are not willing to pay a lot of money for accommodation. The second factor, has been playing an increasing role in turning Lisbon into one of the most attractive cities in the world.

As we can state Lisbon primes for its diversity, but how can we take advantage from such diversity and mobility in a city like Lisbon. Start-ups through touristic plans, routes and technology, are trying to catch the most enthusiastic travellers, and adventure seekers in order to proportionate the most amusing and amazing experience when visiting Lisbon. There are for today several start-ups that try to capture “adventures” from Lisbon and by joining them with the latest technologies, they create an amazing experience for the eager tourists.

This work project will cover how those two aspects have helped change Lisbon as an attractive touristic destination. On one side, online short-rental platforms based on the sharing economy concept and on the other side the contribution of tech-based tourism start-ups to the development of a newly, renovated city.

Regarding the structure of this work project, we will firstly present a literature review, focusing on the impact of short-term rental services and tourism entrepreneurship as a drive to promote a local community and increase the economic performance of Lisbon, as a city. Secondly, we will present a brief analysis into the evolution of Lisbon a destination, giving a headlight on trends and how they can change, positively and negatively, a city’s touristic performance. Passing to the main focus of the project, the next section will present the evolution of online short-rental platforms in Lisbon and how are these platforms increasingly changing the city, presenting the case of the famous platform *Airbnb*. Then, we will explore how innovation and technology gave an impulse to the city, as a touristic break, but also as a point of connection to the creation and development of amazing disrupted tech-based touristic start-ups. In the last

part of this analysis a conclusion on both factors contribution and future suggestions, with a focus on government procedures.

## **Literature Review**

To establish a theoretical framework, in this case we must look for two different but complementary perspectives that can explain the behaviour of a given location touristic performance.

First, we must look on how these booking platforms impact a city's attractiveness and how they are revitalizing a city like Lisbon. These booking platforms, work on the short-term rental business, which comprises several types of lodgings, going from apartments, hostels and guest-houses. Due to the different characteristics of such accommodations, having a well based short-term rental business, helps cities grow on diversity as a city is able to attract different types of tourists, with different demands.

There are several benefits and perks connected with short-term rentals, when compared with the common hotel accommodation. By being a more flexible type of accommodation and also more economical, due to differences in the way it is taxed and regulated (Nicole Braun & Schafer, 2016) the typical tourist tends to bring their own home characteristics, such as food habits (JLL, 2015). By using a short-term accommodation, the experience itself will be different, as the guests will be immersed into the dynamics of a more local and authentic experience (Stors & KagerMeier, 2015b).

This type of accommodation is within the trend of sharing economy (Zervas, Proserpio, & Byers, 2014). This idea of collaborative consumption, is certainly related with information technologies, i.e. in how easy a person can sell and buy this type of accommodation. Joining together sharing economy and short-term rentals, Airbnb is a worldwide platform that revolutionized the entire tourism accommodation business. This platform was able to define an

all-new generation of travellers, by giving the real authentic experience (Stors & Kagermeier, 2015b) in an urban context. Airbnb was able to meet the demands of the *Millenials*, that together with cheap flights, potentiate the concept of low-cost tourism (Vera Rebollo & Ivars Baidal, 2009), increasing the attractiveness of a given city.

The impacts of this short-term rental business can be categorized into three levels: sociocultural, (Gu & Ryan, 2008; Fainstein & Gladstone, 1999; Brunt & Courtney, 1999; Ross, 1992) that tend to be negative to the local population, economic (Page & Hall, 2003; Cooper & Morpeth, 1998; Ross, 1992), that are in almost all of the times positive and environmental impacts (Fainstein & Gladstone, 1999; Brunt & Courtney, 1999).

In second place, an analysis has to be made on the impact of the start-ups community on a given cities attractiveness and economic growth. In this case, innovation and technology are two important inputs as they rule the creation of new and creative business ideas, aiming to change or adapt to a cities dynamic.

