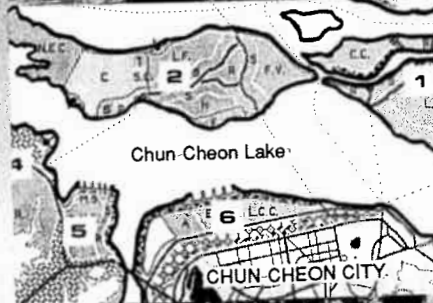
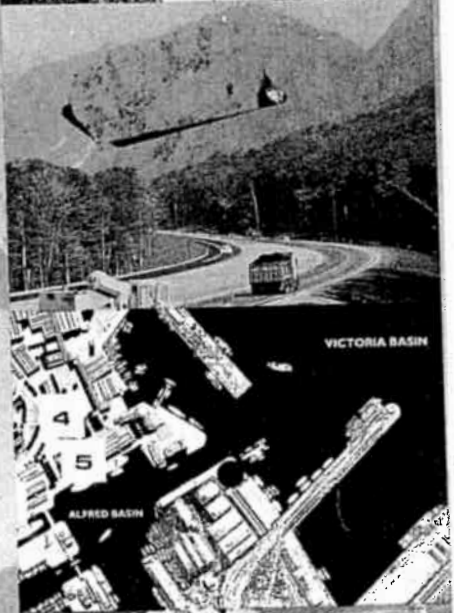
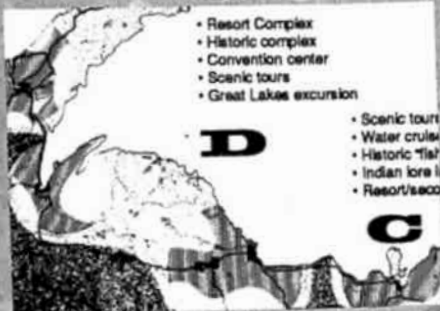


Third Edition

# Tourism Planning

*Basics  
Concepts  
Cases*

Clare A. Gunn



## Chapter 2

# Tourism as a System

### Introduction

A major purpose of planning is to increase success, especially in the business sector. Most countries seek successful tourism businesses to enhance employment, incomes, and tax revenues that in turn help support public services. Most businesses believe success is derived primarily from superior management. Hotel schools, for example, stress subjects of accounting, housekeeping, sales, front desk, food service, and engineering as keys to success.

Certainly, well-managed businesses are essential to success. But, for the field of tourism, businesses (and the other sectors) are equally dependent upon others for their success. This is due to the simple tourism truth that the tourism product is not captured by a single business, nonprofit organization, or governmental agency. The *tourism product* has often been defined as a satisfying visitor experience. If accepted, this definition encompasses every activity and experience on the entire trip away from home. For example, a hotelier's product includes convenient access and the attractions that induced the traveler to come as well as an enjoyable room and food service. Every development for tourism is dependent upon many other developments for its success. This functional truth complicates planning but helps to explain why it is so necessary to view and plan tourism as an overall system.

The purpose of this chapter is to demonstrate that every part of tourism is related to every other part. No owner or manager has complete control of his own destiny. But, the more each one learns about the others, the more successful he can be in his own enterprise no matter whether it is run by commercial business, nonprofit organization, or government. Tourism cannot be planned without understanding the interrelationships among the several parts of the supply side, especially as they relate to market demand.

## MARKET-SUPPLY MATCH

### Travel Markets

As any manufacturer knows, the best product to manufacture is one preferred by the market. This is equally true with tourism. People in the travel market are those who have the *interest* and *ability* to travel. Because the majority of travel markets live in areas of population concentration in industrialized nations, the cities become primary sources of travelers. But, such populations have a great diversity of ability and interest in travel. Some segments cannot afford even the minimal costs and some prefer to spend discretionary incomes on purchases other than travel. Even more complicated are the divergent preferences of those who are able to travel. Therefore, a major topic of planning concern is the understanding of travel markets—their location, preferences, purposes, and ability to travel.

In recent years many studies and models have been put forth to identify travel market characteristics. Sources, such as *Travel, Tourism and Hospitality Research—A Handbook for Managers and Researchers*, and journals, such as *Annals of Tourism Research*, *Journal of Travel Research*, and *Tourism Management*, should be reviewed for current information on markets. In the United States, a Travel Outlook Forum is held annually to provide information and forecasts on all travel trends including markets.

Chadwick (1987, 52) classifies travel market studies into three groups. *Household surveys* are made at places of travel origin and often cover nontravelers as well as travelers. A statistically random sampling process can reveal information about the entire population within reasonable limits of accuracy. Data on frequency of travel volume, such as personal trips, party trips, and vacation trips are popularly obtained. Travel expenditures, on or before trips, are important economic data obtained by household surveys.

*Location surveys* are made at sites on trips, such as in-flight surveys, exit surveys, entry surveys, and highway counts. These surveys cover one visit and may relate to the entire trip or only to the site experience. Data may be obtained on expenditures, activity participation, opinions and attitudes, as well as socioeconomic status of travelers.

*Business surveys* approach travel from the other side—the supply side. Surveys of travelers in hotels and at theme parks can reveal many important facts about such visitors. Sources of travelers, extent of visits, size of parties, place of residence, socioeconomic characteristics, and modes of travel are often measured.

One of the most popular forms of traveler research has been measures of economics (Frechtling 1987, 325). Nations, states, and communities often wish to distinguish between expenditures of foreign and domestic

travelers. This is based on the concept of tourism as an export, creating economic impact only from new dollars coming from outside. *Direct observation* of expenditures is often used as a method but it is cumbersome and costly. Secondary effects are difficult to measure in this way. Estimation by a *simulation* model of key relationships is set up in equations and data are collected for basic impact. An elaborate equation has been established by the U.S. Travel Data Center for measuring economic importance of tourism in all states of the country. Frechtling identifies the following criteria for evaluating economic studies—relevance, coverage, efficiency, accuracy, and applicability.

As yet, economists have not agreed upon a standardized methodology for tourism research. Therefore, a reader of reports must be alert to definitions and scope, especially when comparing study results.

