

Assessing Tourism Potential in Emerging Destinations: A Municipal Tourism Potential Index Approach in The São Francisco Valley

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ABSTRACT: Tourism has increasingly been recognized as a strategic pathway for territorial development in emerging destinations. Nevertheless, many municipalities possessing valuable environmental, cultural, and productive assets continue to face difficulties in transforming such resources into structured tourism development due to institutional and governance constraints. This study aimed to assess the tourism potential of Lagoa Grande, located in the São Francisco Valley, Brazil, through the application of the Municipal Tourism Potential Index (MTPI). The research adopted an applied, quantitative, and descriptive case-study design. The theoretical framework was developed through a structured review of 15 core references that constituted the study corpus, encompassing tourism potential, destination competitiveness, governance, smart tourism, wine tourism, and sustainable territorial development. Data were collected through the MTPI instrument, composed of 75 indicators distributed across five analytical dimensions: Environmental and Natural, Infrastructure and Tourism Services, Cultural and Historical, Socioeconomic, and Governance, Management and Public Policies. The results revealed a global MTPI score of 41.33, classifying the municipality at the Critical level of tourism potential. Environmental and Cultural dimensions achieved the highest scores, whereas Socioeconomic conditions and Governance presented the greatest weaknesses. The findings reveal a territorial development paradox characterized by strong wine tourism potential and territorial identity coexisting with low institutional capacity and limited tourism structuring. The study demonstrates that tourism development depends not only on attractions but also on governance, planning, and evidence-based decision-making. It concludes that Lagoa Grande possesses significant latent tourism potential, particularly in wine tourism, whose realization depends on institutional strengthening and integrated territorial development strategies.

KEYWORDS: Governance. Competitiveness. Wine Tourism. Territorial Development. Sustainability.

1. INTRODUCTION

Tourism has become an important mechanism for territorial development, particularly in regions seeking economic diversification and greater valorization of local resources. Beyond income generation, tourism can strengthen cultural heritage, promote social inclusion, and support environmental conservation when supported by effective governance and planning (Beni, 2019; Hall & Lew, 2009; Sachs, 2008). Its contribution therefore extends beyond economic activity, influencing broader territorial dynamics and development processes.

Although tourism is increasingly recognized as a development strategy, assessing tourism potential remains a challenge in destinations that have not yet reached maturity. Traditional approaches are generally centered on competitiveness and performance indicators, privileging destinations with consolidated tourism sectors (Crouch, 2011; Dwyer & Kim, 2003; Ritchie & Crouch, 2003). Such frameworks often overlook latent capacities present in emerging territories, where environmental, cultural, infrastructural, socioeconomic, and institutional conditions may support future tourism development despite limited current performance (Hall, 2008; OECD, 2022).

The São Francisco Valley hosts one of the world's most distinctive wine-producing regions, characterized by irrigated viticulture under semi-arid conditions. Within this context, Lagoa Grande has become nationally recognized for its grape and wine production. Wine tourism represents more than an economic opportunity; it constitutes a mechanism for connecting agricultural heritage, gastronomy, cultural traditions, and local landscapes into authentic tourism experiences capable of reinforcing territorial identity and destination differentiation (Hall et al., 2000; Mitchell & Hall, 2006; Pine & Gilmore, 1999).

Despite growing interest in tourism development within the São Francisco Valley, systematic assessments of the structural conditions that enable tourism remain limited. Existing studies frequently emphasize attractions or tourism segments while paying

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less attention to the multidimensional capacities that shape destination development. By applying the Municipal Tourism Potential Index (MTPI), this study contributes to debates on territorial development, tourism governance, and evidence-based planning through an integrated assessment of environmental, infrastructural, cultural, socioeconomic, and governance dimensions (European Commission, 2016; Gomes & Farias, 2026; Gretzel et al., 2020).

This study addresses the following research question: What is the level of tourism potential of Lagoa Grande, Pernambuco, as measured by the Municipal Tourism Potential Index (MTPI)?

The main objective is to evaluate the tourism potential of Lagoa Grande through the application of the MTPI.

The specific objectives are:

- a) To assess the Environmental, Infrastructure, Cultural, Socioeconomic, and Governance dimensions;
- b) To identify the main strengths and weaknesses affecting tourism development;
- c) To analyze the relationship between territorial assets and institutional capacity;
- d) To propose strategic recommendations for tourism planning and governance.

The article is organized into six additional sections. The theoretical framework discusses tourism potential, governance, sustainable development, smart destinations, and wine tourism. The methodology presents the MTPI application procedures. The results section reports the findings for Lagoa Grande, followed by a discussion that interprets the evidence within broader debates on tourism development. Strategic recommendations for public policy are then presented, and the article concludes with its main contributions, limitations, and future research directions.

2. THEORETICAL FRAMEWORK

2.1 Tourism Potential, Destination Competitiveness and Destination Life Cycle

The assessment of tourism potential has emerged as an important challenge within tourism studies, particularly in territories where tourism activity remains incipient or insufficiently structured. A substantial part of the international literature has traditionally focused on destination competitiveness, emphasizing factors associated with market performance, visitor attraction, productivity, and long-term positioning. Although these approaches have generated important advances in understanding tourism development, they frequently privilege destinations that already possess consolidated tourism industries (Ritchie & Crouch, 2003; Dwyer & Kim, 2003).

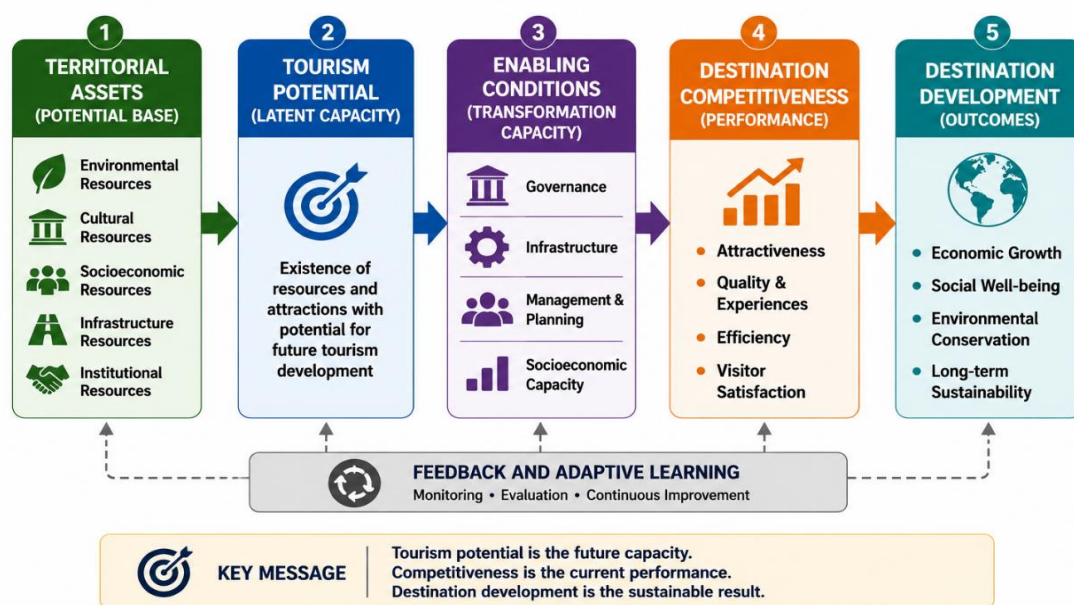
Within this perspective, destination competitiveness is generally understood as the ability of a territory to create and sustain superior value for visitors while simultaneously generating benefits for residents and preserving local resources. Competitiveness therefore depends not only on the existence of attractions but also on infrastructure, governance arrangements, institutional capacity, and the quality of the visitor experience (Crouch, 2011; World Economic Forum, 2024).

A critical limitation emerges when these frameworks are applied to municipalities that have not yet reached advanced stages of tourism development. Many territories possess valuable environmental, cultural, and socioeconomic assets but lack the institutional and operational conditions necessary to transform such resources into consolidated tourism products. In these contexts, competitiveness indicators may underestimate future development opportunities because they tend to measure current performance rather than latent capacities.

The destination life cycle model proposed by Butler (1980) offers an important contribution to this debate by recognizing that destinations evolve through different stages over time. Exploration and involvement phases are typically characterized by limited infrastructure, weak governance structures, and modest visitor flows. As a result, destinations in early stages frequently exhibit low competitiveness scores despite possessing significant development potential. This distinction suggests that tourism potential should not be conflated with competitiveness, since the former reflects future developmental capacity whereas the latter often reflects present performance.