There is prove that there is a positive correlation between an entrepreneurship community and economic growth. However, start-ups are a very volatile type of business, as efficiency can lead to the closure of less efficient start-ups, but nevertheless there are positive effects created by this network of start-ups into a local community (Westlund & Bolton, 2003). The impact of entrepreneurship is having on the growth of a city is been very debatable, with some studies appointing the non-correspondence between the creation of start-ups and regional benefits (Audretsch & Fritsch, 1996), and some more recent that shows different conclusions on that matter (Fritsch & Mueller, 2004). Economically speaking, but the short term the impact of an entrepreneurship network tends to be negative, but in the medium/long run (10 years average), the impact shows benefits into the community (Andersson & Noseleit, 2011; Fritsch & Mueller, 2008).

But technology and innovation have also a core contribution to the development of a local economy. The great development of technologies brings the rise of new opportunities and start-ups tend to take advantage on this and, compared with already mature businesses, create immense value. This process, commonly called by disruptive innovation (Christensen, Raynor & McDonald, 2015), is the engine that fuels the economic evolution of a region regarding the opportunities created by technology (Parvinrouh & Doedderlein, 2017).

The tourism industry is as well, being revolutionized by the creation of new opportunities, driven by technology. This new products and services are aiming to change travel habits and the current approach to tourism (Antonini, 2018). Entrepreneurship plays a vital role in the creation of new opportunities and experiences in the tourism sector, as this community is in charge of the renovation of the supply of leisure and recreational opportunities (Chang, 2011). Early studies have shown even the creation of the “tourism entrepreneur” (Khanka, 1999), as the fundamental person that creates and manages touristic products and services, being their existence, the main source of the disruption levels seen today (Koh & Haltten, 2014).

## **Lisbon: The Trend**

### **Global Tourism Dynamics**

Paris, London, Rome, Amsterdam and Barcelona are European cities known globally, for their touristic interest. History, culture, monuments, cuisine, favourable weather, events, business centres, among others. Those are cities that in general, will have always high streams of tourists, being the variations on those streams not much significant. Obviously, exceptions may appear, in the case of extraordinary occurrences, such as terrorism events, that took cities such as Paris, Berlin, London and Barcelona by surprise in the past three years, affecting negatively the income of tourists, driven by the understandably security reasons.

But like in every other industry, travel and tourism is one that is and must be always in constant change and evolution as people will be always looking for new and innovative ways to travel. As said, trends play a major role in the evolution of this industry, and these past three to four years were no exception, as those were years where the industry saw the rising and the development of many trends. With these trends new opportunities always appear in order to provide the best experiences to those who seek to travel.

Today's reach for information is so fast and spontaneous, made through the great development of not only social and communication technologies, but with the increasingly integration of newly forms of technology such as A.I (Artificial Intelligence) and Blockchain solutions, made trends in this specific industry to be quite volatile, as they (will) change extremely quickly in such an advanced technological society, prevailed by the rhythm of the Millennials, with the increase of travellers' demands for newly and exquisite experiences.

Today's trends are ruled by the constant discovery of new tech frontiers and by the behavioural path of the so-called Millennials (Net or Y Generation), with trends as solo traveling, the use of unusual sites to be accommodated in, the willing to explore local unknown communities throughout their globetrotting, with a focus on social responsibility and sustainability, being today's most wanted experiences. Technology is as well influencing the way people look for adventures and experiences, making companies evolving to levels of immersive experiences never seen before.

Having that, there was a city that rose to be one of Europe's major city breaks, being the epicentre of technology, history and culture, and modernity.

Lisbon, a city that was "on its knees" not long ago, is today one of the most famous cities and tourism destinations worldwide.

The WTA (world travel awards) are considered the highest recognition a location can get in terms of tourism. Through several criteria, these tourism "Oscars" acknowledge, every year

what were the best touristic places in the world. With no exception, in December 2018, the awards were given to the best countries and cities in the world, touristic speaking, and with no surprises, Portugal was the winner of the night. Several prizes in several categories were distributed, being the most important ones awarded to Portugal and Lisbon, in world's leading destination and world's leading city destination, respectively.

The last couple of years were the confirmation of Portugal and Lisbon as world class destinations. Although Portugal and Lisbon, only were the front-runners this past two years, the development and improvement that has been put through comes from way back.

There is no point on talking about the awards, if we do not mention the reasons behind this incredible recognition.

