# Chapter 11 Digital Marketing as a Driver of Tourism: Case Study in Paraty, Rio de Janeiro, Brazil

# Gabriel Vieira Mendes Figueiredo

Pontificia Universidade Católica de São Paulo, Brazil

#### João Pinheiro de Barros Neto

https://orcid.org/0000-0002-5680-6658

Pontifícia Universidade Católica de São Paulo, Brazil

## **ABSTRACT**

Brazil has enormous, underexplored tourism potential. To identify how digital marketing can boost tourism, the authors chose to examine the city of Paraty—a touristic microcosm of Brazil. Digital marketing is a low-cost marketing strategy that can reach potential tourists anywhere. Its use by tourism entrepreneurs has proven effective and able to generate significant return on investment. This exploratory study aimed to develop hypotheses. The authors used questionnaires and interviews to assess the perception of local tourism entrepreneurs regarding the affordances and advantages of digital marketing tools, techniques, and strategies. They found that entrepreneurs' adoption of digital marketing brought several benefits, including low investment costs and significant returns. However, the research revealed the need for training, mainly for small entrepreneurs to explore the numerous opportunities of the web in their businesses. Public authorities can also play a more leading role in combining and steering efforts to promote tourism.

### INTRODUCTION

The tourism industry was one of the most impacted by the crisis triggered by the coronavirus, as social isolation was very cruel to the sector. Faced with such a delicate scenario, challenges were imposed, and companies had to adopt all kinds of strategies, many of them in the virtual world. Others, however, went even further, and began to offer a brand-new experience more suited to times of social distance. A

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#### Digital Marketing as a Driver of Tourism

famous example was given by the Canadian Museum of Human Rights (https://humanrights.ca/), which now offers the experience "Explore the Museum from Home".

Through videos lasting 5 to 20 minutes, guided by collaborators, it is possible to discover the space and attractions as if it were a face-to-face visit.

However, in Brazil the situation was much worse because Brazilian tourism is mainly based on its natural beauty, a type of tourism that needs to be experienced. In addition, digitalization is reaching the main sectors of the Brazilian economy and tourism has not yet strongly adopted digital marketing strategies, much less opened up to the possibilities of hyper-personalization.

In this context, this chapter explores the affordances of digital marketing strategies to help increase the income of small and medium-sized tourism entrepreneurs in Paraty, in the state of Rio de Janeiro, Brazil.

Paraty is a famous tourist destination in Brazil due to its historical and cultural heritage, including colonial churches and buildings. In July 2019, Paraty was added to the UNESCO World Heritage List.

However, Paraty's immense tourism potential is still underexplored, given the lack of structured actions to promote tourism in a systematic fashion. Even the city's official website (http://www.paraty.com.br/) is a private initiative of a company based in São Paulo.

According to the World Tourism Organization (UNTWO, 2019), Brazil receives only around six million foreign visitors per year, ranking low in the list of top 50 destinations in the world.

No transparent information has been published in Paraty about the amount invested to leverage tourism through marketing. The local tourism department has not conducted any recent observation efforts, and we have seen a lack of professionalization in the industry. Because of this, online advertising for tourism has paled compared to what the city has to offer.

Based on social media and in-person visits to the city, our perception is that only the largest agencies have been engaged in digital marketing. Many locals and small business owners who live off tourism still lack an online presence and largely depend on the high season and word-of-mouth advertising to earn their income.

Thus, entrepreneurs need to act to promote their tourism businesses in a cheap but effective way. Social media and social networks, if well used, can have promising effects—not only for entrepreneurs themselves, but also for the city as a whole and nearby municipalities.

Considering the city's immense but underutilized tourism potential, this study explores whether small and medium-sized entrepreneurs could use digital marketing strategies to boost tourism and increase their income.

# **BACKGROUND**

# **Digital Marketing**

Marketing has evolved from product-driven (1.0 companies were focused on production and its portfolio; there was no glaring concern with brand building, market segmentation and personalization), to consumer-centric (2.0 market segmentation emerges with the objective of delimiting groups with common interests, and based on this filter, the proposal was to understand their concerns and propose customized solutions) to human-centric (3.0). In marketing 3.0, products, services, and business cultures ought to adopt and reflect human values to be successful. Such evolution happens to win the minds and hearts of consumers (Kotler, 2021).

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