Building on this argument, tourism potential can be understood as the set of territorial conditions that enable future tourism development, including environmental resources, cultural heritage, infrastructure, governance arrangements, and socioeconomic capabilities. Such an interpretation broadens the analytical focus beyond market outcomes and directs attention toward the structural foundations upon which sustainable tourism systems can emerge.

Figure 1. Conceptual Relationship Between Tourism Potential, Competitiveness and Destination Development



Source: The authors themselves.

Figure 1 illustrates the conceptual distinction between tourism potential, destination competitiveness, and destination development, emphasizing that these concepts represent interconnected yet distinct stages within the tourism development process. The model suggests that territorial assets, including environmental, cultural, socioeconomic, infrastructural, and institutional resources, constitute the foundational conditions from which tourism potential emerges. In this context, tourism potential is understood as the latent capacity of a territory to support future tourism development. However, the mere existence of such assets does not automatically generate tourism outcomes.

The conversion of potential into competitiveness depends on enabling conditions such as governance, infrastructure, planning capacity, and socioeconomic support systems, all of which have been consistently identified as critical determinants of destination performance (Ritchie & Crouch, 2003; Dwyer & Kim, 2003; Crouch, 2011).

Competitiveness, therefore, reflects the current ability of a destination to attract visitors, create value, and deliver quality experiences, whereas destination development represents the broader and longer-term outcomes of this process, including economic diversification, social well-being, environmental conservation, and territorial resilience. The framework also aligns with Butler's (1980) destination life cycle theory by recognizing that territories may possess substantial tourism potential even when they remain in early stages of development and exhibit limited competitiveness.

By incorporating feedback and adaptive learning mechanisms, the figure further highlights the importance of evidence-based governance and continuous monitoring as essential processes for transforming latent territorial capacities into sustainable tourism development over time (World Economic Forum, 2024).

2.2 Territorial Governance and Evidence-Based Tourism Planning

Tourism development is not determined exclusively by the availability of attractions or natural resources. Institutional arrangements, stakeholder coordination, public policies, and governance structures play a decisive role in shaping the trajectory of destinations. Consequently, understanding tourism development requires examining the capacity of local actors to organize collective action and coordinate strategic interventions over time (Hall, 2008).

The governance literature emphasizes that tourism destinations function as complex systems involving governments, businesses, community organizations, and residents. Effective coordination among these actors becomes essential for addressing common challenges, reducing conflicts, and promoting shared development goals. Weak governance structures frequently result in fragmented policies, inefficient resource allocation, and discontinuity between planning initiatives and implementation processes (Bramwell & Lane, 2011).

Network approaches further reinforce this perspective by demonstrating that tourism outcomes are influenced by the quality of relationships established among local actors. Destinations characterized by stronger institutional networks tend to exhibit greater adaptive capacity, knowledge exchange, and collective problem-solving capabilities. Conversely, weak connectivity among stakeholders often constrains innovation and reduces the effectiveness of public interventions (Scott et al., 2008).

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Contemporary public management increasingly emphasizes evidence-based planning as a mechanism for improving decision-making processes. Within this framework, reliable indicators and monitoring systems become fundamental tools for reducing informational asymmetries and supporting strategic governance. The OECD (2022) argues that destinations capable of generating and using quality information are better positioned to identify priorities, allocate resources efficiently, and evaluate policy outcomes. This perspective highlights the relevance of diagnostic instruments capable of translating complex territorial realities into actionable knowledge for decision-makers.

2.3 Sustainable Tourism and Territorial Development

Discussions surrounding tourism development have progressively shifted from purely economic concerns toward broader territorial and sustainability perspectives. Economic growth alone is no longer considered a sufficient indicator of development, particularly in regions characterized by environmental vulnerability, social inequalities, or uneven access to opportunities. Tourism therefore faces the challenge of contributing simultaneously to economic prosperity, social inclusion, and environmental stewardship (Sachs, 2008).

Territorial development approaches emphasize the importance of mobilizing endogenous resources and strengthening local capacities. From this standpoint, development emerges through the interaction between economic activities, social institutions, cultural identities, and environmental assets. Tourism can contribute significantly to this process when integrated into broader territorial strategies rather than treated as an isolated economic sector (Beni, 2019).

Environmental sustainability constitutes another central dimension of this debate. Tourism frequently depends on the conservation of natural and cultural resources, yet poorly managed development may accelerate environmental degradation and undermine the very assets upon which tourism depends. Such tensions highlight the need for planning models capable of balancing economic objectives with long-term ecological preservation (Sharpley, 2009).

Additional complexity arises from the diverse impacts generated by tourism activities. Benefits and costs are often distributed unevenly across territories and social groups. Consequently, evaluating tourism development requires considering not only economic indicators but also broader social, environmental, and governance outcomes. A comprehensive understanding of tourism impacts allows planners and policymakers to identify opportunities while mitigating potential negative consequences (Hall & Lew, 2009).

2.4 Smart Destinations and Tourism Indicator Systems

The emergence of smart destination frameworks has transformed discussions about tourism governance and destination management. Although technological innovation represents an important component of this paradigm, the concept extends far beyond digital infrastructure. Smart destinations are characterized by their ability to collect, process, interpret, and utilize information to improve planning, management, and visitor experiences (Buhalis & Amaranggana, 2014).

Recent scholarship highlights that data-driven governance has become a fundamental requirement for contemporary tourism management. The increasing complexity of destinations demands analytical tools capable of transforming large volumes of information into actionable insights. Effective governance depends not merely on data availability but on institutional capacities to convert information into strategic decision-making processes (Gretzel et al., 2020).

Within this context, tourism indicator systems have gained prominence as instruments for monitoring destination performance and supporting sustainable development strategies. Indicator frameworks facilitate the assessment of multidimensional phenomena by integrating environmental, economic, social, cultural, and institutional variables into coherent analytical structures. Their primary contribution lies in simplifying complex realities without disregarding their multidimensional nature (European Commission, 2016).

International organizations have increasingly advocated the use of indicators as mechanisms for aligning tourism development with broader sustainability agendas. Measurement systems contribute to transparency, accountability, and adaptive management while supporting long-term monitoring processes. Such approaches are particularly valuable in destinations where tourism remains in early stages of development and where institutional learning processes are still emerging (UNWTO, 2018).

2.5 Wine Tourism, Experience Economy and Territorial Identity

Wine tourism has evolved from a niche tourism activity into one of the most dynamic segments of contemporary tourism development. Its significance extends beyond the consumption of wine products, encompassing cultural heritage, agricultural landscapes, gastronomy, local traditions, and place-based experiences. This multidimensional character allows wine tourism to function as an important mechanism for territorial differentiation and economic diversification (Hall et al., 2000).

Research on wine tourism consistently demonstrates that successful destinations are not defined solely by production quality. Visitors increasingly seek meaningful experiences capable of connecting them with local histories, identities, and cultural practices. Such experiences create emotional bonds between visitors and destinations, generating forms of value that transcend conventional tourism products (Mitchell & Hall, 2006).