### **Tourism Data: Portugal's Performance**

First, we must look at some data, towards the behaviour of Portugal in terms of its tourism systems. At a glance, Portugal has been growing its visitors since the year 2000. On those next 10 years, Portugal would see an increase of a modest 1.1 million tourists, from 5.7 million (in 2000) to a solid 6.8 million (in 2010) tourists. Portugal would see an extraordinary growth from 2011 to 2014, hitting an impressive 9.3 million tourists (in 2014). Since 2011, that tourism is growing continuously, being 2017 the year of an all-time record. The number of tourist arrivals rose 12%, in comparison with 2016 reaching a record of 12.7 million tourists in Portugal. In terms of tourism revenues, there was an increase of 19,5% from 12.7 billion euros (in 2016) to 15.2 billion euros (in 2017), accounting for around 10% of the Portuguese gross domestic product. 2018 shows no sign of deceleration, having the months of August and September reached a record peak of a combined 4.1 billion euros in revenues, translated to a growth of around 7%, regarding the same months in 2017.

Lisbon, was in 2017, the city that gained the most regarding the national tourism revenues, having recorded a total of 1.6 billion euros, a growth of 21,6%, compared with the numbers of 2016. The number of tourists' arrivals in Lisbon increased to an outstanding 6 million tourists accounting for more than 14 million overnight stays, in 2017. This can be reflected in the rise of the average price per room, 73€ (20,6% growth between 2016 and 2017) in Lisbon, much higher than the national average of 50,2€.

As seen, Portugal in this last 4 years presented an incredible performance on its various tourism indicators, with Lisbon being the most appreciated city in Portugal.

### **Lisbon's tourism dynamics**

After looking at the major indicators, now we're able to mention the reasons why Lisbon is outperforming every other city in Portugal and in Europe.

First of all, and one of the most important reasons is the fact that Lisbon is (still) a very affordable destination, when compared with other European cities, such as Paris and London. With the great expansion and development of TAP *Air Portugal*, Airfares are low and in long distance travels, stopovers in Lisbon are free of charge.

The development of the breakthrough Cruise Port and the investment made in Lisbon by major hospitality groups, like *Pestana* with their new joint brand with the brand *CR7*, The *Marriot* Group, *Sana*, in emerging and renovating new hotels with different styles and experiences in order to face the high tourists demand. Lisbon is perhaps one of the only cities where a tourist can visit different types of environments, being able to visit the city, having amazing riverside villages and experience and live one of the most amazing shores in Europe, recognized and admired, by world-class surfers, as one of the best to the practice of Surf (*Cascais, Carcavelos, Ericeira...*). The excellent weather all year, with emphasis to the heat of the summer, a place where culture and heritage meet, giving people the best monuments throughout the city, the

increase of protected green areas, a place with one of the best cuisines in Europe, going from the typical *Pastéis de Belém* and “*casas do fado*” to the famous and innovative two-Michelin-stars chef, José Avillez, are to excellent worthy reasons that make Lisbon a top-notch destination. But Lisbon behind its culture, history and heritage is also a very young city, in the sense that it is made thinking about younger people with its amazing night life lived in *Bairro Alto* and *Cais do Sodré*, that some say to be something out of a fairy tale, with spaces like the *Village Underground Lisboa*, a working space and a living art gallery, made out of old buses and shipping containers, the world-famous events such as Nos Alive, Rock in Rio, Comic-Con Portugal, Lisbon Dance Festival, being 2018, year to remember, as Lisbon was the host of the biggest entrepreneurial event in the world, Web Summit and the host of the biggest song contest in Europe, Eurovision, creating again the motto to visit Lisbon and to potentiate its known and unknown.

Lisbon has been this past few years an education hub, as students from all around the world come to study in Top-Notch Universities such as NOVA School of Business and Economics, ISCTE Business School and *Católica*, featured in the most prestigious European and world rankings.

But Lisbon wouldn't be Lisbon without it's wonderful people being one of the most tolerant cities in the world, where people notwithstanding the gender, ethnicity, social status and religion are accepted, and where every single local knows how to speak (even if poorly) in English, French and even Spanish, or at least some basic vocabulary.

