Chapter 2
Tourism as a System

INTRODUCTION

From the standpoint of the planners and developers of tourism, the many parts and actors are so numerous and complicated that they seem to defy any order. Each element rightly approaches tourism from its own perspective. Owner-developers of traveler lodging, for example, create a vision of the ultimate finished project and its management. This vision includes type of facility, such as health spa, beach resort, mountain lodge, urban conference hotel, motel, ecolodge, RV park, campground, hunting lodge, bed-and-breakfast, or some other. For every type, many factors are considered. Management characteristics, design and construction costs, buildability, and availability of finance influence the final decision. Today, it is likely that a multinational corporation rather than an independent entrepreneur will be influenced greatly by past successes of their projects. When estimated costs and returns are added, these factors will produce a feasibility study for the project.

Although this approach has been used in hotel education and practice, it is part, but not the whole, of tourism. After being established, such a business may fail or succeed depending upon several other factors. Internal operational management may include a good product, high level of service, and excellent managerial practices and yet not fulfill its role in tourism.

Part of this problem is confusion over the "product." Hoteliers believe their product is selling rooms. The restaurant focus is on selling food. Airlines direct their attention to selling passenger seats. These are necessary but miss the influence of many external factors involved in the overall tourism functioning system.

For tourism, a hidden hand guides an important interrelationship among the many parts that helps spell their success. When all these relationships
are complementary, the system functions smoothly; when they are not, it breaks down. If, by means of integrated planning, these relationships are understood and fostered, tourism has a better chance of gaining its desirable goals of better visitor satisfactions, improved economy and business success, sustainable resource use, and community and area integration. 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.

THE TOURISM SYSTEM

One way of modeling the functioning tourism system is illustrated in Figure 2-1. The two main drivers of tourism consist of a Demand and a

![Figure 2-1. The Tourism Functioning System. Virtually all of the elements of tourism can be modeled as an interrelated demand and supply side. The five supply side components are interdependent and require planning that relates to market trends as well as to physical characteristics of land and resources.](image-url)
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Supply Side. Within these major forces are many details that all planner/developers must deal with for success. Although others may use different terms, this relationship is now much the same as it was in 1972 (Gunn, 21). Leiper (1979) describes 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 made up only 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.

DEMAND-SUPPLY MATCH

In order to satisfy the 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. Taylor (1980, 56) has called this the market-plant match and his model is illustrated in Figure 2-2.

Taylor based this 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).

All government agencies related to tourism have the obligation of making sure their individual policies and practices provide the opportunity for linking travel market preferences with supply development. For example, national parks that have a dual policy of resource protection and visitor use need a full understanding of travel market interests and needs. Such a policy requires recognition of the traveler’s complete needs for accommodation, food service, travel services, and perhaps entertainment but not necessarily within the park boundaries. Called for is cooperation with the surrounding communities to provide these services so that park management can guide visitor use that does not impair the environment.
Figure 2-2. Plant-Market Match Model. This macro-micro systems model of tourism planning is directed toward matching appropriate supply development with travel market segment demand. It is a useful guide for designers of specific tourism projects (Taylor 1980, 58).
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It is at the destination and site levels that demand-supply linkage is especially important. It is here that land use planning and controls can guide development into those zones best adapted to attractions and services. In the case of a small historic community, civic officials in cooperation with residents can identify tourist services in harmony with historic protection. At the site level designers/developers must be cognizant of market segment requirements and yet adapt development in balance with the local resources.

From this discussion it is clear that preferred demand-supply match must be evaluated case-by-case. Examples shown in Part II illustrate this point. Finally, because development policies and market trends continue to change, the creation of demand-supply match is dynamic, not static. All public and private actions must remain flexible so that annual adaptation may take place.

DEMAND

As any manufacturer knows, the best product to manufacture is one that is appealing or preferred by the market. This is equally true with tourism. An examination of the Demand Side of tourism reveals four major factors.

A tourist (for business or pleasure) must be motivated to travel. Those who do not have the interest, desire, and purpose for travel and stay home cannot be counted in the demand side of tourism. Tourism scholars and marketing specialists continue to probe the elusive human characteristics that influence one's desire to travel.

Within total populations, unless one has the financial ability to pay for services and facilities, travel is less likely to occur. Although a significant number still autocamp, stay in free hostels, or with friends and relatives, the larger market of tourist demand occurs in the middle to higher socioeconomic brackets. Air, automobile, and cruise ship travelers have the money required for the bulk of tourism demand.

As the population lives longer and as medical science and practice improve, more people are able to travel. However, unless they have the time and physical ability to travel they will not be counted in tourism demand. This factor is not limited to the elderly. Younger brackets may be restricted in their travel time by work schedules or physical disability.