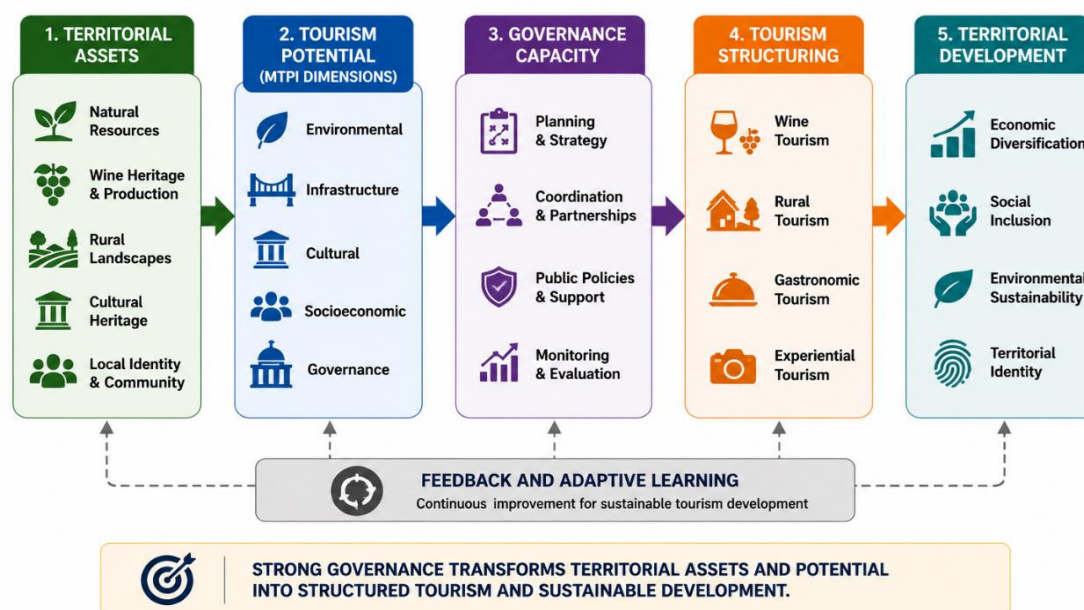
The experience economy framework provides additional theoretical support for understanding these transformations. Contemporary tourists increasingly value authenticity, immersion, and personal engagement. Under this perspective, memorable experiences

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become central components of destination competitiveness and attractiveness. Economic value is therefore generated not only through products and services but also through the capacity to create meaningful interactions between visitors and places (Pine & Gilmore, 1999).

Territorial identity occupies a strategic position within this process. Destinations possessing distinctive cultural narratives, production systems, and symbolic meanings are often better positioned to develop authentic tourism experiences. Wine-producing regions exemplify this dynamic because agricultural production, landscape, heritage, and local culture become integrated into a coherent territorial identity capable of attracting visitors and strengthening destination positioning. In emerging destinations, such identity assets may represent important developmental opportunities even when institutional and infrastructural capacities remain underdeveloped.

Figure 2. Analytical Framework Linking Territorial Assets, Governance and Tourism Development



Source: The authors themselves.

Figure 2 presents the central analytical proposition of this study by illustrating how tourism development emerges from the interaction between territorial assets, institutional capacity, and governance processes rather than from the mere existence of attractions or tourism resources. The framework suggests that environmental resources, wine heritage, rural landscapes, cultural assets, and local identity constitute the foundational elements of territorial tourism potential. However, these resources remain largely latent unless they are supported by governance mechanisms capable of mobilizing, coordinating, and transforming local capacities into structured tourism initiatives.

This interpretation is consistent with the argument that tourism development is fundamentally a territorial and institutional process, requiring strategic planning, stakeholder collaboration, public policies, and continuous monitoring to generate sustainable outcomes (Hall, 2008; Bramwell & Lane, 2011; Scott et al., 2008). The model further indicates that governance operates as the critical intermediary between tourism potential and tourism structuring, enabling the development of wine tourism, rural tourism, gastronomic tourism, and experiential tourism products. Such tourism segments are particularly relevant in territories where identity, authenticity, and local culture constitute major competitive advantages (Hall et al., 2000; Mitchell & Hall, 2006; Pine & Gilmore, 1999).

From a broader development perspective, the framework reinforces the notion that tourism should be evaluated not solely through visitor numbers or economic indicators but through its capacity to promote economic diversification, social inclusion, environmental sustainability, and territorial identity. This perspective aligns with contemporary approaches to sustainable territorial development, which emphasize the integration of economic, social, cultural, and environmental dimensions within long-term development strategies (Sachs, 2008; Sharpley, 2009; Beni, 2019; UNWTO, 2018). Consequently, the figure highlights a central argument of the present study: the principal challenge for emerging destinations such as Lagoa Grande is not the absence of tourism resources, but the existence of governance and institutional limitations that constrain the conversion of territorial potential into sustainable tourism development.

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3. MATERIALS AND METHODS

3.1 Research Design

This study is characterized as applied research with a quantitative approach and a descriptive case study design. The applied nature of the investigation derives from its objective of generating practical knowledge capable of supporting tourism planning and public decision-making in the municipality of Lagoa Grande. Rather than focusing exclusively on theoretical advancement, the research seeks to provide evidence-based insights that can contribute to local governance and tourism development strategies.

A quantitative approach was adopted because the analysis relies on the measurement and aggregation of indicators that represent different dimensions of tourism potential. Quantification enables the comparison of heterogeneous variables and facilitates the construction of synthetic measures capable of supporting territorial diagnosis and strategic planning.

The study also assumes the characteristics of a descriptive case study. Case studies are particularly useful for investigating complex territorial phenomena within their real-world context, especially when the boundaries between social, institutional, economic, and environmental processes are intertwined. Lagoa Grande was selected as the unit of analysis because it represents an emerging tourism destination possessing recognized territorial assets associated with wine production, rural landscapes, cultural heritage, and regional identity, while simultaneously facing challenges related to governance, infrastructure, and tourism structuring.

The methodological framework is grounded in the application of the Municipal Tourism Potential Index (MTPI), a multidimensional assessment tool specifically designed to evaluate tourism potential at the municipal scale by integrating environmental, infrastructural, cultural, socioeconomic, and governance dimensions (Gomes & Farias, 2026).

3.2 Study Area

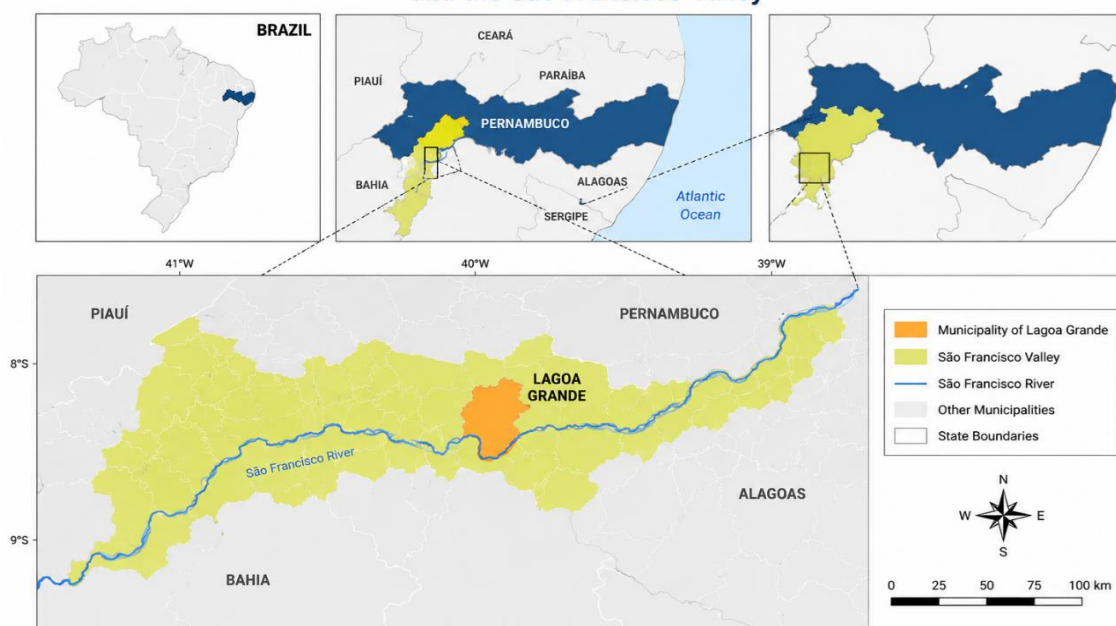
3.2.1 Lagoa Grande and the São Francisco Valley

The empirical investigation was conducted in the municipality of Lagoa Grande, located in the state of Pernambuco, Northeastern Brazil. The municipality forms part of the São Francisco Valley, one of the country's most important irrigated agricultural regions and an internationally recognized center of tropical viticulture.

Lagoa Grande occupies a strategic position within the regional economy due to its specialization in grape cultivation and wine production. The municipality hosts wineries, vineyards, rural landscapes, and cultural manifestations closely associated with the wine sector, contributing to its recognition as the "Capital of Grapes and Wine of Northeastern Brazil." These characteristics provide favorable conditions for the development of wine tourism, rural tourism, gastronomic tourism, and experience-based tourism activities.

From a territorial perspective, Lagoa Grande presents a particularly relevant case for tourism potential assessment because it combines significant endogenous resources with institutional and infrastructural challenges that are frequently observed in emerging destinations. Such characteristics make the municipality suitable for evaluating how territorial assets interact with governance structures and development capacities within a semi-arid context.