Unfortunately, the very recent wave of terrorism lived in Europe (France, Germany) and in countries like Tunisia, also contributed to the increase of Lisbon's attractiveness, due to the its high levels of security.

In today's ever-changing society, we must not forget the role that technology and innovation has been playing in increasing the city's attractiveness either for tourists, either for big companies to apply their investment to the city. There has been a real debate about how much of an impact these factors are having on increasing the tourist revenues into a city like Lisbon. On one hand, on this so called global information network, on which everyone has access to information in every part of the world, the role of the booking online platforms must be praised for bringing to Lisbon an increasingly flow of tourists. Platforms such as Airbnb and Booking.com are giving tourists a wide range of experiences, potentiating this trend called Lisbon.

On the other hand, the role of touristic start-ups is being extremely important in delivering new wide spectrum of experiences but also to potentiate what a city like Lisbon as to offer to its tourists. Today's start-ups, in order to succeed in Portugal's tourism industry, join together technology, innovation and sustainability. The development of strategies to increase and potentiate the creation of these start-ups are very young, but very promising as they are already giving benefits to the city of Lisbon.

### **Online Booking Platforms**

Online Booking Platforms have become such an important/crucial factor to the growth of a given city tourism and attractiveness has now people can find accommodation in any city at the click of button. In any part of the world, one can easily research and book accommodation for wherever the tourist wants, without the use of intermediaries, such as travel agencies, being the globetrotting easier and cheaper. Moreover, these platforms work on an integrated system, as they are just not connected to the places for accommodation (hotels, apartments, houses) but to other types of services, such as flight booking, car rentals and leisure & entertainment service providers, accelerating and assisting the process of vacation planning and also promoting the

local tourism service providers. Additionally, these platforms today are more and more integrated with the latest innovations and technology solutions, referring the implementation of A.I. systems, that grant its users a more customized service and solutions, providing different experiences to different tourists, but also grant an increase in efficiency towards the services providers, as this AI systems will boost the volume of direct bookings and maximize the profitability on the reservations.

The concept of sharing economy is driving these platforms into the development of solutions and experiences for those who look for a sustainable and cheaper way to travel. The concept of sharing economy, or also known as collaborative consumption is based on the preference of a certain individual to borrow or rent goods, instead of owning them.

### **Airbnb: Lisbon's case**

*Airbnb* is an online booking platform, that works under the concept and values of the shared economy concept. Through this online platform people can rent rooms and places from other people, getting a smaller price than a hotel room. On *Airbnb*, landlords put their rooms and places for rent, for tourists to rent and use them for different purposes. Platforms like this took such a dimension, mainly for younger people that are eager to travel, seeking adventures and a lot of different places, but are not willing to pay a lot of money for accommodation. Today Airbnb works on three integrated types of services: homes/rooms, experiences and restaurants, offering integrated solutions for those who seek to travel.

Lisbon has been a city that is benefiting from this platform, in many different ways. Airbnb, which promotes local lodging gave Lisbon an increase and diversification in tourism, gave support to middle class families, attracted new guests following the trends of sharing economy, giving guests a local, traditional experience and at last gave a really decent boost to Lisbon's

municipality. In fact, there is data that substantiates the benefits of such platform. First of all, platforms like this which provides rooms to rent on informal houses and apartments, most of the times outside the typical neighbourhoods, promotes urban rehabilitation and potentiates the local commerce. On one hand, 70% of all Lisbon guests stay outside the common touristic areas and together with the fact that nearly 72% of the Lisbon's Airbnb hosts have lived in the city for the past 25 years, being the listings their local homes, gives guests a local immersion and experience of Lisbon's life and offers them an all-new insight into places that a typical tourist would never knew about. On the other hand, almost 40% of Lisbon's Airbnb guests spends their money on the local businesses which in 2016, was translated into a notable 224.9 million euros, invested in local businesses.

Secondly, Airbnb business model prevails the use of hosts, granting them the right to rent their room, apartment, house for a given fee. Based on this business model, this specific platform backs middle class families in the city of Lisbon. There are more than 4500 hosts, that typically can obtain around 4000€ worth of rents, totalizing an impressive value of 42.8 million euros worth of profit to the local hosts.