These and many other factors make predictions of travel very difficult. Forecasting of travel demand is desired by the planner but is one of the most difficult things to accomplish. Forecasting is defined as the art of predicting the occurrence of events before they actually take place (Archer 1980, 5). As the complexities of travel increase—personal taste, environmental policies, international currency exchange, diversity of
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destinations—projections become more difficult and less reliable. Because planners, developers, and promoters are in constant need of forecasting, the concept continues to occupy an important place in market evaluation as well as development of supply. Although scientific research methods and statistical projections 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 responding to specific questions about trends. Each panel member operates in a manner unknown to the others. 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 the course of 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 in 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 Nonresearchers*. In any case, understanding travel markets is essential to all planning for tourism development.

**Market Segmentation**

In the past any tourist was considered to be 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 Kotler (1988) as “the subdividing of a market into homogeneous subsets of customers, where any subset may conceivably be selected as a market target.” He further offers 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.

For tourist market segmentation, many researchers have in the past put forward models of classification. The intent has been to help both marketers and developers make decisions on marketing techniques and creation of physical development. Experience has shown that market segments may vary greatly at regional, destination, and site scales.

A recent model, put forward by James Burke and Barry Resnick (2000), divides tourism markets into four segments—demographic, geographic, psychographic, and behavioristic. With local modification, these are helpful in planning tourism development. For all planning projects and processes, this conclusion suggests that the planners/designers need market characteristic input from professional travel market specialists.

*Demographic segmenting* refers to measurable personal characteristics, such as age, income, occupation, family size/life cycle, and educational level. Marketers seek to determine how these variables influence travel and the development of facilities and services. Each situation requires a mix of these factors to determine their significance.

*Geographic segmenting* is used to determine differences in similarities in travel preference due to traveler location. Location factors are important for decisions on air routes, attraction development within given travel distances, and decisions on destination development due to weather conditions.
Psychographic segmenting is a more recent method of grouping travel markets according to their values, attitudes, lifestyles, interests, activities, and personalities. Such grouping can help both marketers and developers direct their programs and projects to meet the interests of these groups.

Behavioristic segmenting divides the travel market into groups that have similar buying habits. Included are travel habits and preferences, purpose of travel, and benefits sought. By making this grouping, those who promote as well as those who plan and develop tourism can focus their efforts more precisely.

In addition to this classification of market segments, other researchers have considered other groupings that may be helpful to the planners. For example, anthropologist Smith (1992) has put forth a possible distinction between the pilgrim and tourist. Pilgrimages, travel with primary religious motivation, have become especially significant worldwide in recent years. Nolan and Nolan (1989) have 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 forms of pilgrimages today and throughout history. However, Smith (1992, 4) points out that secular tourist travel has become increasingly intertwined with pilgrimage travel.

A generalized market segmentation, especially important to physical tourism planning, is by activities dependent upon development using natural or cultural resources. This 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” as a growing segment, including adventure travel and ecotourism. 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.

**COMPONENTS OF SUPPLY**

Equally important in the functioning tourism system is the driving force of the Supply Side—all the objects and services that are provided to meet demand. 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 the policies and practices of all three sectors—private enterprise, nonprofit organizations, and governments. For purposes of planning, the supply side could be described as including five major components, as shown in Figure 2-1. Although others have de-
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scribed 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 (1989, 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.

Because planning tourism involves all the components in concert with each other, it is incumbent upon stakeholders to have current knowledge of these components. Hoteliers should be aware of trends in attractions, transportation, information, and promotion. Attraction developers must be aware of market trends as well as activity taking place in the other components of supply. So the following discussion is not meant to be exhaustive but rather to stimulate awareness of the major components of the supply side of tourism and their interdependence. For each component, based on critical observation of present trends, the authors have offered a key issue facing tourism planning.

**ATTRACTIONS**

The attractions of a destination constitute the most powerful component of the supply side of tourism. They make up the energizing power unit of the tourism system. If the market provides the “push” of traveler movement, attractions provide the major “pull.” Service businesses are facilitators, not major causes of travel. Without attractions, these services may not be needed except for local trade. Attractions provide two major functions. First, they entice, lure, and stimulate interest in travel. As people in their residential locations learn about attractions of destinations, they make decisions on those that appeal the most. Or, for business travel, the trade center, convention center, or industrial complex may provide the pulling power. Second, attractions provide visitor satisfactions, the rewards from travel—the true travel “product.”

**Scope**

Attractions are those developed locations that are planned and managed for visitor interest, activity, and enjoyment. Even though a destination
may have an abundance of resources that are attractors, they are not functioning as true attractions until they are ready to receive visitors. Attractors and attractions have stimulated travel throughout the world for centuries. Attractions are numerous and extremely diverse.