*Forecasting* of travel demand is desired by the planner but is one of the most difficult to accomplish. *Forecasting* is defined as the art of predicting the occurrence of events before they actually take place (Archer 1980, 5). As the uncertainties of travel increase—taste, policies, international currency exchange, and diversity of destinations—projections become less reliable. Because planners, developers, and promoters are in constant need for forecasting, the concept continues to occupy an important place in market evaluation. Although scientific research methods are used increasingly, forecasting as defined remains an art based on experience and judgment.

Uysal and Crompton (1985, 7) have provided helpful descriptions of qualitative and quantitative approaches to tourism forecasting of demand. Under qualitative approaches, three methods used by experts are described. *Traditional approaches* include review of survey reports to observe consistent trends and changes. Sometimes surveys within originating market sources are made to obtain the past history of travel as well as opinions of future trends. The *Delphi method* is an iterative type of research inquiry using opinion of knowledgeable experts. It consists of several iterations by a panel that responds to specific questions about trends. Each panel member is anonymous to one another. Of course this method relies heavily on the extent of expertise of the panel members and the influence of the director. But, it is a useful tool, especially when used alongside other measures of prediction. A *judgment-aided model* (JAM) uses a panel in face-to-face contact and debate to gain consensus on several scenarios of the future. Each scenario is based on a different set of assumptions, such as political factors, economic tourism development, promotion, and transportation.

Among quantitative approaches, Uysal and Crompton describe three kinds. *Time series* studies are often statistical measures repeated year after

year. Here it is assumed that all variables are working equally over time. In order to reflect changes in influential variables, transfer function models have been developed but involve complex mathematical and statistical techniques. *Gravity and trip generation models* assume that the number of visits from each origin is influenced by factors impinging upon those origins. The primary factors are distance and population. Some researchers criticize gravity models on the basis of not reflecting price, not accounting for shrinking of distance perception by new modes of transportation, and other difficult variables. *Multivariate regression models* allow the use of many variables in predicting travel. Income, population, travel cost, international context, and other variables can be introduced.

This brief discussion is offered only to suggest that much experimentation of methods for forecasting demand is taking place. Some quantitative and statistical approaches can provide clues to future tourist flows. Although professional market analysis may be required for major planning projects, less complicated study by local people can be productive. As a guide, the Western Australian Tourism Commission has issued an excellent self-help publication, *Tourism Research for Non-Researchers* (1985). In any case, understanding travel markets is essential to all planning for tourism development.

### Market Segmentation

Until recently any tourist was considered like all other tourists and all planning and management strategies treated tourists as a homogeneous whole. As has been found in marketing other products, there is much merit to dividing the totality of tourists into groups with similarities.

*Market segmentation* has been defined by Pride (1983, 40) as "the process of dividing a total clientele into groups consisting of people who have relatively similar service needs." Generally, marketers suggest three basic conditions which should be met for segmentation. First, there must be great enough numbers in each segment to warrant special attention. Second, there must be sufficient similarity of characteristics within each group to give them distinction. Third, the subsets must be viable—worthy of attention. When planning for physical development, as well as assessing social, economic, and environmental impact, it should be very helpful to have segmented refinements of potential tourist groups who might travel to the area.

Earlier segmentation was directed toward grouping tourists by demographic characteristics—age, sex, income, ethnicity, stage in life cycle,

and occupation. Generally, it has been found that grouping according to these characteristics has not been as useful as anticipated. While some extensive foreign vacations are relatively costly and require higher income markets, income is more of a limitation than a determinant. Many people with a wide diversity of incomes are found at tourism destinations. Even though ethnicity has not been widely researched, there seem to be similar traveler characteristics across several racial and national groups.

Ages of travelers have a bearing on what is developed. Ryan (1992, 135) points out that children constitute a significant segment of travelers. They influence the design of exhibits and educational programs and play an important role in adult satisfactions. One bracket that has increased in importance in the United States is the 50-plus traveler. Norvell (1986, 126) found that convention travel is just as popular with 50-plus travelers as with others. The 50-plus travelers are more likely to travel for entertainment, sightseeing, theater, historical sites, and shopping than for outdoor recreation. Regarding regional destination preference, there was little difference from other travelers. Older travelers tended to spend more time on trips but stay less frequently with friends and relatives than younger travelers. Although the use of recreational vehicles (RVs) was greater among the 50-plus group, this use declined in favor of package tours over the age of 65. In 1984, the 50-plus traveler accounted for 30 percent of all domestic travel, 30 percent of all air trips, 32 percent of all hotel/motel nights, and 72 percent of all RV trips. Continuing research on age segmentation will be of value in planning destination and site development.

One of the best summaries of tourist market segmentation is that prepared for use in Canada. Seven categories of travel market segments are described and brief comments are offered regarding their effectiveness in tourism planning and promotion (Table 2-1) (*Marketing* 1986)

Another approach that may have value to planners of tourism development is segmenting markets by expenditures (Spotts and Mahoney 1991). A study of 2,732 travelers in Michigan's Upper Peninsula revealed a strong correlation between expenditures and choice of lodging, information sources used, length of stay, recreational activities in natural resource areas, and comparative volume of visitors (much greater volume among higher spenders).