Figure 3. Location of Lagoa Grande within Pernambuco State and the São Francisco Valley



Source: Prepared by the authors, based on Fontalvo et al. (2017).

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3.3 Municipal Tourism Potential Index (MTPI)

3.3.1 Conceptual Structure of the Index

The Municipal Tourism Potential Index (MTPI) constitutes the analytical framework adopted in this study for evaluating tourism potential at the municipal scale. The index was developed to address limitations commonly associated with tourism competitiveness models that primarily focus on destinations with consolidated tourism industries and established market performance indicators (Gomes & Farias, 2026).

Unlike competitiveness-based approaches, the MTPI emphasizes the assessment of latent territorial capacities that may support future tourism development. Its conceptual foundation assumes that tourism potential emerges from the interaction of multiple territorial dimensions rather than from isolated attractions or economic indicators.

The index is structured around five analytical dimensions:

- Environmental and Natural Dimension (D1): evaluates environmental resources, conservation practices, environmental management, and conditions associated with sustainable resource use.
- Infrastructure and Tourism Services Dimension (D2): assesses accessibility, transportation, visitor support facilities, hospitality infrastructure, digital connectivity, and tourism services.
- Cultural and Historical Dimension (D3): examines tangible and intangible heritage, cultural expressions, preservation initiatives, and cultural transmission processes.
- Socioeconomic Dimension (D4): evaluates entrepreneurship, local economic participation, workforce conditions, inclusion mechanisms, and tourism-related economic dynamics.
- Governance, Management, and Public Policy Dimension (D5): assesses institutional structures, planning mechanisms, stakeholder participation, monitoring systems, and public policy capacity.

Together, these dimensions encompass 75 indicators designed to capture the multidimensional nature of tourism potential and provide a comprehensive assessment of territorial development conditions.

Table 1. Conceptual Structure of the Municipal Tourism Potential Index (MTPI)

Dimension	Analytical Focus
Environmental and Natural Dimension	Evaluates environmental resources, ecological conditions, and natural assets that may support tourism development.
Infrastructure and Tourism Services Dimension	Assesses accessibility, tourism infrastructure, public services, and support facilities necessary for tourism activities.
Cultural and Historical Dimension	Examines cultural heritage, traditions, historical assets, and cultural expressions that contribute to destination attractiveness.
Socioeconomic Dimension	Evaluates local socioeconomic conditions that influence tourism development and community participation.
Governance, Management and Public Policies Dimension	Assesses institutional capacity, tourism planning, governance arrangements, and public policy mechanisms that support destination development.

Source: Adapted from Gomes and Farias (2026).

The MTPI is composed of 75 indicators distributed across five analytical dimensions. The index was designed to capture the multidimensional nature of tourism potential at the municipal level by integrating environmental, infrastructural, cultural, socioeconomic, and governance-related factors. A detailed description of the complete indicator framework is provided by Gomes and Farias (2026), while the present study focuses on the application of the index to the municipality of Lagoa Grande, Pernambuco.

3.4 Data Collection Procedures

Data collection was conducted through the application of a structured institutional survey based on the MTPI framework. The survey instrument contained the complete set of indicators required for the operationalization of the index and was administered directly to representatives of the municipal government.

Information was obtained from local public managers responsible for sectors associated with tourism administration, territorial planning, environmental management, cultural affairs, and municipal development. The use of institutional respondents was considered appropriate because many of the indicators evaluated by the MTPI refer to administrative structures, planning instruments, governance arrangements, public services, and official municipal initiatives.

In addition to survey responses, the assessment incorporated institutional information available through municipal administrative records and official government documentation when necessary to support indicator verification and scoring procedures.

The respondent profile consisted of municipal officials with direct knowledge of local tourism-related policies, infrastructure,

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management practices, and territorial conditions. This strategy sought to ensure consistency between the information collected and the institutional realities being evaluated.

Although the use of institutional respondents provides important advantages for assessing governance and administrative dimensions, it also introduces potential limitations associated with self-reported information and the possibility of differing interpretations regarding specific indicators. Such limitations are acknowledged and discussed in a dedicated subsection below.

3.5 Data Processing and Calculation Procedures

Data processing was performed through a computerized system specifically developed for the operationalization of the MTPI. The platform automates the calculation process, ensuring standardization, consistency, and reproducibility of results across different territorial contexts.

The analytical protocol consists of three sequential stages: indicator normalization, dimension score calculation, and global index aggregation.

3.5.1 Indicator Normalization

The first stage involves the normalization of indicator values in order to transform variables measured on different scales into a common metric. This procedure allows heterogeneous indicators to be aggregated and compared within the multidimensional framework.

The normalization process follows the min-max transformation protocol proposed by Gomes and Farias (2026), as represented by Equation 1:

$$N_i = \frac{X_i - X_{min}}{X_{max} - X_{min}} \times 100$$

Where:

(N_i) = normalized indicator value;

(X_i) = observed indicator value;

(X_{min}) = minimum observed value;

(X_{max}) = maximum observed value.

The normalization procedure converts indicators measured on different scales into a common metric ranging from 0 to 100. This transformation ensures comparability among variables with distinct units of measurement and enables their subsequent aggregation within the MTPI framework. Higher normalized values indicate more favorable conditions for tourism development, whereas lower values reflect structural limitations or weaker performance in the evaluated indicator (Gomes & Farias, 2026).

3.5.2 Dimension Score Calculation

Following normalization, individual indicators are aggregated into their respective analytical dimensions. Dimension scores are calculated through weighted averaging procedures, where each indicator contributes according to its assigned weight.

When equal weights are applied, the resulting dimension score corresponds to the arithmetic mean of all normalized indicators belonging to the dimension.

The dimension score calculation is represented by Equation 2:

$$D_j = \frac{\sum_{i=1}^{n_j} (w_i \times N_i)}{\sum_{i=1}^{n_j} w_i}$$

Where:

(D_j) = dimension score;

(N_i) = normalized indicator;

(w_i) = indicator weight;

(n_j) = number of indicators within dimension (j).

Dimension scores are obtained through the weighted aggregation of normalized indicators belonging to the same analytical dimension. This procedure allows multiple variables representing environmental, infrastructural, cultural, socioeconomic, and governance characteristics to be synthesized into a single score. When equal weights are assigned, the equation reduces to the arithmetic mean of the normalized indicators. The resulting score ranges from 0 to 100 and reflects the relative performance of each

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dimension within the overall tourism potential assessment framework (Gomes & Farias, 2026).

3.5.3 Global MTPI Calculation

The final stage consists of aggregating the five dimension scores into a single composite index representing the overall tourism potential of the municipality.

The global MTPI score is calculated through weighted aggregation of dimension scores. When equivalent weights are assigned, each dimension contributes equally to the final result.

The calculation procedure is expressed in Equation 3:

$$MTPI = \frac{\sum_{j=1}^5 (w_j \times D_j)}{\sum_{j=1}^5 w_j}$$

Where:

MTPI = global tourism potential score;

(D_j) = dimension score;

(w_j) = dimension weight.

The final MTPI score is obtained by aggregating the scores of the five analytical dimensions into a single composite indicator. This procedure synthesizes the multidimensional characteristics of tourism potential while preserving the contribution of each dimension to the overall assessment. When equal weights are assigned, each dimension contributes proportionally to the final score, reflecting the assumption that environmental, infrastructural, cultural, socioeconomic, and governance conditions are jointly necessary for sustainable tourism development. The resulting index ranges from 0 to 100, with higher values indicating stronger territorial conditions for tourism development (Gomes & Farias, 2026).

3.6 Interpretation Scale

To facilitate interpretation and policy application, MTPI results are classified into three developmental categories representing different levels of tourism potential.

The classification framework adopted in this study follows the original structure proposed by Gomes and Farias (2026) and allows the identification of territories requiring different levels of intervention and planning priority.

Table 2. MTPI Classification Levels

MTPI Score Range	Classification Level	Interpretation
0.00 – 49.99	Critical	Indicates substantial structural limitations that constrain tourism development and require priority interventions in governance, infrastructure, and destination planning.
50.00 – 69.99	Developing	Indicates moderate tourism potential with partially consolidated conditions and opportunities for strategic improvement and destination structuring.
70.00 – 100.00	Excellent	Indicates strong territorial conditions, institutional capacity, and development readiness capable of supporting sustainable tourism growth.

Source: Adapted from Gomes and Farias (2026).