Although the potpourri of current attractions seemingly lacks any similarity or definition of help to planning, attractions could be classified in several ways. Such classification may be of assistance to individual enterprises and other stakeholders in tourism when they plan for the future. Offered here are three classifications.

By ownership. Attractions are owned and managed by all three sectors—government agencies, nonprofit organizations, commercial enterprises. Table 2-1 lists examples of attractions classified by ownership.

By resource foundation. Attractions can be grouped according to the basic resource foundation, natural or cultural, as listed in Table 2-2.

By touring/long-stay. Although recent market trends have shown a striking reduction of time devoted to each trip, attractions could be classified by whether they are best adapted to touring circuit travel or long-stay in-place travel. Some examples are listed in Table 2-3.

Other classifications might be made, such as outdoor versus indoor, by primary or secondary, and by market segmentation.

Planning Considerations

Experience is demonstrating several planning considerations related to attractions. These are conceptual as well as based on research.

Attractions are created and managed. A popular error practiced by promoters of travel is listing attractive features prematurely. Until a site has been identified, designed, built, and managed for visitors, it cannot function as an attraction and should not be promoted. Historic homes as well as natural resource sites can be damaged greatly if hordes of visitors come too soon, needing parking, tours, and interpretation. Without proper design and management, valuable assets may be eroded.

Attractions are places in which the entire array of physical features and services are provided for an assumed capacity of visitors. Again, market and supply are the two sides of tourism that require close examination for attraction planning. For whom are plans being made and what are their interests? What are the features most critical for the site and how can visitors gain an experience without undermining the resource? What design and operational techniques are appropriate for solving these questions? An estimate of peak visitor volume is essential to the planning of every feature of the attraction—parking, trails, walks, exhibits, lectures, toilet facilities, tour guidance, spectator seating, and possibly food service and
souvenir sales. The attractor may be the ecosystem, rare plant, landmark, or animal but the attraction is a developed and managed entity.

*Attractions gain by being clustered.* In today’s mass tourism, the minor and isolated attraction requires so much time and effort by the visitor to reach that it is seldom worth it. Mass travel systems, such as fast trains, expressways, and air routes, necessitate stopping and walking before attractions can be enjoyed. This transportation factor supports the planning principle of several attraction features close by.

### TABLE 2-1
CLASSIFICATION OF ATTRACTIONS BY OWNERSHIP

<table>
<thead>
<tr>
<th>Governments</th>
<th>Nonprofit Organizations</th>
<th>Business Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>National parks</td>
<td>Historic sites</td>
<td>Theme parks</td>
</tr>
<tr>
<td>State parks</td>
<td>Festivals</td>
<td>Cruises</td>
</tr>
<tr>
<td>Wildlife reserves</td>
<td>Organization camps</td>
<td>Shopping centers</td>
</tr>
<tr>
<td>Scenic/historic roads</td>
<td>Elderhostels</td>
<td>Specialty food</td>
</tr>
<tr>
<td>Recreation areas</td>
<td>Historic architecture</td>
<td>Resorts</td>
</tr>
<tr>
<td>National monuments</td>
<td>Theaters</td>
<td>Golf courses</td>
</tr>
<tr>
<td>Wildlife sanctuaries</td>
<td>Gardens</td>
<td>Theaters</td>
</tr>
<tr>
<td>Zoos</td>
<td>Museums</td>
<td>Craft shops</td>
</tr>
<tr>
<td>Bike/hike trails</td>
<td>Parades</td>
<td>Plant tours</td>
</tr>
<tr>
<td>Sports arenas</td>
<td>Nature reserves</td>
<td>Race tracks</td>
</tr>
</tbody>
</table>

### TABLE 2-2
CLASSIFICATION OF ATTRACTIONS BY RESOURCE

<table>
<thead>
<tr>
<th>Natural Resource Foundation</th>
<th>Cultural Resource Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beach resorts</td>
<td>Historic sites</td>
</tr>
<tr>
<td>Campgrounds</td>
<td>Archeological sites</td>
</tr>
<tr>
<td>Parks</td>
<td>Museums</td>
</tr>
<tr>
<td>Ski resorts</td>
<td>Ethnic areas</td>
</tr>
<tr>
<td>Cruises</td>
<td>Festivals</td>
</tr>
<tr>
<td>Golf courses</td>
<td>Medical centers</td>
</tr>
<tr>
<td>Nature reserves</td>
<td>Trade centers</td>
</tr>
<tr>
<td>Organization camps</td>
<td>Theaters</td>
</tr>
<tr>
<td>Bike/hike trails</td>
<td>Plant tours</td>
</tr>
<tr>
<td>Scenic roads</td>
<td>Convention centers</td>
</tr>
</tbody>
</table>