Anthropologist V. L. Smith (1992) has put forth a possible distinction between the *pilgrim* and the *tourist*. Pilgrimages, travel with primary religious motivations, have become especially significant worldwide in recent years. Nolan and Nolan (1989) described pilgrimages in three categories: centers of interest for religious tourism; shrines; and events related to religion, folklore or ethnicity. Other scholars have documented the many

**TABLE 2-1**  
TRAVEL MARKET SEGMENTS

1. Purpose of Trip/Use Segmentation	<ul style="list-style-type: none"> <li>Pleasure travel</li> <li>Personal business</li> <li>Other business</li> <li>Conventions/meetings</li> <li>Tournaments/sports groups</li> </ul>	<ul style="list-style-type: none"> <li>● This is usually the most effective segmentation approach because the target market is actively seeking a specific kind of product.</li> </ul>
2. Channel of Distribution Segmentation	<ul style="list-style-type: none"> <li>Direct customer sales</li> <li>Travel agents</li> <li>Tour operators</li> <li>Tour wholesalers</li> <li>Airlines</li> <li>Government marketing</li> <li>Regional/local tourism associations</li> </ul>	<ul style="list-style-type: none"> <li>● This approach is effective in further afield markets that cannot be reached directly at reasonable cost or where travel trade companies have a market that is closely matched.</li> </ul>
3. Socioeconomic or Demographic Segmentation	<ul style="list-style-type: none"> <li>Age</li> <li>Sex</li> <li>Education</li> <li>Income</li> <li>Family size</li> <li>Occupation</li> <li>Family life cycle</li> <li>Social class</li> <li>Home ownership</li> <li>Second home ownership</li> <li>Race or ethnic group</li> </ul>	<ul style="list-style-type: none"> <li>● This is a commonly used segmentation approach, since these segments are often easy to reach and information on them is usually available.</li> </ul>
4. Product-related Segmentation	<ul style="list-style-type: none"> <li>Recreation activity</li> <li>Equipment</li> <li>Brand loyalty</li> <li>Benefit expectations</li> <li>Length of stay</li> <li>Transportation mode</li> <li>Experience preference</li> <li>Participation patterns</li> </ul>	<ul style="list-style-type: none"> <li>● These are difficult segments to reach, but they are well matched to the use of specific products</li> </ul>
5. Psychographic Segmentation	<ul style="list-style-type: none"> <li>Personality traits</li> <li>Lifestyle</li> <li>Attitudes, interests, and opinions</li> <li>Motivations</li> </ul>	<ul style="list-style-type: none"> <li>● In tourism, this can be an effective segmentation approach, since tourism product use is extensive among certain psychographic groups. Also, many advertising media are segmented this way.</li> </ul>
6. Geographic Segmentation	<ul style="list-style-type: none"> <li>Country</li> <li>State, province, and county</li> <li>Region</li> <li>Urban, suburban, and rural</li> <li>City size</li> <li>Population density</li> </ul>	<ul style="list-style-type: none"> <li>● This is the most common segmentation approach because these markets are clearly defined and accessible. It is often not an efficient approach, however, unless it is used in combination with other approaches.</li> </ul>
7. Use Frequency/Seasonality Segmentation	<ul style="list-style-type: none"> <li>Heavy users</li> <li>Moderate users</li> <li>Infrequent users</li> </ul>	<ul style="list-style-type: none"> <li>● Data should be readily available on these customers, so this method is likely to be cost-effective.</li> </ul>

Source: Marketing Management, 1986, 60

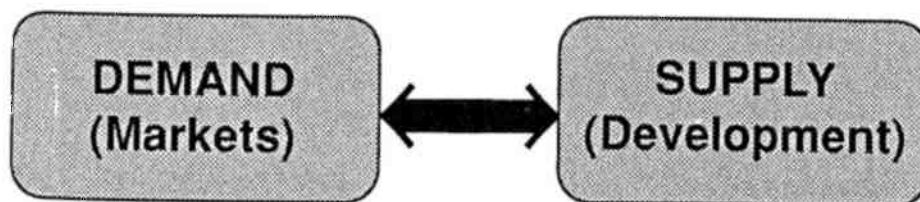
forms of travel pilgrimages today and throughout history. However, Smith (1992, 4) points out that secular tourist travel has become increasingly diffused with pilgrimage travel.

A generalized market segmentation, especially important to physical tourism planning, is by activities dependent upon development using *natural* or *cultural* resources. It has been the foundation for geographic assessment of destinations with tourism potential, as described in Chapter 5. Forbes and Forbes (1992, 141) emphasize special interest travel, such as adventure travel and ecotravel, as a growing segment. They characterize these travelers as interactive, highly involved, and interested in quality experiences, focusing on in-depth activities within destinations.

Planners and developers—public and private—must have current information on travel market characteristics in order to understand why, where, and what development is most appropriate.