The three categories are:

- Critical (0-50): indicates substantial structural limitations affecting tourism development capacity.
- Developing (50-70): indicates moderate tourism potential with opportunities for consolidation through targeted interventions.
- Excellent (70-100): indicates strong territorial conditions capable of supporting sustainable tourism development.

The MTPI classification system was designed to facilitate the interpretation of composite scores and support public decision-making. The three developmental levels reflect different degrees of tourism readiness and institutional capacity. Municipalities classified as Critical require substantial investments and structural interventions, whereas Developing destinations possess favorable conditions that can be strengthened through targeted policies. Excellent destinations demonstrate consolidated capacities capable of supporting long-term and sustainable tourism development (Gomes & Farias, 2026).

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3.7 Methodological Limitations

Several methodological limitations should be acknowledged when interpreting the results of this study. First, the assessment relies primarily on institutional information provided by municipal representatives, which may be influenced by reporting biases, varying levels of administrative knowledge, or differences in interpretation of specific indicators.

Second, the research adopts a cross-sectional design, capturing the conditions of the municipality at a specific moment in time. Consequently, the results should not be interpreted as permanent characteristics but rather as a diagnosis reflecting current territorial conditions.

Third, although the MTPI provides a comprehensive multidimensional assessment of tourism potential, the index does not directly measure visitor perceptions, tourist satisfaction, or market demand. Its primary objective is to evaluate territorial capacities and enabling conditions associated with future tourism development.

Finally, the study focuses on a single case, which limits the possibility of statistical generalization. Nevertheless, the case-study approach offers valuable analytical insights into the relationship between territorial assets, governance capacity, and tourism development in emerging destinations, contributing to broader discussions on tourism planning and territorial development.

4. RESULTS

4.1 Overall Tourism Potential Assessment

Results obtained through the Municipal Tourism Potential Index (MTPI) indicate that Lagoa Grande is classified within the Critical level of tourism potential. Although the municipality possesses resources commonly associated with tourism attractiveness, the overall assessment reveals that several structural conditions required for destination development remain insufficiently consolidated.

Rather than suggesting the absence of tourism opportunities, this classification points to the existence of a significant gap between territorial resources and the institutional capacities needed to transform such resources into sustainable tourism products and experiences. Similar situations are frequently observed in destinations occupying the initial stages of the tourism development cycle, where latent potential exists before the establishment of mature governance and management systems (Butler, 1980).

From a competitiveness perspective, the findings reinforce the distinction between possessing tourism assets and being capable of converting those assets into measurable development outcomes. International models of destination competitiveness emphasize that natural and cultural resources constitute only one component of a broader system involving governance, infrastructure, management, and strategic planning (Ritchie & Crouch, 2003; Dwyer & Kim, 2003; Crouch, 2011).

Viewed through this lens, the diagnosis produced by the MTPI suggests that Lagoa Grande's tourism future will depend less on the identification of new attractions and more on the strengthening of institutional mechanisms capable of coordinating stakeholders, mobilizing investments, and structuring tourism activities in a systematic manner (Hall, 2008; OECD, 2022).

Table 3. Dimension Scores and Development Stages for Lagoa Grande, Pernambuco, Brazil

MTPI Dimension	Score (0–100)	Development Stage
Environmental and Natural (D1)	48.33	Critical
Infrastructure and Tourism Services (D2)	38.33	Critical
Cultural and Historical (D3)	46.67	Critical
Socioeconomic (D4)	33.33	Critical
Governance, Management and Public Policies (D5)	40.00	Critical
Global MTPI Score	41.33	Critical

Source: Research data based on the application of the Municipal Tourism Potential Index (MTPI) in Lagoa Grande, Pernambuco, Brazil.

Assessment of the results presented in Table 3 reveals a municipality characterized by substantial territorial resources but limited capacity to convert those resources into structured tourism development. The overall MTPI score of 41.33 places Lagoa Grande within the Critical category, indicating that important deficiencies persist across the institutional, infrastructural, socioeconomic, and managerial conditions required to support tourism growth. Particularly noteworthy is the fact that all five dimensions remained below the threshold necessary to reach the Developing stage, suggesting that tourism constraints are systemic rather than concentrated within a single sector.

Although the Environmental and Natural (48.33) and Cultural and Historical (46.67) dimensions achieved the highest scores, their performance remained insufficient to offset weaknesses observed in the Socioeconomic (33.33), Infrastructure and Tourism Services (38.33), and Governance, Management and Public Policies (40.00) dimensions. This pattern reinforces the argument that the existence of environmental resources, cultural heritage, and territorial identity does not automatically translate into tourism competitiveness or destination development (Ritchie & Crouch, 2003; Dwyer & Kim, 2003; Crouch, 2011).

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From a destination life-cycle perspective, the findings are consistent with territories situated in early stages of tourism development, where latent resources coexist with limited institutional and operational capacities (Butler, 1980). Moreover, the relatively small variation between the highest and lowest scores suggests a broadly distributed pattern of structural fragility, indicating that future interventions should prioritize integrated and cross-sectoral strategies rather than isolated actions. Such evidence supports contemporary approaches emphasizing governance, planning, and evidence-based decision-making as essential conditions for transforming territorial potential into sustainable tourism development (Hall, 2008; OECD, 2022; UNWTO, 2018).

4.2 Performance Across Dimensions

Analysis of the five MTPI dimensions reveals an uneven distribution of strengths and weaknesses across the municipality's tourism system. The resulting pattern demonstrates that territorial resources are not necessarily accompanied by equivalent levels of institutional and operational capacity.

Among the evaluated dimensions, Environmental and Natural Resources achieved one of the most favorable performances. This result reflects the existence of environmental conditions capable of supporting tourism activities linked to landscape appreciation, rural experiences, and sustainable development initiatives. Such resources constitute important territorial foundations for future tourism expansion, particularly in destinations seeking differentiation through environmental and landscape assets (Sachs, 2008; Sharpley, 2009).

Comparable performance was observed in the Cultural and Historical Dimension. Cultural identity, local traditions, symbolic elements associated with grape and wine production, and the municipality's connection with the São Francisco Valley contribute to the construction of a distinctive destination image. Literature on wine tourism consistently highlights the importance of cultural authenticity and territorial identity as factors influencing visitor attraction and destination differentiation (Hall et al., 2000; Mitchell & Hall, 2006).

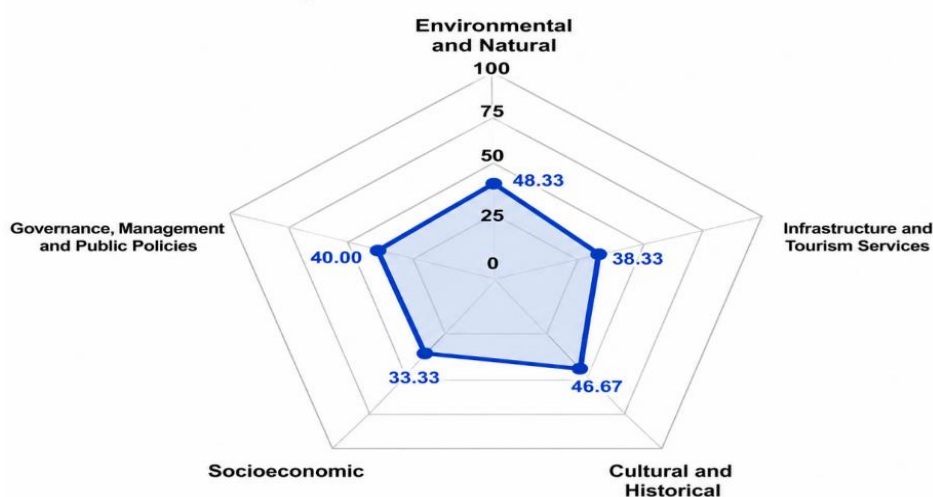
Intermediate results emerged in the Infrastructure and Tourism Services Dimension. Existing facilities provide a basic foundation for tourism activity; however, limitations related to accessibility, visitor support services, tourism facilities, and service integration continue to constrain the municipality's ability to compete within broader tourism markets. Similar challenges are often observed in destinations whose tourism sectors remain under development (World Economic Forum, 2024).

Performance within the Socioeconomic Dimension suggests the existence of productive capacities capable of supporting tourism development while simultaneously revealing opportunities for improvement in entrepreneurship, workforce qualification, and local participation. Strengthening these elements may contribute to greater integration between tourism activities and broader territorial development objectives (Beni, 2019; Hall & Lew, 2009).