### TABLE 2-3
CLASSIFICATION OF ATTRACTIONS BY TOURING/LONG STAY

<table>
<thead>
<tr>
<th>Touring</th>
<th>Long Stay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roadside scenic areas</td>
<td>Resorts</td>
</tr>
<tr>
<td>Natural areas</td>
<td>Organization campsites</td>
</tr>
<tr>
<td>Historic buildings, sites</td>
<td>Vacation home complexes</td>
</tr>
<tr>
<td>Specialty food places</td>
<td>Gaming centers</td>
</tr>
<tr>
<td>Shrines</td>
<td>Dude ranches</td>
</tr>
<tr>
<td>Zoos</td>
<td>Convention centers</td>
</tr>
</tbody>
</table>
Attraction themes are best carried out when attractions are grouped together, physically or by tour. Evidence occurs in “garden tours,” “historic tours,” “architectural tours,” and cruises. National parks are examples of attraction clusters, offering many complementary nature attractions, such as beautiful scenery, hiking trails, wildlife conservation parks, challenging topographic features, and outdoor recreation sites. Winter sports resorts frequently contain a combination of attractions: snow and ice sports areas, cross-country ski trails, competitions, indoor entertainment, and sometimes summer attractions for greater revenue production.

Clustered attractions have greater promotional impact and are more efficiently serviced with infrastructure of water, waste disposal, police, fire protection, and power.

**Linkage between attractions and services is important.** Attractions, although fulfilling a major portion of the travel experience, need support by travel services. Park plans, for example, are incomplete if the non-attraction needs of travelers are ignored. Food service, lodging, and supplementary services (purchases of film, drugs, souvenirs) must be within reasonable time and distance reach of travelers. This fact has posed a policy and planning dilemma for park planners for quite some time. It suggests that many attractions need to be planned for “day-use” only, providing the majority of services in nearby communities where they can be serviced more efficiently and gain from local trade as well as travelers. More remote attraction features, however, may require minimum services within the attraction, such as food service, toilets, and visitor centers.

**Attraction locations are both rural and urban.** Rural areas and small towns have their own assets to support attraction development. Some market segments prefer the homeliness and lower congestion of these areas. Table 2-4 lists some of the more popular tourist activities in rural areas and small towns (Gunn 1986, 2). Vernacular landscapes, such as farmsteads and rural scenic roads, demand special planning and control to assure scenic appeal in the future. Great growth has taken place with cruise ships. These represent floating resorts with complete entertainment, food service, and accommodations. Enjoying port city experiences is an important part of the trip for many. Oceangoing ships are no longer merely a means of transportation.

Urban locations are equally viable for tourism development of both cultural and natural resource attractions. Urban rivers, parks, and nature centers as well as museums, theaters, arenas, auditoriums, universities, convention centers, and industries are foundations for attractions. Often, urban and rural attractions can be planned with complementary themes and linked together with tours.
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TABLE 2-4
TRAVELER ACTIVITIES IN RURAL AREAS

<table>
<thead>
<tr>
<th>Picnicking</th>
<th>Canoeing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Camping</td>
<td>Cross-country skiing</td>
</tr>
<tr>
<td>Hiking</td>
<td>Swimming</td>
</tr>
<tr>
<td>Horseback riding</td>
<td>Resorting</td>
</tr>
<tr>
<td>Bicycling</td>
<td>Historic touring</td>
</tr>
<tr>
<td>Hunting</td>
<td>Rural festivals</td>
</tr>
<tr>
<td>Fishing</td>
<td>Scenic touring</td>
</tr>
<tr>
<td>Boating</td>
<td>Visiting</td>
</tr>
<tr>
<td>Waterskiing</td>
<td>friends/relatives</td>
</tr>
<tr>
<td></td>
<td>Nature appreciation</td>
</tr>
</tbody>
</table>

**Issue:** As new attractions are developed by public and private sponsorship, a planning requirement is evaluation of potential negative as well as positive impacts—social, environmental, economic, community.

**SERVICES**

**Scope**

Greatest economic impact from travel occurs through the travel service businesses. Accommodations, food service, transportation, travel agencies, and other travel businesses provide the greatest amount of employment, income, and taxes generated. This category is most frequently called the “hospitality service industry.” Economists point to not only the direct impact but the multiplier effect. For example, hotels, restaurants, and retail shops offer specific products and services. But revenues received, in turn, provide economic support for contract food services, contract laundries, and indirect services such as housing, food, medical service, and transportation of employees.