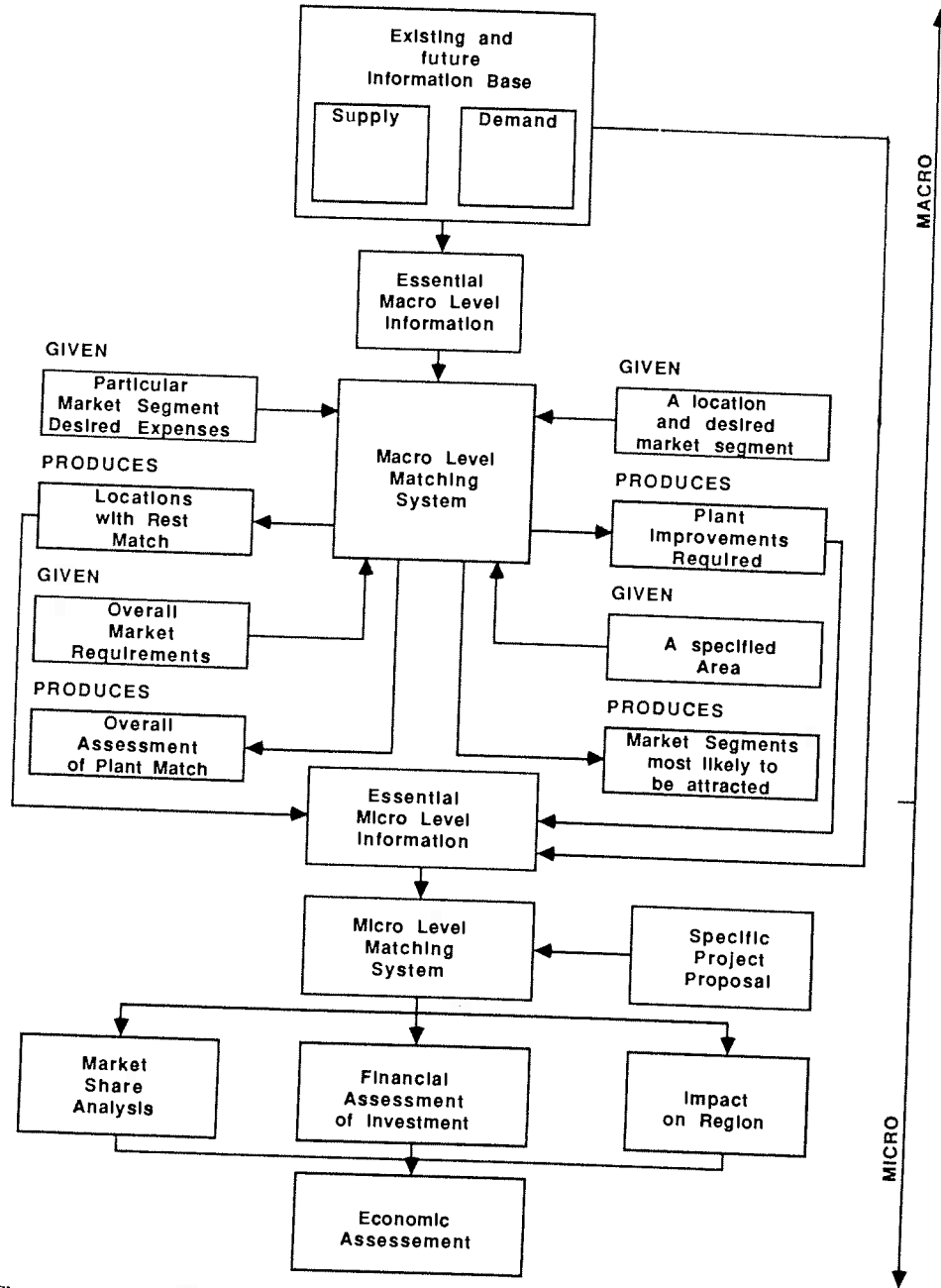
### Matching Supply with the Market

In order to satisfy this market demand, a nation, region, or community must be able to provide a variety of development and services—the supply side. How well this supply side matches the market is the key to reaching the ultimate in correct tourism development (Figure 2-1). Taylor (1980, 56) called this the market-plant match and his model is illustrated in Figure 2-2. He based the model on his observations in Canada that “the characteristics of tourism demand are changing rapidly and these changes outstrip the present ability of the plant to adjust and that a measurement system can be devised that will permit the plant to adapt to changing demands in a rational manner.” Although the search for such a measurement system continues, there is fundamental logic in always striving for a balance between demand and supply. An Australian tourism research guide recommends steps for a gap analysis, determining the difference between what travel markets seek and what is provided for them in the region (Tourism Research 1985, 14).



**Figure 2-1.** Demand-Supply Balance. The planning of tourism should strive for a balance between demand (market) and supply (development). This requires an understanding of market characteristics and trends as well as the process of planning development to meet market needs.





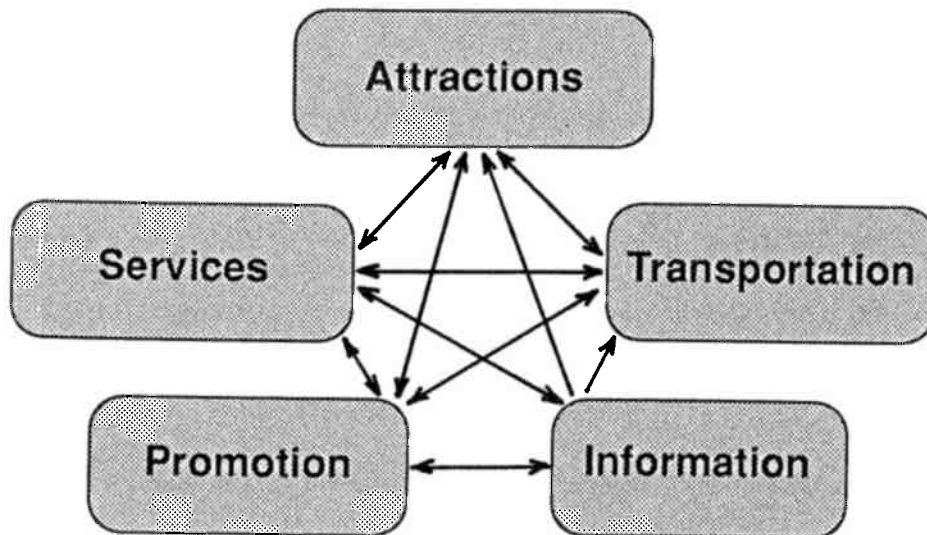
**Figure 2-2.** Plant-Market Match Model. This macro-micro systems model of planning is directed toward matching appropriate supply development with market segment demand. Such a process can reveal needed development projects (Taylor 1980, 58).

## THE FUNCTIONING SYSTEM

One can take this demand-supply balance one step further by identifying components of the *supply side* and their relationship to demand as illustrated Figure 2-3. Although others may use different terms, this relationship is now described much the same as identified in Gunn (1972, 21). Leiper (1979) described the system in a similar manner with “tourist generating regions” connected to “tourist destination regions” by means of “transit routes.” Boniface and Cooper (1987) called this a system of generating areas connected to destinations by routes traveled between these two sets of locations. No matter how it is labeled or described, tourism is not only made up of hotels, airlines, or the so-called tourist industry but rather a system of major components linked together in an intimate and interdependent relationship. This model is one way of describing the *functioning tourism system*.

### The Supply Side

The supply side includes all those programs and land uses that are designed and managed to provide for receiving visitors. Again, these are under the control of all three sectors—private enterprise, nonprofit orga-



**Figure 2-3.** Functioning Components of Supply Side. Planning should strive to interrelate development of all components of the supply side of tourism. Developers and managers within each component include all three sectors—commercial enterprise, nonprofit organizations, and governments. This model emphasizes the dynamic relationship requiring regular monitoring. Change in any component influences all the others.

nizations, and governments. For purposes of planning, the supply side could be described as including five major components, as shown in Figure 2-3. Although others have described these with different labels, it is generally agreed that these represent the supply side of tourism. Jafari (1982, 2) refers to these as the "market basket of goods and services, including accommodations, food service, transportation, travel agencies, recreation and entertainment, and other travel trade services." Murphy (1985, 10) also includes similar components of the supply side. Mill and Morrison (1985, 2) combine attractions and services into a destination component. Focusing on community tourism, Blank (1989, 6) combines transportation, communications, attractors, services, and other community components for the supply side. But, no matter how they are labeled, these are the components that *together* make up tourism supply. (A more detailed description of these components is contained in Chapter 3.)