One a third note the government also benefits with the presence of this type of platforms in Lisbon as it gives local municipalities a great boost in taxes. In 2017, the municipality of Lisbon earned 3.8 million euros just with touristic taxes. This specific tax, comes off from a deal made by the Lisbon Municipality and the platform Airbnb, in order to promote a more responsible and sustainable share system and facilitate the charging of this taxes by the government.

### **Lisbon: Creative and Tech start-up hub**

#### **The Perfect Environment for Creation and Innovation**

In 2016, Lisbon was the host of Web Summit's 8<sup>th</sup> edition, bringing to the city, as stated by Forbes "The best technology conference on the planet". In October 2018, the municipality of

Lisbon announces the deal made with Web Summit, granting the conference presence in Lisbon for the next 10 years.

Since 2016, that the start-up community is flourishing due to the presence of Web Summit in Portugal. We are talking about not only Portuguese entrepreneurs, but creators and inventors from around the world, driven by the great entrepreneurial environment created by both private institutions and the government itself. Today, Lisbon counts with world class tech-based accelerators, such as EIT and BGI (Building Global Innovators) and with the most advanced and preeminent incubators, such as *Start-up Lisboa*, *Labs Lisboa* and *Beta-I*, promoting creation and innovation.

The tourism industry, has been no exception with several entrepreneurs creating and innovating, putting together the best of technology at the service of tourists and service providers in order to take the most advantage out of the great success that Lisbon has been having throughout this last 4 years. This factor, has been playing an increasing role in turning Lisbon into one of the most attractive cities in the world. As we can state Lisbon prides for its diversity, but how can one can take advantage from such diversity and mobility in a city like Lisbon?

### **Portuguese Government vs. Entrepreneurship**

The Portuguese government and the municipality of Lisbon saw the opportunity as well in having and supporting projects where tourism would meet innovation and technology, but unfortunately the support and investment in the start-up community, specialized in touristic services, is still very young and undeveloped.

The government delivers this investments and partnerships through *Turismo de Portugal*. Up to this date, we have in Lisbon two main acceleration programs, delivered both by partnerships developed by *Turismo de Portugal*, with *Beta-I* (a Portuguese incubator and accelerator) and with *Fábrica de Start-ups* (a Portuguese incubator).

“Tourism Explorers”, which is the largest national acceleration program for start-ups in the tourism industry, was born in 2017 and aims to potentiate the development of Portugal’s entrepreneurship community, by supporting the creation of new businesses and start-ups that offers new and exciting products and services, focused the tourism industry.

With Beta-I, “The journey” was developed in 2017 and aims to look for start-ups and business ideas, that present solutions in the areas of the destination experience, business optimization and sustainable tourism. They look for already made products and services in order to be tested at national level

Besides being two different programs, Beta-I’s “The Journey”, it’s a more complete program, for i) opening the program on a European level, bringing inputs and all new ideas from the European community, to Portugal and ii) for partnering with big tourism and tech players such as Airbnb, *Pestana* Group, NOS, *Agência Abreu* and *Cityrama* (*Barraqueiro*’s group). Star-ups will benefit from having the support of big companies, but the interesting is that this big companies will take a bigger advantage on partnering in this program, as there will be an immersion and creative transmission between the start-ups and big corporates.

Looking at some data towards the government expenditure on accelerating start-ups, is going to increase in 2019. As stated by Ana Mendes Godinho, the tourism State Secretary, there will be available a total of 1,5 million euros (*Turismo de Portugal*, 2018) to be invested in acceleration programs, that can be translated in over 450 start-ups accelerated. These numbers are positive as they go hand-to-hand with the growth of Lisbon’s affluence of tourists, showing a growth compared with 2018 and 2017. In 2018, there were 15 tourism acceleration programs with over 350 accelerated start-ups.

### **Lisbon Tech-based Start-ups**

Start-ups through touristic plans, routes and technology, are trying to catch the most enthusiastic travellers, and adventure seekers in order to proportionate the most amusing and amazing

experiences when visiting this amazing city. There are, therefore several start-ups that try to capture “adventures” from Lisbon and by joining them with the latest technologies, they create an amazing experience for the most eager tourists. There are four projects, as a result of the above stated acceleration programs that took Lisbon by storm, increasing its attractiveness offering products and services, to ultimately deliver the best experience possible to a tourist in Lisbon.