**Service Sponsorship**

Fundamentally, commercial tourist services and facilities operate with the same purpose as all other business—to make a profit. However, there seems to be continuing misunderstanding of the term “profits,” some believing that in the tourism, recreation, and resource development field, profitmaking is evil. Many, especially those sponsoring government recreation and park areas, seek a more altruistic and expansive social responsibility from business. But first and foremost is the responsibility for private enterprise to remain economically viable. Such economic viability comes from “profits,” which in reality are costs of doing business. According to Drucker (1975),
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There is no conflict between "profit" and "social responsibility." To earn enough to cover the genuine costs which only the so-called "profit" can cover, is economic and social responsibility—indeed it is the specific social and economic responsibility of business. It is not the business that earns a profit adequate to its genuine costs of capital, to the risks of tomorrow and the needs of tomorrow's worker and pensioner, that "rips off" society. It is the business that fails to do so.

In a sense, all owner-managers of tourist services and facilities (governments as well as business) have similar ultimate goals: the satisfaction of needs of tourists. Crudely stated, a motel owner would not sell rooms if travelers did not arrive at that location seeking overnight accommodation. The businessperson has to be creative enough to develop the facility and service and offer it at a price acceptable to the public.

It is the customer who determines what a business is. It is the customer alone whose willingness to pay for a good or a service converts economic resources into wealth, things into goods.... What the customer thinks he is buying, what he considers value is decisive—it determines what a business is, what it produces, and whether it will prosper. (Drucker 1973, 61)

For the planning of tourist services and facilities, it may be helpful to recognize differences among four types of ownership-management.

First, the independent ownership and management, typical of the "mom-pop" category of business, operates on its own forms of personal enterprise policies—market segmentation, pricing, range of services and facilities. One researcher (Bevins: 1971, 3) found that the economics of operation among the small outdoor recreation owner-managers varied greatly according to their goals. He grouped them into three categories: (1) those who did not wish to maximize financial returns but are in business because of belief in conservation, because of recreational values for family members, or for retirees to keep busy, (2) those who seek supplementary income for unemployed or underemployed family labor, and (3) those who seek the more typical economic goals of all business—revenues that will return on the investment. The trend of small tourist business continues to dominate in spite of the more conspicuous large and multinational firms.

Second, the franchise, chain and other multiple-establishment organizations have grown greatly in recent years. The advantages cited are greater marketing through single image and toll-free reservations, increased buying power, and uniform standards. Arrangements vary from those in which the properties (land and buildings) are owned and managed by the corporation to those that are independently owned but agree to certain operational standards and advertising logos for promotional advantages. Best Western in 1975 became the largest organization of
travel lodging in the world (Best Western 1976, 1). A popular mode is that of the Holiday Inns, which use similar design of buildings, central purchasing, uniform signs and logos, and uniform operational standards. Most of the Inns are owned by local people who have a franchise arrangement with Holiday Inn.

Franchising, born in the United States, has promise for tourist service development elsewhere. It provides for local control but has the advantages of a larger organization. Experience has shown that there may be some difficulties in adapting franchising to other countries. Ashman (1986, 41) identifies a few: lack of understanding of its function, arbitrary governmental restrictions against it, labor requirements, property ownership laws, and quality control.

Franchising demands the right balance between centralized control and unit management. Kaplan (1984, 20) cautions against the application of centralized manufacturing techniques to food service organizations. Too much decision making at the top with few rewards to unit managers can divorce a company from the realities of consumers and service. Production speed, product quality, freshness, speed of service, sales promotion, as well as administration and training of personnel, operations, and quality control are best handled at the unit level. The more successful franchise operations recognize the importance of unit level decision making with adequate rewards at the same time efficiencies of large scale are obtained.

Third, quasi-governmental commercial operations, usually called concessions, are of increasing importance. In the United States, many federal and state resource and land agencies have concession agreements with private businesses to provide services to the public on government land. These include hotels, motels, trailer and other camping facilities, restaurants, stores, service stations, and marinas. Reasons cited for a concession arrangement—private profit-making operations on government land—are:

1. Private investment and arrangement reduces the need for public financing.
2. Revenues can accrue to public agencies from concession operations.
3. Innovation and economy may result from management responsibility shared with the private sector.
4. Local economies may be strengthened through profit opportunities for the private sector.
5. Greater recreation opportunity for the public may result from the provision of facilities or services which the managing agencies could not provide.
At the same time, several barriers exist to limit greater use of concession arrangements on public lands:

1. Concession interests may conflict with the management purposes for the public lands.
2. Such businesses are highly seasonal and profits are affected substantially by weather conditions.
3. Concessioners do not hold title to the land, making loans difficult to secure and tenure uncertain.
4. Federal and state civil service regulations may create difficulties in contracting for personal service.
5. Inconsistent or shifting public policies create uncertainty for entrepreneurs.
6. A high degree of onsite supervision by the public agency is generally needed in order to ensure acceptable standards of public service (Bureau of Outdoor Recreation 1973, 82).