### Implications

For all three decisionmaking sectors, there are several important implications when these supply components are understood as operating in a system. First, all components are *interdependent*. For example, a hotelier—a member of the services component—is dependent upon planning decisions made in all other components. Transportation is critical. Airline price changes or bankruptcy, highway rerouting, and changes in fuel price can dramatically influence hotel success. Equally influential is the addition or demise of a major attraction. A river impoundment that creates new opportunity for outdoor recreation, a major new museum, or a new convention center could greatly increase the volume of visitors needing lodging. The accessibility and quality of informational literature—attraction location, admission fees, open hours—could greatly influence whether visitors come to the area near the hotel. Finally, the effectiveness of promotion as compared to other destination promotions could greatly impact hotel success. The same interdependency can be traced for each of the other components and all development within each. Promotion, for example, cannot be productive if the attractions or services are inadequate. Each individual within each component is critically influenced by individual plans, development, and operation within the other components.

Second, the tourism system is very *dynamic*. This is an important dimension of interdependency. Changes are continually taking place not only within each component but also between supply and demand. Perhaps this is the greatest factor making tourism planning so difficult. Few

planners, developers, or managers today are monitoring changes in each component or maintaining data on trends.

Third, the system is *difficult to manage*. It is owned, developed, and managed by thousands of separate actors within the three developer sectors. In the United States, over 50 federal agencies and hundreds of state agencies own and manage parks, reserves, and cultural areas of significance in attracting tourists. Hundreds of nonprofit organizations own and develop land important to tourism. Add to this the great number of businesses involved in tourism and it becomes clear that the tourism system is not under single management control. It should not be implied here that such a control would be desirable; quite the contrary. But, it is a basic principle—the complexity of ownership and control—that demands special cooperation on planning and processes.

Fourth, each component, and every actor within it, is dependent upon the characteristics of the *market*. Tourism markets are much more capricious than local retail markets. Tourists are much more mobile and have a much greater diversity of destination opportunities. For example, for a traveler located in New York, a small price differential could cause a switch in travel plans from the western United States to Europe. Conversely, internal conflict or war in a destination could remove it from consideration, bringing another one at an entirely different part of the world into equal competition.

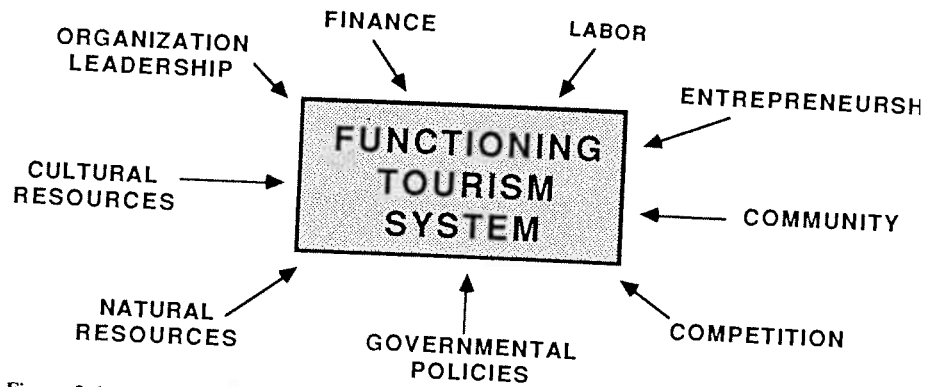
These and other implications of the tourism system must be taken into consideration when tourism plans are laid.

## EXTERNAL FACTORS

Such a core of functioning components is greatly influenced by many external factors (Figure 2-4). Planning cannot be concerned solely with the core only because all sectors may be as subject to outside influences as those inside their own control. Several factors can have great influence on how tourism is developed. A brief examination of these may help in understanding the complicated reality of tourism, critical to planning the proper functioning of the tourism system.

### Natural Resources

The popular emphasis on tourism economics and businesses tends to divert attention from very important foundations for tourism development. Again, the *causes* of travel to a destination are grounded in the destina-



**Figure 2-4.** External Influences on Tourism System. The core of functioning tourism components influenced greatly by several external factors: organization, leadership, finance, labor, entrepreneurship, community, competition, governmental policies, natural resources, and cultural resources.

tion's resources, natural and cultural, and the attractions that relate to them. Even destinations such as Walt Disney World that seemingly are contrived and unrelated to the resource base, in fact benefit greatly from it. Nearby Orlando and its surrounding area have many complementing attractions—art museums, a science center, a 72-building historic district, Lake Eola, wildfowl (ducks, geese, herons, anhingas, cormorants, and moorhens), Leu Botanical Gardens, Florida Audubon Society Center for Birds of Prey, Bok Tower Gardens, and Wekiwa Springs State Park (Whitman 1992). Natural and cultural resources identify the uniqueness of place, very important to travelers and their objectives. Even a cursory review of publicity and advertising of travel today demonstrates the high value that promoters place on attractions related to natural resources. Generally, the term *natural resources* refers to five basic natural features: water, topographic changes, vegetation, wildlife, and climate. Table 2-2 summarizes the relationships between these factors and tourism development.

Outdoor recreation has been a major travel purpose for many years. Although promoted primarily for its health and social values, outdoor recreation is very important to tourism economics. For example, a study in Texas (Texas Parks and Wildlife 1984, 6) revealed that Texas travelers spend approximately \$9 billion annually on only 20 outdoor recreation activities. Critical, then, for future tourism development is the location and quality of the natural resources that support these activities sought by travel markets.