Particular attention should be directed toward the Governance, Management and Public Policies Dimension, which recorded the lowest performance among all dimensions. Weaknesses associated with planning mechanisms, institutional coordination, monitoring systems, and tourism management structures indicate that governance constitutes one of the principal constraints affecting tourism development in Lagoa Grande. Similar conclusions have been reported in studies emphasizing the central role of governance in destination performance and sustainability (Bramwell & Lane, 2011; Scott et al., 2008; OECD, 2022).

Collectively, the dimensional results reveal a tourism system characterized by substantial territorial resources but limited institutional capacity. This imbalance helps explain why destinations possessing valuable attractions frequently struggle to convert tourism potential into sustained development outcomes.

Figure 4. Radar Chart of MTPI Dimensions for Lagoa Grande, Pernambuco, Brazil



Source: The authors themselves

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Visual representation of the results reinforces the asymmetry observed across dimensions. The radar chart clearly demonstrates that dimensions linked to territorial resources outperform those associated with governance and destination management, highlighting the structural nature of the municipality's tourism development challenges.

4.3 Main Structural Weaknesses

Closer examination of the results suggests that the municipality's primary constraints are concentrated within institutional and managerial domains rather than within the resource base itself. Low performance in governance-related indicators points to difficulties in planning, coordination, implementation, and monitoring of tourism policies.

Insufficient institutional capacity reduces the ability of local actors to establish long-term strategies, coordinate public and private initiatives, and create coherent development pathways. Governance literature consistently identifies these functions as essential for tourism development, particularly in destinations seeking to move beyond isolated initiatives and fragmented interventions (Hall, 2008; Bramwell & Lane, 2011).

Limitations associated with tourism infrastructure also contribute to the municipality's overall performance. Although tourism assets are present, their effective utilization depends on transportation systems, visitor services, information provision, hospitality facilities, and supporting infrastructure. Deficiencies in these areas may reduce visitor satisfaction and weaken destination competitiveness (Ritchie & Crouch, 2003; World Economic Forum, 2024).

Equally relevant are challenges linked to destination promotion and market positioning. The capacity to communicate territorial identity and project a coherent image to potential visitors has become increasingly important in contemporary tourism environments characterized by intense competition among destinations (Dwyer & Kim, 2003).

Taken together, these findings indicate that tourism development barriers in Lagoa Grande are largely institutional. Consequently, strengthening governance structures may generate positive effects across multiple dimensions of the tourism system by improving coordination, planning, investment attraction, and stakeholder engagement.

4.4 Strategic Territorial Assets

Despite the weaknesses identified above, the assessment also reveals a portfolio of assets capable of supporting future tourism development. These resources constitute the municipality's principal comparative advantages and represent the foundation upon which tourism strategies may be constructed.

Wine production emerges as the most distinctive territorial asset identified in the study. The municipality's specialization in grape cultivation and wine production provides a unique identity within Northeastern Brazil and positions Lagoa Grande within one of the world's most unusual wine-producing regions. Such characteristics create favorable conditions for the expansion of wine tourism and related tourism experiences (Hall et al., 2000; Mitchell & Hall, 2006).

Beyond the wineries themselves, rural landscapes associated with viticulture represent another strategic resource. Vineyards, agricultural environments, production processes, and local gastronomy offer opportunities for immersive experiences that connect visitors with the territory and its productive traditions. Contemporary tourism increasingly values such experiences, particularly those perceived as authentic and place-based (Pine & Gilmore, 1999).

Cultural heritage further strengthens the municipality's tourism potential. Traditional knowledge, local customs, regional gastronomy, and symbolic elements linked to the São Francisco Valley contribute to the construction of a distinctive territorial narrative capable of supporting cultural and experiential tourism initiatives.

Environmental resources complement this set of advantages. The landscapes of the São Francisco Valley and the environmental characteristics of the semi-arid region create opportunities for tourism diversification while reinforcing sustainable development strategies that integrate environmental conservation and local economic development (UNWTO, 2018; Sachs, 2008).

Taken together, these assets indicate that Lagoa Grande possesses the essential territorial foundations required for tourism development. The principal challenge therefore lies not in the availability of resources but in the capacity to organize, integrate, and manage them effectively.

4.5 The Territorial Development Paradox

Perhaps the most significant finding emerging from this study is the identification of a territorial development paradox. Evidence generated by the MTPI demonstrates that Lagoa Grande combines characteristics typically associated with promising tourism destinations while simultaneously exhibiting structural conditions that restrict tourism development.

Strong territorial identity constitutes the first dimension of this paradox. Wine production, agricultural heritage, cultural traditions, and regional symbolism collectively create a distinctive territorial profile capable of attracting visitors and supporting destination differentiation. Such attributes are widely recognized as valuable resources in contemporary tourism markets (Hall et al., 2000; Pine & Gilmore, 1999).

Equally important is the municipality's considerable wine tourism potential. Vineyards, wineries, gastronomic traditions, and agricultural landscapes provide the basis for the development of integrated tourism experiences that align with global trends

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emphasizing authenticity and experiential consumption (Mitchell & Hall, 2006).

Contrasting sharply with these strengths, low institutional capacity emerged as one of the most significant weaknesses identified by the MTPI. Deficiencies in governance, planning, and management reduce the municipality's ability to transform territorial resources into structured tourism products and coordinated development strategies (Hall, 2008; Bramwell & Lane, 2011).

Limited tourism structuring represents the final component of this paradox. While resources and opportunities clearly exist, they have not yet been fully integrated into coherent tourism systems capable of generating sustained economic, social, and territorial benefits.

Far from being unique to Lagoa Grande, this pattern reflects a broader challenge faced by many emerging destinations. Contemporary tourism literature increasingly demonstrates that attractions alone rarely produce development outcomes. Sustainable progress depends on governance arrangements capable of coordinating actors, mobilizing resources, and converting territorial assets into long-term opportunities (Beni, 2019; OECD, 2022; UNWTO, 2018).

Interpreted from this perspective, the municipality's critical classification should not be viewed as evidence of limited tourism prospects. Instead, it reveals the existence of substantial latent potential whose realization depends primarily on overcoming institutional and organizational constraints. This paradox provides the analytical foundation for the discussion presented in the following section.

5. DISCUSSION

5.1 Tourism Potential Beyond Attractions

Findings from Lagoa Grande reinforce the argument that tourism potential cannot be reduced to the simple presence of attractions, landscapes, or cultural resources. Although the municipality possesses recognized assets associated with wine production, rural landscapes, cultural identity, and the São Francisco Valley, the MTPI results demonstrate that these elements alone have not been sufficient to generate a structured tourism destination.

Classical approaches to tourism development frequently emphasized attractions as the primary drivers of destination growth. However, contemporary perspectives increasingly recognize that tourism development emerges from the interaction between resources, institutional capacity, infrastructure, governance, and market organization (Ritchie & Crouch, 2003; Dwyer & Kim, 2003). Under this perspective, territorial resources should be understood as necessary but insufficient conditions for tourism development.

Evidence obtained in Lagoa Grande is consistent with Butler's (1980) destination life cycle model. The municipality appears to exhibit characteristics associated with the early stages of destination evolution, where valuable resources are already present but organizational structures remain underdeveloped. Such contexts frequently display considerable latent potential without corresponding levels of competitiveness or tourism performance.

A broader interpretation of the results suggests that tourism potential should be understood as a multidimensional territorial condition rather than as a collection of isolated attractions. This interpretation aligns closely with the conceptual foundations of the MTPI, which emphasize future development capacity instead of current tourism performance (Gomes & Farias, 2026). Consequently, the case of Lagoa Grande provides empirical support for approaches that distinguish tourism potential from destination competitiveness and tourism maturity.

5.2 Governance as the Main Bottleneck to Tourism Development

Among all dimensions evaluated by the MTPI, Governance, Management and Public Policies emerged as one of the weakest components of the municipality's tourism system. This result suggests that institutional capacity constitutes the principal bottleneck preventing the conversion of territorial resources into effective tourism development.

Tourism governance literature consistently identifies coordination, stakeholder participation, strategic planning, and institutional continuity as essential conditions for destination development (Hall, 2008; Bramwell & Lane, 2011). In destinations where governance structures remain fragile, tourism initiatives often become fragmented, discontinuous, and heavily dependent on isolated efforts rather than long-term strategies.