Because each concession usually holds a monopoly as a business, it is not subject to the same competition as other businesses outside the control of the agency. Sometimes the political and managerial constraints can perpetuate bad service.

Fourth, nonprofit organizations, such as youth clubs and churches, often own mess halls, lodging, and campground facilities with extremely varying policies. Some are of poor quality due to weak financing and incompetent management and depend solely on donations for support. Others are virtually palatial resorts that are “profitable” in the sense that the revenues far exceed their immediate operating expenses. Some are oriented to conservation-resource protection whereas others are strongly program-oriented. Each depends upon the policies of its parent institution.

One area of contention between private enterprise and government is the problem of control. Participants of the public and private sector hearings of the U.S. National Tourism Policy Study (Senate Committee 1977, 30) cited several problems including time-consuming bureaucratic procedures, inadequate and unimaginative strategies for implementing programs, and a lack of continuity in implementing programs. Participants felt that ineffective implementation of federal programs had exacerbated inadequacies in tourism development activities, created difficulties for small business survival, conflicts between environmental and developmental goals, energy constraints on development, and inadequacies in promotion of travel opportunities in the United States, both domestically and internationally.
Fundamentals of Free Enterprise

Throughout the world, private businesses dominate the tourist services. The degree to which these are “free enterprise” depends upon the extent to which the free market system is not interrupted. It was the Scotsman Adam Smith, who, in 1776 in his *Wealth of Nations*, identified the basic principle of free enterprise as dependent on a voluntary exchange between buyer and seller. While pure free enterprise business may not exist, even in market-economy countries, the more it strives toward certain fundamentals, the more successful it is.

Allen, et al. (1979) has identified the following five fundamentals as essential to a free enterprise economy.

1. **Private property**

   In a free enterprise system all property is owned by private individuals. This is based on several premises. First is the premise that individuals know best how to manage their property. The individual is believed to have a strong interest in not littering his property and conserving its resources because he is responsible for the consequences. The property owner has certain rights.

   - The owner’s right to determine how his property is used.
   - The owner’s right to transfer ownership to someone else.
   - The owner’s right to enjoy income and other benefits that come his way as a result of his ownership of the property.

2. **Economic Freedom**

   By voluntarily cooperating with each other at the same time, individual interests are pursued and the freedom of individual choice is protected. No outside force, such as government, dictates this choice. The following rights are important but do not guarantee business success.

   - The right to start or discontinue businesses.
   - The right to purchase any resource they can pay for.
   - The right to use any technology.
   - The right to produce any product and to offer it for sale at any price.
   - The right to invest in any way.

   The seller and buyer make a voluntary exchange. The market, by its own selection, tells the producer what to produce and at what price. Of course, total economic freedom must be conditioned by the rights of society as a whole.
3. Economic Incentives

When there are incentives to work efficiently and productively, business becomes more efficient and productive. Workers receive incentives through wages and other rewards for doing good work. Businesses receive their incentives through profits. The more productive and the better a business meets market needs, the more profitable it usually becomes. However, punishments, in the form of business loss or failure, can come when the questions of what to produce and how to produce are not answered properly. For this system to function properly there must be a minimum of outside interference. Economic incentives serve to direct scarce resources to the production of goods and services the market values the most.

4. Competitive Markets

In a free enterprise system, the individual can choose and people vary in their preferences. These preferences of markets are expressed to producers by means of what is purchased. This means that there must be competitive businesses rather than monopolies. Each business can then strive for its market share. If it becomes very profitable, it invites competitors who seek their market share through even better products or services. This competition stimulates greater efficiency and lower prices. Competition spreads the decision of what to produce over many producers rather than by governmental decree.

5. Limited Role of Government

The greatest role of government in a free enterprise system is to stimulate business freedom and provide only basic rules and regulations for the good of society. Governmental intervention into day-to-day economic decision making is not part of a free enterprise system. It does not interfere with what or how to produce. Its role is to keep the system free and competitive.

At the same time that tourism has provided the opportunity for many entrepreneurs to create new travel-oriented service businesses, the field has been plagued with a high percentage of business failures. Some would argue that too many amateurs are attracted to these businesses. The business appears simple and glamorous to amateurs, who soon become disillusioned by the long hours, greater responsibilities, and lower profits than anticipated (Lundberg, 1979).

In order to remedy the tendency for excessive failures and poor service in many tourist businesses, many educational programs at all levels have been provided worldwide. Governments and business associations provide such guidelines for successful operations as The Inn Business (Minister
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1982), produced by the Minister of Supply and Services, Canada. This guide provides constructive information on pertinent topics, such as entering the business, planning and development, operation (staff, repairs, maintenance, marketing, and other sources of help). In the United States, business advice and guidance is offered by agencies such as the Small Business Administration and U.S.D.A. Cooperative Extension Service.