Probably the most popularly developed natural resource for tourism is *water*. Surface water is magnetic and has appealed to travelers for many years, stimulating many kinds of waterfront development. Ancient fresco paintings of the Egyptian dynasties include generous illustrations of

TABLE 2-2  
TOURISM DEVELOPMENT RELATED TO NATURAL RESOURCES

<i>Resource</i>	<i>Typical Development</i>
Water	Resorts, campgrounds, parks, fishing sites, marinas, boat cruises, river float trips, picnic areas, water scenic areas, shell collecting areas, water festival sites, waterfront areas, scuba diving sites, water photographic sites
Topography	Mountain resorts, winter sports areas, mountain climbing, hang gliding areas, parks, scenic sites, glacier sites, plains, ranch resorts, scenic drives, vista photography
Vegetation	Parks, campgrounds, wildflower sites, autumn foliage areas, scenic overlooks, scenic drives, vacation homes, scenic photography sites, habitat for wildlife
Wildlife	Nature centers, nature interpretive centers, hunting, wildlife observation, wildlife photographic sites, hunting resorts
Climate	Sites suited to sunbathing, beach use, summer and winter resorts, sites with temperature and precipitation suited to specific activity development

water's attractiveness. Brittain (1958, 124) has aptly stated that in addition to commerce and defense, historically, water

... drew men together in common pleasures, strengthening, no doubt, a sense of individual participation in a larger life that enhances neighbors and strangers, and even foreigners from distant lands wearing their exotic clothes and clacking away in incomprehensible languages.

Reflection pools, ponds, fountains, rivers, lakes, waterfalls, and the seas continue to provide appeals that have no substitute. The appeal of water to both residents and visitors is bound up in cultures throughout the world. "We still like to go beachcombing, returning to primitive act and mood. When all the lands will be filled with people and machines, perhaps the last need and observance of man will be, as it was at the beginning, to come down and experience the sea" (Sauer 1967, 310-311). It is for its great value to tourism that water quality and its protection must be seen by all sectors as absolutely essential to tourism's success—economically as well as socially and environmentally.

Historically, and even today, *topography*—hills, mountains, and valleys—provides the physical setting for much of tourism. Land relief is an essential ingredient in contemporary culture's assessment of landscape scenery, now heightened by the boundless popularity of photography. Hill-sides and mountaintops offer spectacular vistas, near and far. Mountain resorts, winter and summer, retain their appeal for contemporary travel market segments. Related to topography soils are of significance to tourism development—construction stability, landscape modification, and

erodability. Because some mountainsides and slopes are highly erodible, resource protection must be part of the catechism of tourism development. Also related is the geological foundation, often influencing the stability of land and lakes, the absorptive capacity of sewage, and the reliability of water supply.

For many kinds of tourism development, from the tundra of the north to the rainforests of the tropics, *vegetative cover* is an important natural resource for tourism development. While deserts may have some appeal to tourists, much more popular are verdant landscapes. Forests create appealing scenic vistas, support wildlife, offer dramatic panoramas of color in autumn, and aid greatly in preventing soil erosion. Often specific plant areas (redwoods, the Big Thicket, silverswords in Hawaii, Michigan jack pine for Kirtland warbler) are singularly important in travel destinations for some market segments. Wildflowers are spectacularly attractive in forests in the North and over open fields in the South in springtime. But, forested and vegetated regions are extensive and are subject to varying policies by owners and managers. Some timber harvest practices, such as clear-cutting, destroy landscape scenery and stimulate soil erosion. Vegetation is dynamic; trees sprout, grow, and die, and may be damaged by disease and fire. Management for tourism requires special policies and practices if vegetative resources are to maintain their value to tourism.

Once primarily of interest only to travel segments interested in game hunting, *wildlife* today is even of greater importance for nonconsumptive tourist markets. Viewing and photographing wildlife have grown significantly in recent years. It is estimated that about \$18 billion was spent by travelers on wildlife watching in the United States in 1991 (USFWS 1992, 7). Photo safaris are far more important today in Africa than hunting ever was. Color slides and videos are becoming important tourist trophies. Animal habitat management is necessary if the resource is to continue for tourism. Some wildlife is extremely sensitive to human intrusions, requiring special design and management techniques if visitors are to be enriched by this resource. Tourism developers are dependent upon environmental protection of wildlife.

*Climate and weather* are qualities of place that greatly influence the planning and development of tourism. Travelers generally prefer sunny weather even in winter sports areas and certainly for beach activities. For example, for many of the national parks of the United States, peak visitation occurs during sunniest weather. Some northern countries, such as Canada, do not try to promote travelers seeking sunny and warm beaches but other attractions more appropriate to their climate. Without doubt, climate plays an important role for the popularity of the Hawaiian and Caribbean islands. There is little evidence to suggest that storm hazards—

lightning, tornadoes, and hurricanes—have more than a temporary impact on travel. In fact, some fishing in the Gulf of Mexico is stimulated during periods of hurricanes. Related to climate are conditions of air quality. Although air quality controls are lessening air pollution in some parts of the world, travelers object to areas where odor, manufacturing gases, and automobile pollution are prevalent.

This brief review should be sufficient to endorse the need for vigorous natural resource protection advocacy for all tourism sponsors and developers in order for the tourism system to function at its best.

### **Cultural Resources**

In recent years, several travel market segments have increasingly sought destinations with abundant cultural resources. This category of resource base includes prehistoric sites; historic sites; places of ethnicity, lore, and education; industries, trade centers, and professional centers; places for performing arts, museums, and galleries; and sites important for entertainment, health, sports, and religion. Examples of development related to cultural resources are shown in Table 2-3.

Peterson's research (1990, 209) categorized cultural travelers as aficionados (sophisticated, professional), casual visitors (urban backyard visitors), event visitors (activities at sites), and travel tourists (historic site visitors). She cited three reasons for visiting cultural sites: experiencing a different time or place, learning, and sharing knowledge with others. A major international conference on cultural and heritage tourism (Hall and Zeppel 1990, 55) concluded that in spite of the surge of interest within the travel market, there are major gaps in planning and operation of such attractions. Also stressed was the need for greater public-private cooperation. (Twenty papers presented at the ICOMOS conference are contained in "Cultural Heritage and Tourism," (1990) *Historic Environment*, (7): 3-4.) The field of cultural resources spans virtually all resources except those that can be called natural.