### **Live Electric Tours**

Founded in 2017 and considered the best European tourism start-up in 2018, this start-up through a 100% electric fleet of cars, aims to revolutionize the way tourists travel around Lisbon. It is defined as a self-driving experience, in electrical cars through several routes throughout the city of Lisbon. These specific cars are equipped with free Wi-Fi, GPS audio guide and a live camera, granting the tourists the possibility of sharing their entire experience with family and friends, via their social networks (via Facebook, Youtube, Instagram, Vimeo). Through different types of routes, the company offers routes and plans for everyone, depending on what the tourists are willing to visit.

Their success in Lisbon is obvious and growing and in these almost 3 years of existence, Live Electric Tours has been proving their value in changing the city’s mobility concept, earning already an investment of 700,000€, secured by Portugal Ventures. An investment like this will be used to expand their success to other cities in Portugal.

By combining ecological sustainability with technology, Live Electric Tours offers not only a service, but a full immersion experience in the beautiful city of Lisbon. They took full advantage of being in a city as Lisbon. First in Lisbon, electrical cars are free of charge in terms of parking and together with the fact that their cars are really small, it is a great advantage for tourists as they can park literally anywhere without any cost. Secondly, people nowadays tend to more often communicate and share their lives through social media and Live Electric Tours

has integrated those social media vibes into their product, without any additional cost or effort has the car is equipped with all the necessary tools to make it happen. At last, through the use of electric energy, they promote an efficient, ecological and sustainable way to move along a crowded, polluted city like Lisbon.

With tourism increasing in Portugal, an opportunity was taken to give the best experiences and at the same time improve the quality of life.

With a younger target, this start-up has already contributed to the emerging attractiveness and success of Lisbon as a destination, joining on one service the latest trends on tourism

### **SnapCity**

SnapCity – ask locals and get tips for free. As stated above in this deep analysis, tourists are demanding more services that can provide them a more earth-to-earth experience, getting to know more about the communities they are visiting on. SnapCity is an online platform, that assures the connection between tourists and locals from a wide range of cities, including Lisbon, Porto and Algarve. More than reading the touristic guides, this online chat platform, gives tourists the possibility to talk with a local resident in order to get the best advices, regarding restaurants, secret city spots, creating a much more interesting experience tourists. Moreover, the locals are rewarded by helping tourists with their advices.

### **City Guru**

City Guru is a company that offers a different range of tours and touristic plans through Lisbon either for individuals, either for small groups. But these tours aren't made by anyone. Every single guide is a local from a Lisbon, or as they called them "Little Lettuces". Which better way to get to know Lisbon by the eyes of the locals, discovering hidden gems and authentic places

out of the tourist traps. These services are complemented by an online platform, that aims to connect, again tourists with different locals, but now expanding to cities beyond Lisbon.

## **Hijify**

Considered one of the best applications for tourists in Lisbon, this platform is a two-side business, that benefits the hotels and helps the tourist through the all reservation process. In an integration of A.I technology, Hijify delivers a top-notch chat booking assistant, replying instantly to all customer queries through messenger, re-engaging with customers that didn't make a reservation. In a nutshell, this company is able to deliver on one side an online communication agent, that by the use of AI, delivers a fast and integrated booking system and on the other side a quick and responsive online agent, which grants tourists a guidance through the all process of booking a room, from researching to the final payment transaction.

## **Lisbon attractiveness through technology and innovation**

As stated above, Lisbon sees no holding back, regarding its touristic performance. Several indicators and factors were analysed and previsions are very promising to the city of Lisbon as top-notch destination. Not long ago, Lisbon was decadent and old city, that became a trend overnight being now a creative and technological hub, that attracts tourists, but also an all other community of inventors, creatives and entrepreneurs seeking to benefit from Lisbon's network. The evolution made by Lisbon, regarding the opportunities created by the investment in new technologies and, has been massive, as the created value surpasses, the value from those typical touristic cities.