Planning Considerations

Service businesses for tourism have both traditional and special planning needs.

Location and service are influenced by two markets. All the businesses providing basic and supportive services for travelers also serve local resident markets. Restaurants, shops, entertainment, and local transportation businesses receive much of their trade and revenues from residents as well as travelers. This fundamental influences location. Remote locations generally are much less successful compared to city and even small town locations.

A balanced economic base is more stable. When tourism and travel businesses provide the major economic input, the economy can fluctuate greatly with changes in travel markets. Industry and trade, combined with tourist businesses, provide the best balance of diversity.

Tourist businesses depend on urban infrastructure. Isolated locations require greater investment to provide for water supply, waste disposal, police, fire protection, and sometimes electrical power, compared to urban settings. This tends to encourage the location of lodging, food service, and other travel services in communities.

Businesses gain from clustering. At one time, entrepreneurs believed that they should locate away from their competition. Today the prevailing belief is that food services or lodging accommodations are best adapted to traveler demand when grouped together. When the traveler begins to think of needing food service, it seems best to be located near other kinds of food service.

Fragile environments should be avoided. Care in location is essential to avoid damaging the very reason for providing a service. Too often, tourist businesses have been located too close to water edges or on sites that have important value for attractions—natural and cultural resource sites.

Services depend on attractions. Service business function is intimately related to attractions. Therefore, the business sector should cooperate on plans for increased development of attractions. Because so many
attractions are based on natural and cultural resources, these businesses should exercise strong environmental protection advocacy.

*Entrepreneurship is critical to tourism planning.* Because of the dynamics of tourism, opportunities for innovative service businesses continue to appear. But if a culture does not have a tradition of entrepreneurship, it may have difficulty in creating new businesses. There needs to be a volume of business people interested in and able to see opportunity, obtain a site, gather the financial support, plan, build, and operate a new business. Small business continues to offer the greatest opportunity in spite of the many risks and obstacles.

**Issue:** Because visitor service has frequently deteriorated in recent years, it must be improved wherever the investment-management hierarchy has placed greater emphasis on profits than on service.

**TRANSPORTATION**

**Scope**

Passenger transportation is a vital component of the tourism system. It provides the critical linkage between market source and destination. Transportation between cities and attractions within urban areas and within attraction complexes requires special planning consideration. Except when touring is used as an attraction, transportation is not usually a goal; it is a necessary evil of tourist travel. Therefore, in the planning for tourism development, it is essential to consider all travel modes for people-movement throughout the circuit in order to reduce its friction as much as possible.

In contrast to a person’s work transportation, which usually employs only one mode, it is not unusual for a modern tourist to utilize several modes on one trip. Planning increasingly requires intermodal considerations. It is not unusual for a tourist to utilize air, automobile, taxi, cable car, and horse carriage (in historic districts) on one trip. Because the several modes are designed, built, and managed by many different owners, a great amount of confusion and uncertainty can upset the traveler. Probably the increased use of motorcoach and cruise ship tours is due to their handling of all transportation arrangements, thereby reducing confusion. Poorly understood is the role of pedestrian movement in tourism. Increased traffic management has solved mass movement of vehicles but often destroyed personal amenities in the process. Attractions and tourist service businesses do need access but the final and most important mode is on foot.
Planning Considerations

All owners and managers of tourist attractions and services have a critical stake in all transportation development policies and practices. Changes in routes, pricing, schedules, convenience, and interfacing between modes can foster or spell disaster for tourism. This issue is further complicated by the different needs of local as compared to long distance travelers. Some highway planners design routes and capacities for business commuting only. Following are a few key planning considerations for the important component of transportation.

*The transportation sector must include tourism in its plans.* Because tourism has grown to major significance internationally, the transportation role must be strengthened. Modern engineering and technology have greatly increased the quality of construction of highways, bridges, airports, railways, and harbors. But closer input from tourist service businesses and attraction leaders is needed in the transportation decision-making process. Both can gain from greater integration.

*Intermodal travel requires new planning cooperation.* Tourist demand is seldom directed toward a single transportation mode as created by business and government. Increased availability (price, scheduling, airline options) of air travel has introduced many more destination choices to the prospective traveler. But access to the specific attractions and circulation within a destination frequently put several other modes into play. Increased popularity of package tours forces greater integration of travel modes. If any one travel link fails to provide the quality of service desired, the entire trip may be spoiled. The planning of intermodal transportation centers is needed for domestic local as well as outside visitor markets. Today’s floating resorts (cruise ships) still require planning linkage with port cities and their attractions even though most activities are provided on board ship.