The travel market interest in *prehistory*, such as archeology, has stimulated development of these resources for visitors. Locations where scientists are discovering structures and artifacts of ancient peoples are of increasing interest among travelers. Nautical archeology (discovery and analysis of ancient ship transport and ways of life) is becoming as important as terrestrial archeological digs. But, because of their rarity, these sites must be under rigid control to prevent their destruction by visitors. Archeologists emphasize the fact that the context (relationship to setting and other artifacts) is more important than the artifact. Documentation



TABLE 2-3  
TOURISM DEVELOPMENT RELATED TO CULTURAL RESOURCES

<i>Resource</i>	<i>Typical Development</i>
Prehistory, Archeology	Visitor interpretive centers, archeological digs, prehistory parks and preserves, nautical archeological sites, festival sites related to prehistory, exhibits and customs related to prehistory
History	Historic sites, historic architecture, historic shrines, museums depicting eras of human history, cultural centers, historic pageants, festivals, landmarks, historic parks
Ethnicity, Lore, Education	Places important to legends and lore, places of ethnic importance (customs, art, foods, dress, beliefs), ethnic and national cultural centers, pageants, festivals, dude ranches, gardens, elderhostels, universities
Industry, Trade, Professionalism	Manufacturing and processing plants, retail and wholesale businesses, conference centers, educational and research institutions, convention centers, performing arts, museums, galleries
Entertainment, Health, Religion, Sports	Spas, health centers, fitness resorts, health specialty restaurants, religious meccas, shrines, sports arenas, night clubs, gaming casinos, theaters, museums (history, art, natural history, applied science, children's, folk), art galleries

of what these clues suggest for ancient peoples—dates, foods, and customs—is more important than collecting. Special design and management, such as interpretive visitor centers and museums, are needed to handle volumes of visitors to prehistoric sites.

Popular literature and films have heightened traveler interest in *historic* areas. Even though every place has a history, places of local significance are of less interest to visitors than those of state, provincial, national, or world importance. Generally governmental agencies and nonprofit organizations have been the leaders in preserving, restoring, and developing sites important to history. The topic of history deals with the documented past. For tourism, sites, structures, and events related to places are the foundations for historic attractions. As with archaeological sites, historic sites require very special control, design, and management so that the resource is protected at the same time visitors gain historic appreciation and enriching experiences. It is important for tourist businesses to support the development and maintenance of historic sites because they stimulate the market for services.

For discussion purposes, places important for *ethnicity*, *lore*, and *education* have been grouped together as a category of cultural resource foundations for tourism development. Travel interest in the exotic and

special customs, foods, costumes, arts, and entertainment of ethnic groups continues to rise. As an example, 42 percent of the visitors to South Dakota want to see Indians (Mills 1991). Because native resources are rooted in the past, they are prone to disappear because of the social and economic desire of localities to progress and modernize. Many cultural organizations have established programs to protect early cultural elements, and special design and management is required to develop such places for tourism. For example, Barry Parker, executive director, First Nations Tourism Association of Canada has identified goals and objectives for organization (Parker 1991, 11):

Goals:

- To position native tourism business as a major player in the Canadian tourism industry.
- To preserve, protect and promote cultural uniqueness in the tourism industry.
- To facilitate growth in the Canadian native tourism industry.

Objectives:

- Communications—to enhance image/perception by establishing a data base and networking system.
- Human resource development—to coordinate national level training to ensure cultural integrity through standards, quality, certification.
- Advocacy—to influence policy development at the federal, provincial and territorial levels.
- Marketing—to develop a national marketing strategy.

Close cooperation with ethnic groups is essential in order to avoid misinterpretation that may demean a past society. Often legends and lore are as important to visitors as true ethnic culture. Universities, colleges, technical institutions, and research centers are of interest to many travelers but require special access, exhibits, and tour guidance for tourism.

Travel objectives of *industry, trade, and professionalism* continue to be very important for several travel segments, and are often combined with pleasure. Manufacturing and processing plants are not only of interest to business travelers but also to pleasure travelers if the sites provide tours, facilities, and services for visitors. Trade and business centers are important cultural sites for many travelers. Places that establish meeting services and convention centers are attracting many travelers for professional and technical seminars, meetings, and conventions. Many areas are major tourist objectives because of the diversity of shops. Shopping is a very important activity for many travelers.

Places for *performing arts, museums, and galleries* are very important for many travelers. Tighe (1988) cites many examples of the significance

of cultural tourism. Aspen, Colorado, known primarily for its skiing, also hosts over 55,000 people annually for a music festival and other performing arts activities. The Spoleto Festival of Charleston, South Carolina, holds 125 performances a year with over 90,000 in attendance. The Port Authority of New York-New Jersey reports arts institutions contribute \$5.6 billion annually to the economy. In all instances, a high percentage of attendees are tourists. United States Travel and Tourism Administration's in-flight surveys have indicated that about 27 percent of all overseas visitors to the United States went to an art gallery or museum and some 21 percent went to a concert, play, or musical. In 1984 the Los Angeles Olympic Arts Festival drew 1,276,000 people.

Finally cultural resources also include places that provide for *entertainment, health, sports, and religion*. Health spas, centers for physical fitness, weight reduction, and special medical treatment become travel objectives for many travelers. Sports arenas throughout the world attract millions of visitors to special events such as the Olympic Games. Some communities are known as centers for certain religious groups. Others attract many visitors because of their cultural resources such as gaming casinos, music halls, opera houses, and night clubs.

### **Entrepreneurship**

Because tourism is dynamic, entrepreneurs are needed who visualize opportunities for new developments and creative ways of managing existing developments. The ability to see an opportunity, to obtain needed financing, to obtain the proper location and sites, to engage designers to create physical settings, and to gather the human resources needed to manage the physical plant and services is important for travel development. For industrialized nations, entrepreneurship is a part of the culture. It is known that the lack of this factor in many underdeveloped countries is a major handicap that increases the difficulty of creating and expanding tourism.