These four start-ups analysed here, are just the ones selected to have the most potential, regarding the integration of new technologies, to the development and growth of Lisbon as a destination, but these ones are just the "tip of the iceberg". With the goal of potentiate

innovation, internationalization and entrepreneurship, Turismo de Portugal chose the best Portuguese start-ups (*Infraspeak, Hijiffy, SnapCity, Workzebra, Hotelvoy, Farmer Experience, Go2Nature, Tandem Innovation, Helppier, Climber Revenue Strategy, YnnovBooking, Portugal 4all Senses, myportugalforall, Portuguese Table, Marisa Maganinho, travel&experiences, City Guru, Green Stays* and *Social Impactrip*) to represent Portugal and Lisbon at a worldwide level. The impact of these touristic projects and solutions are having a real impact in the promotion of Lisbon as not just a place to visit, but a place to experience. Where history and culture are joined together with innovation and technology

### **Conclusion and Future Suggestions**

Lisbon, is without a doubt, one of today's "hottest" cities to visit, becoming a trend over the past 5 years. This was due to a combination of internal and external factors that facilitated the development of Lisbon as city break. Lisbon, by putting together the latest trends of tourism to attract more people, has become itself a trend.

The focus on *Millennials* demands, generation known for being the cause of great changes in the behaviour of society. this generation put together the all concept of low-cost travelling (Vera Rebollo & Ivars Baidal, 2009), concept which was essential to the growth of tourism in Lisbon. Low priced flights to Lisbon, cheaper ways to get accommodation through several platforms, with a wide variety of different types of accommodations.

The pursuit for innovation and creativity, granted Lisbon a level of advanced technology and tourism solutions, giving the city a new renovated youth wave. The presence of great events in Lisbon such as the *WebSummit* conference, conference which brought suddenly the most creative minds and entrepreneurs to Portugal, challenging them to come up with disrupted ideas, in order to continuing innovating.

The call for constant disruption, made by the government and Lisbon municipality, as established Lisbon as one of the “coolest” city breaks. The environment created by the different state agents for innovation to happen, drive Lisbon to be one of the best performing cities in Europe and globally, in tourism.

The end of 2018, was prove that the tourism industry has still lot to grow and innovate, with the arrival of another successful online booking platform, *Yescapa*, the *Airbnb* of Campervans. It works on the base of the concept of sharing economy, as the owners of the vans, rent them to tourists who wish to experience and travel with one. Portugal, was a beloved market for them right from the beginning and at the time they came to in, derived from the great growth in tourism, their sales had an exponential increase, as Portugal was the most wanted country between the users of this online platform. *WebSummit* has renovated their contract with the municipality of Lisbon to stay for more 10 years, now with special features and acceleration programs towards tourism start-ups, translated in several millions worth of value created for Lisbon as a city and as a destination. At last on the break of 2019, excellent news from *Turismo de Portugal*, has they will double the investment in the caption, acceleration and incubation of new business ideas, focused on tourism the with integration of new technologies and support throughout the entire lifecycle of the start-up.

Regarding future suggestions there are 3 factors, that the government, has to look for in the short-term and give support in order to facilitate future growth. Although these government partnerships for accelerators and incubators are still very new, there are already a few gaps that we must take into account for future recommendations. First i), there is a gap, although a decreasing one, on the creation of new start-ups and the integration of those ideas within the major players in the industry. Several start-ups fail in their early years due to fact of not having the needed insights and support to proceed their innovation, and an idea that was good

presumably, gets lost. There is still a gap to fill, on the transfer of knowledge between entrepreneurs and big corporates, which can potentiate the creation of value between both.

Then ii) make a closer approach on the use of universities as an engine to create value. Lisbon has top European universities, with the creative and innovative people that can potentiate technology and innovation in the creation of new business ideas. As of today, that are already programs available, but their dimension is still very small, regarding the “quantity” of knowledge available.

On a third point iii) the continuously rising in the demand for platforms like Airbnb in the centre of Lisbon, as rose a problem of excessive house pricing, which is an obstacle for students and middle-class families, who might leave the city due to high rents. The municipality of Lisbon has already addressed the problem, but with expected 80 million overnight stays in 2027 (previsions from *Turismo de Portugal*), the problem could start to drive away touristic capacity and decrease Lisbon’s attractiveness.

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