Particular attention should be directed to the absence of systematic planning and monitoring mechanisms identified in the municipality. Without reliable information systems and evidence-based decision-making processes, public authorities face considerable difficulties in defining priorities, evaluating results, and adapting policies over time. Similar challenges have been highlighted by the OECD (2022), which emphasizes the importance of institutional learning and governance capacity in tourism development strategies.

Another important aspect concerns the relationship between governance and the other dimensions evaluated by the MTPI. Rather than operating as an isolated variable, governance functions as an enabling mechanism capable of influencing infrastructure provision, tourism promotion, cultural valorization, environmental management, and local economic participation. Weak governance therefore generates cascading effects throughout the tourism system, amplifying vulnerabilities in multiple domains

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simultaneously.

Viewed from this perspective, the critical classification obtained by Lagoa Grande should be interpreted primarily as a governance challenge. Strengthening institutional arrangements may represent the most effective pathway for unlocking the municipality's existing tourism potential and improving performance across the broader tourism development framework.

5.3 Wine Tourism as a Strategic Pathway for Destination Development

One of the most significant findings emerging from the study concerns the strategic role of wine tourism as a potential catalyst for destination development. The municipality's strong association with grape cultivation and wine production constitutes a distinctive territorial characteristic capable of supporting tourism differentiation and market positioning.

Research on wine tourism consistently demonstrates that vineyards and wineries can operate as anchors for broader territorial development processes (Hall et al., 2000; Mitchell & Hall, 2006). Beyond attracting visitors directly interested in wine consumption, wine tourism often stimulates complementary activities involving gastronomy, culture, accommodation, events, and local commerce.

Distinctive characteristics of the São Francisco Valley further strengthen this opportunity. Unlike traditional wine regions located in temperate climates, the region's tropical viticulture creates a unique narrative capable of attracting visitors interested in innovative agricultural systems and uncommon production environments. Such differentiation may constitute a valuable competitive advantage in increasingly saturated tourism markets.

Another relevant aspect concerns the capacity of wine tourism to connect multiple territorial resources into integrated experiences. Cultural traditions, agricultural landscapes, local gastronomy, and regional identity can be incorporated into tourism products that extend visitor stay, increase expenditure, and generate broader economic benefits. This integrative potential makes wine tourism particularly attractive as a development strategy for destinations seeking diversification and value creation.

Rather than representing a niche activity, wine tourism may therefore function as a territorial development platform capable of articulating economic, cultural, environmental, and social dimensions within a common strategic framework.

5.4 Experience Economy and Tourism Diversification

Contemporary tourism markets increasingly prioritize experiences over conventional forms of consumption. Under the framework proposed by Pine and Gilmore (1999), value creation in tourism is progressively associated with memorable experiences that engage visitors emotionally, culturally, and symbolically.

Several territorial characteristics identified in Lagoa Grande align with this transformation. Rural landscapes, wine production processes, local gastronomy, cultural traditions, and agricultural practices offer opportunities for immersive experiences capable of connecting visitors with the identity of the territory. Such experiences tend to generate greater visitor engagement than standardized tourism products.

Authenticity emerges as a particularly important element in this context. Growing segments of tourists seek meaningful interactions with local communities, cultural practices, and everyday territorial realities. Destinations capable of offering authentic experiences frequently achieve differentiation without relying on large-scale infrastructure investments (Pine & Gilmore, 1999).

Rural tourism represents one avenue through which this potential may be realized. Visits to vineyards, agricultural properties, production facilities, and local communities can provide opportunities for experiential learning while simultaneously generating supplementary income for rural populations.

Gastronomy constitutes another promising pathway. Local food traditions, wine tasting experiences, and interactions with regional culinary practices may strengthen the municipality's tourism appeal while reinforcing territorial identity. Similar dynamics have been widely documented in wine tourism destinations, where gastronomy frequently serves as a complementary attraction capable of enhancing visitor experiences (Hall et al., 2000; Mitchell & Hall, 2006).

Taken together, these elements suggest that tourism diversification in Lagoa Grande should focus less on the creation of isolated attractions and more on the integration of experiences that connect visitors with the cultural, productive, and environmental realities of the territory.

5.5 Implications for Sustainable Territorial Development

Interpretation of the findings extends beyond tourism planning and contributes to broader debates concerning sustainable territorial development. The results indicate that tourism development opportunities in Lagoa Grande are closely linked to the municipality's ability to mobilize endogenous resources while maintaining social inclusion, environmental conservation, and cultural valorization.

Sustainable development perspectives emphasize that economic growth alone cannot serve as the primary measure of development success (Sachs, 2008). Instead, development should be evaluated through the balanced integration of environmental, social, cultural, economic, and institutional dimensions. This multidimensional understanding resonates strongly with the analytical structure adopted by the MTPI.

Similar arguments are advanced by Sharpley (2009), who highlights the need to align tourism development with broader community

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objectives rather than treating tourism as an isolated economic sector. Evidence generated by this study suggests that future tourism strategies should prioritize local participation, territorial identity, and long-term sustainability alongside visitor attraction and revenue generation.

Hall and Lew (2009) likewise emphasize the importance of linking tourism planning to territorial resilience and community well-being. In the case of Lagoa Grande, such considerations appear particularly relevant given the municipality's environmental context, agricultural economy, and cultural heritage assets.

Guidelines proposed by UNWTO (2018) further reinforce the need for integrated tourism policies capable of generating economic opportunities while simultaneously protecting cultural and environmental resources. The findings suggest that tourism development strategies focused exclusively on visitor growth may prove insufficient if they are not accompanied by governance strengthening and institutional capacity building.

Consequently, sustainable tourism development in Lagoa Grande should be understood as part of a broader territorial development process rather than as a standalone economic objective.

5.6 Contributions of the MTPI for Tourism Planning

Beyond the specific findings obtained for Lagoa Grande, this study contributes to ongoing discussions regarding tourism measurement and destination assessment at the municipal scale. Traditional tourism indicators frequently focus on visitor flows, economic performance, and market competitiveness, limiting their usefulness in destinations where tourism remains in early stages of development (European Commission, 2016; World Economic Forum, 2024).

One of the principal contributions of the MTPI lies in its ability to evaluate latent development capacities rather than current tourism performance. By focusing on environmental, cultural, infrastructural, socioeconomic, and governance dimensions, the framework provides a broader understanding of the conditions that enable future tourism development (Gomes & Farias, 2026).

Another relevant contribution concerns evidence-based planning. Smart destination approaches increasingly emphasize the importance of transforming territorial data into actionable knowledge capable of supporting public decision-making (Buhalis & Amaranggana, 2013; Gretzel et al., 2020). Within this context, the MTPI operates as a governance instrument that helps reduce informational asymmetries and supports strategic planning processes.

Equally important is the framework's capacity to identify structural bottlenecks that may remain invisible when tourism is assessed exclusively through conventional economic indicators. The case of Lagoa Grande illustrates this advantage clearly: despite possessing valuable tourism assets, the municipality exhibits institutional and organizational weaknesses that would not necessarily be captured by traditional tourism statistics.

Taken as a whole, the findings suggest that the MTPI represents a useful methodological innovation for municipal tourism planning. Its multidimensional structure contributes not only to diagnosis but also to the formulation, monitoring, and evaluation of public policies aimed at promoting sustainable tourism development in emerging destinations.

6. STRATEGIC RECOMMENDATIONS FOR PUBLIC POLICY

6.1 Short-Term Actions

Results obtained through the MTPI indicate that the most urgent priorities for Lagoa Grande are associated with institutional strengthening, tourism visibility, and basic organizational improvements. Given the municipality's critical classification across all evaluated dimensions, immediate interventions should focus on establishing the minimum governance conditions necessary to support future tourism development.

Priority should be given to the creation or strengthening of formal tourism governance mechanisms. The establishment of an active Municipal Tourism Council, the designation of a technical unit responsible for tourism management, and the implementation of regular stakeholder consultation processes would contribute to improving institutional coordination and policy continuity. Governance literature consistently identifies these arrangements as essential foundations for destination development and long-term planning (Hall, 2008; Bramwell & Lane, 2011; OECD, 2022).