### **Finance**

Certainly, capital is required for the development of tourism. But, the ease of obtaining the financial backing for tourism varies greatly. Public and private lenders are often skeptical and have a negative image of the financial stability of tourism. Because so much of the tourism physical plant is small business and has attracted many inexperienced developers, some of

this reputation is justified. However, recent trends have demanded much greater business sophistication and higher capital investment. Tourism takes considerably more capital than is popularly believed. Investors are more likely to support projects that demonstrate sound feasibility. Financial backing is an important factor for both public and private tourism development.

**Labor**

The availability of adequately trained workers in an area can have considerable influence on tourism development. As markets demand higher levels of service, well-trained and competent people are in greater need. The popular view that the untrained can perform all tasks needed in the diversity of tourism development is false. When the economic base of any area shifts, those taken out of employment may be retrainable but are not truly available for tourism jobs unless such training is provided. Remote locations become more costly for development because employees must be housed on site. The labor capacity of an area has much to do with tourism development.

**Competition**

The freedom to compete is a postulate of the free enterprise system. If a business can develop and offer a better product, it should be allowed to do so in order to satisfy market demand. However, before an area begins tourism expansion it must research the competition—what other areas can provide the same opportunities with less cost and with greater ease? Is there evidence that tourism plant has already saturated a market segment? Certainly, competition is an important influence upon the tourism system.

**Community**

A much more important factor influencing tourism development than has been considered in the past is the attitude toward tourism by the several community sectors. While the business sector may favor greater growth of tourism, other groups of the local citizenry may oppose it on the grounds of increased social, environmental, and economic competition for resources and other negative impacts. Political, environmental, religious,

cultural, ethnic, and other groups in an area can make or break the proper functioning of the tourism system.

### **Governmental Policies**

From federal to local governing levels, statutory requirements may foster or hinder tourism development. How the laws and regulations are administered—loosely or rigidly—can influence the amount and quality of tourism development. Policies on infrastructure by public agencies may favor one area over another. The policies of the many departments and bureaus can have a great bearing on how human, physical, and cultural resources are utilized. Smooth or erratic functioning of the tourism system is greatly influenced by governmental policies.

### **Organization and Leadership**

Only recently being recognized is the great need for leadership and organization in tourism development. All planning is subject to implementation by many sectors. Many areas have hired consultants to plan for tourism opportunities but frequently such plans for development have not materialized for lack of organization and leadership.

Without doubt, as tourism development research and experience broadens, more influential factors will be found. Any planning for tourism in the future must take into account the core of the tourism functional system and the many factors influencing it.

## **CONCLUSIONS**

Every stakeholder of tourism will *gain*, not lose, by making plans in the context of tourism as a system. Governmental agencies can gain because their plans and decisions on parks, highways, infrastructure, and promotion will be more supportive of development by the other sectors. As capitalistic and market economies grow, privatization can be integrated to a higher degree with public agency activities. Nonprofit organization development of tourism can fulfill goals and objectives more successfully if it is designed and managed in the context of the overall tourism system. Certainly, the business sector of tourism will benefit greatly when it takes advantage of the complementary action by the other two sectors. And, finally, the tourist and the travel experience, the true product and purpose

of all tourism development, will gain because the system is working in greater harmony. Travelers benefit when all parts of all supply side components make their travels easier, more comfortable, and more rewarding. Difficult and challenging as system planning for tourism may be, it holds promise of the greatest rewards for everyone. All parts depend upon one another for smoothest functioning. By considering tourism functions as a system, several conclusions can be drawn.

**Markets, as well as supply, drive tourism development.**

Critical to all tourism development and its planning are the many characteristics of travelers' tourism demands. All physical development and programs must meet the interests and needs of travelers. If not, economic rewards may not be obtained, the environment may be eroded, and local conflict may ensue. Planning for visitor interests can ameliorate or prevent these negative impacts. All sectors seeking improved tourism must be fully cognizant of market characteristics and trends.

**Supply development must balance demand.**

All sectors involved in the development of the supply side of tourism should strive toward meeting the desires and needs of the travel market. Whenever demand and supply are out of balance, planning and development should be directed toward improving the supply-demand match. Only through analysis of both demand and supply can a region, destination, or site know how to plan. All supply side components—attractions, transportation, services, information, and promotion—must be planned and developed to meet the needs of markets.

**Supply side components are owned and managed by all three sectors.**

Supply side development is not exclusively under control of the business sector. All five major components of supply—attractions, transportation, services, information, and promotion—are created and managed by governments and nonprofit organizations as well as business. This means that for tourism to function properly, planning should integrate policies and actions by all three sectors.

**Supply side components are interdependent and dynamic.**

Successful development within any component is dependent on action within all other components. Because changes in demand and supply continue to take place, the system is dynamic, not static. Therefore, constant monitoring of demand and all five components of supply is essential to planning successful tourism. Every developer must be aware of this dynamic relationship.

**The tourism system requires integrated planning.**

Even though private and independent decisionmaking are cherished by most enterprises in all tourism sectors, each will gain by better understanding the trends and plans by others. The public sector can plan for better highways, water supply, waste disposal, parks, and other amenities when private sector plans for attractions and services are known. Conversely, the private sector can plan and develop more effectively when public sector plans are known.

**External factors impinge on the functioning of the tourism system.**

The tourism system does not operate in an isolated manner. Several factors need to be analyzed and worked into plans for best future operation of the system. These external factors include: natural resources, cultural resources, entrepreneurship, finance, labor, competition, community, governmental policies, and organization and leadership.

**Business success depends on resources and their protection.**

Tourist business enterprises are as dependent upon natural and cultural resources as internal management. Good business practice is not the only cause of travel. Equally important are the attractions nearby that, in turn, depend primarily on basic natural and cultural assets. Without protection, restoration, and visitor development of these assets, business cannot thrive.

**Tourist business location depends upon two markets.**

All tourist businesses gain revenues from sales of products and services to local as well as travel markets. Therefore, their business operations, and especially site locations, must be planned to serve both markets. It is important for all community planning to recognize this fundamental for best economic input.

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