Simultaneously, the municipality should develop an official digital tourism presence capable of improving destination visibility and visitor access to information. The absence of institutional websites, integrated tourism information systems, and coordinated digital communication strategies represents one of the most significant weaknesses identified by the assessment. In contemporary tourism environments, digital visibility constitutes a fundamental component of destination competitiveness and market positioning (Buhalis & Amaranggana, 2013; Gretzel et al., 2020).

Another immediate priority involves the implementation of a tourism monitoring system based on indicators and evidence. The adoption of periodic assessments using the MTPI framework would allow local authorities to monitor progress, identify emerging challenges, and evaluate the effectiveness of policy interventions over time. Such practices are consistent with international recommendations advocating evidence-based tourism management and continuous performance monitoring (European Commission, 2016; OECD, 2022).

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Attention should also be directed toward improving visitor orientation and destination communication. Relatively low-cost interventions such as interpretive signage, informational materials, georeferenced tourism maps, and basic visitor information services could generate significant improvements in visitor experience while reinforcing local identity and territorial narratives.

Taken together, these short-term measures seek to address the governance and information deficits identified by the MTPI. Their primary objective is not to expand tourism demand immediately but to establish the institutional foundations necessary for more ambitious development initiatives in subsequent phases.

6.2 Medium-Term Actions

Once basic governance structures have been consolidated, medium-term efforts should concentrate on tourism product development, territorial integration, and destination structuring. At this stage, policy interventions should seek to transform existing territorial assets into coherent tourism experiences capable of generating economic and social benefits.

Particular emphasis should be placed on the consolidation of wine tourism as the municipality's principal development strategy. Evidence generated by the MTPI indicates that wine production constitutes Lagoa Grande's most distinctive territorial asset, offering opportunities for destination differentiation and regional positioning. International research demonstrates that successful wine tourism destinations frequently emerge from the integration of wineries, gastronomy, cultural heritage, and local identity within coordinated development strategies (Hall et al., 2000; Mitchell & Hall, 2006).

Development of thematic routes connecting vineyards, wineries, gastronomic establishments, cultural attractions, and rural communities could strengthen the tourism offer while increasing visitor length of stay. Such initiatives would contribute to the creation of integrated tourism experiences rather than isolated attractions, a factor increasingly associated with destination competitiveness and visitor satisfaction (Pine & Gilmore, 1999).

Equally important is the strengthening of local entrepreneurship and workforce qualification. Training programs targeting tourism services, hospitality, visitor management, digital marketing, and experience design could improve service quality while increasing local participation in tourism-related economic activities. From a territorial development perspective, tourism becomes more sustainable when economic benefits are broadly distributed among local actors rather than concentrated within a limited number of enterprises (Sharpley, 2009; Hall & Lew, 2009).

Regional cooperation should also become a strategic priority during this phase. Integration with existing tourism circuits within the São Francisco Valley, particularly those involving Petrolina and Juazeiro, may allow Lagoa Grande to benefit from established visitor flows and shared promotion efforts. Such collaborative approaches are increasingly recognized as effective mechanisms for strengthening destination competitiveness and reducing development costs (Ritchie & Crouch, 2003; OECD, 2022).

Environmental management improvements should accompany these initiatives. Investments in waste management systems, environmental monitoring, and sustainable tourism practices would help ensure that tourism expansion occurs without compromising the natural resources that contribute to the municipality's attractiveness (Sachs, 2008; UNWTO, 2018).

6.3 Long-Term Actions

Long-term strategies should focus on positioning tourism as a component of a broader territorial development model capable of generating economic diversification, social inclusion, environmental sustainability, and cultural valorization. At this stage, tourism should evolve from an emerging activity into a fully integrated element of local development planning.

One strategic objective involves the consolidation of Lagoa Grande as a nationally recognized wine tourism destination. Achieving this goal requires continuous investment in destination branding, experience innovation, quality standards, and territorial differentiation. Successful destinations are rarely built solely through infrastructure investments; they emerge through the long-term construction of a coherent identity capable of generating recognition and competitive advantage (Ritchie & Crouch, 2003; Dwyer & Kim, 2003).

Expansion of experience-based tourism products should represent another long-term priority. Experiences linked to viticulture, gastronomy, rural lifestyles, local culture, environmental interpretation, and community participation possess considerable potential to generate value while preserving territorial authenticity. Contemporary tourism markets increasingly reward destinations capable of offering meaningful and memorable experiences rooted in local identity (Pine & Gilmore, 1999; Mitchell & Hall, 2006).

Institutional maturation should likewise remain a central objective. Governance systems must evolve beyond basic coordination mechanisms toward integrated models capable of supporting innovation, adaptive management, and continuous learning. Smart destination frameworks emphasize that long-term competitiveness depends not only on physical infrastructure but also on the capacity to generate, process, and apply knowledge in decision-making processes (Buhalis & Amaranggana, 2013; Gretzel et al., 2020).

Another strategic recommendation involves the institutionalization of periodic tourism assessment and monitoring. Continuous application of multidimensional indicator systems such as the MTPI would allow local authorities to evaluate progress, compare performance over time, and adjust development strategies according to changing territorial conditions. This recommendation aligns closely with international trends emphasizing indicator-based governance and adaptive tourism management (European

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Commission, 2016; OECD, 2022).

Ultimately, the long-term vision for Lagoa Grande should not be limited to increasing visitor numbers or tourism revenues. Sustainable success depends on the municipality's ability to use tourism as a catalyst for broader territorial transformation, promoting economic opportunities while simultaneously strengthening cultural identity, environmental stewardship, and social well-being. Such an approach is consistent with contemporary interpretations of sustainable territorial development that seek to balance economic efficiency, social equity, environmental responsibility, and institutional resilience (Sachs, 2008; Hall & Lew, 2009; Sharpley, 2009; UNWTO, 2018; Beni, 2019).

7. CONCLUSIONS

7.1 Main Findings

This study evaluated the tourism potential of Lagoa Grande, Pernambuco, through the application of the Municipal Tourism Potential Index (MTPI). The results revealed a global score of 41.33, placing the municipality within the Critical stage of tourism potential. Although important territorial assets were identified, particularly those related to wine production, cultural identity, rural landscapes, and the São Francisco Valley, significant weaknesses persist in governance, infrastructure, and socioeconomic conditions. The findings indicate that the municipality's principal challenge lies not in the absence of tourism resources but in the limited institutional capacity to transform those resources into structured tourism development.

From a theoretical perspective, the study reinforces the distinction between tourism potential, destination competitiveness, and destination maturity. The case of Lagoa Grande demonstrates that territories may possess valuable environmental, cultural, and economic resources while simultaneously exhibiting low levels of institutional readiness and tourism structuring. These findings support contemporary approaches that interpret tourism development as a multidimensional process shaped by the interaction between territorial assets, governance capacity, and planning mechanisms rather than by attractions alone (Butler, 1980; Ritchie & Crouch, 2003; Dwyer & Kim, 2003).

Methodologically, the research demonstrates the applicability of the MTPI as a diagnostic instrument for assessing tourism potential at the municipal scale. By integrating environmental, infrastructural, cultural, socioeconomic, and governance dimensions into a single analytical framework, the index provides a comprehensive assessment of territorial capacities that is particularly useful in destinations where tourism remains in early stages of development (Gomes & Farias, 2026). The study also illustrates the value of multidimensional indicators for supporting evidence-based tourism planning.

The findings offer important implications for public management and tourism governance. The results indicate that priority actions should focus on strengthening governance structures, improving planning and monitoring systems, expanding digital visibility, and structuring tourism products linked to wine tourism, rural tourism, gastronomy, and experiential tourism. In this sense, the MTPI can serve not only as a diagnostic tool but also as a decision-support instrument capable of guiding investments and policy priorities at the municipal level.

Some limitations should be acknowledged. The assessment was conducted through a single case study and relied primarily on institutional information provided by municipal representatives. Furthermore, the cross-sectional nature of the analysis captures the municipality's conditions at a specific moment in time and does not allow the evaluation of temporal changes in tourism development. These limitations do not invalidate the findings but suggest caution regarding their generalization.

Future studies may expand the application of the MTPI to other municipalities within the São Francisco Valley and other emerging tourism regions, enabling comparative analyses and the identification of regional development patterns. Additional research could also explore longitudinal applications of the index, allowing the monitoring of tourism development trajectories over time. Finally, integrating tourism potential assessments with visitor perception studies and local stakeholder analyses may contribute to a more comprehensive understanding of tourism development processes in emerging destinations.

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