*Transportation is more than engineering.* Greater sensitivity to the human dimensions of travelers is required for transportation planning. Finding one’s way is increasingly complicated with freeways which tend to disorient and isolate travelers from their objectives. Better signage and traveler information continues to present a planning challenge. The experience of travel, especially on byways and rural routes, is often a part of the tourism product. Scenic routes require special controls on adjacent land use.

*Highways require greater sensitivity to the environment.* Although highway design and planning techniques have advanced in recent years, special care to protect natural and cultural resources is needed. Although traveler access is very important, the building of a major highway into
virgin territory can drastically upset the local social and physical environment. National park planners have experienced excessive road kills of wildlife along improperly placed highways.

**Pedestrianism.** Critical to planning for all travel targets is pedestrianism. The great majority of travel attractions are enjoyed on foot, outside the automobile, train, ship, or plane. Exception are the safari tour, helicopter and plane tour, and cruise ship tour. New design and planning are needed for handling greater volumes of travelers after they leave the mass transport vehicle. New routing, new surface preparations, and new visitor interpretation are challenges for newer, safer, and more satisfying pedestrianism.

**Issue:** *As demonstrated by the massacre of thousands of civilians on September 11, 2001, tourism is extremely vulnerable to major catastrophes. This event further endorses the principle of the interdependency of all components of the tourism system.*

**INFORMATION**

**Scope**

An increasingly important component of the tourism system is traveler information. Many public tourism agencies still confuse information with promotion. Advertising is intended to attract whereas information is to describe—maps, guidebooks, videos, magazine articles, tour guide narratives, brochures, Internet, and traveler anecdotes.

Although much of the provision of information is outside the realm of physical planning, one form of traveler information linkage—the visitor center—is growing rapidly. As ecotourism evolves and as visiting historic sites increases, there is danger of environmental damage. A popular solution is the creation of major visitor centers where masses of tourists can be managed and where they can gain a great experience without destruction of the environment.

Increasingly, planners of zoos, aquariums, nature centers, museums, interpretive centers, and visitor centers are developing facilities and programs to provide a surrogate attraction and richer visitor experience. For example, the Canadian Museum of Civilization, Hull, Quebec, stimulates, educates, and entertains the visitor with a variety of exhibits, live presentations, a children’s museum, and Cineplus (a dramatic video experience). Over 900 years of history and cultural development are depicted in ways impossible by any other technique (Lancashire 1990). The Leid Jungle, the largest of its kind, at the Henry Doorly Zoo, Omaha, provides
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61,000 square feet of exhibit space and contains 3,000 species of plants and 125 species of animals. Visitors gain an enriching experience without damage to fragile environments in their native settings (Cunningham 1992, 41). Several major aquariums give millions of visitors close exposure to marine life and capsuled environmental information with no impact upon real water resource settings. These and many other large attractions are beginning to respond to the plea of the Smithsonian Institution’s Secretary (Adams 1992, 13) for greater responsiveness of museum specialists to the diversity and dynamics of social change.

Museums need to be publicly recognized as important institutional means by which every travel group in our pluralistic society can define itself and represent its place within the complex, dynamic circumstances of contemporary life.

Simonelli (1992) has been working toward improved interpretive programs in the Canyon de Chelly, a Navajo area designated as a National Monument in northeastern Arizona. She emphasizes the need to balance the interests of residents, preservation managers, and visitors. This is not an easy task in an area occupied by the ancient Anasazi for two thousand years and by the Navajo for the last 250 years. She states: “The chief aim of interpretation is provocation, not instruction; it is revelation based on information” (Simonelli 1992, 20). Potential conflict arises between archeologists who wish to designate important prehistoric sites and the Indians now using these lands for agriculture and homes. Planning must consider the differing cultural values held by Indians and other Americans. Indians do not support competition, scientific foundations, the work ethic, and private ownership (Lew 1999). Plans for limiting visitor use, both spatially and quantitatively are being considered in order to protect the Indian culture—sustainable tourism.

Directly related to land planning and development for tourism are the behavior and attitudes of visitors. Social and environmental conflicts often result from lack of destination understanding on the part of visitors. Needed are ethics that help prepare travelers for their travel. Such behavioral education should include information on all topics that might cause conflict or reduce the likelihood of gaining anticipated experiential satisfactions. These topics could include:

- Weather conditions—needed clothing
- Physical demands—travel rigor
- Customs—host mores on dress, language, gestures
- Social contact—host-guest taboos
- Host privacy—trespass rules, regulations
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- Foods—differences among
- Etiquette—behavioral mannerisms
- Religious beliefs—avoidance of conflict
- History—understanding backgrounds
- Politics—avoidance of conflict
- Communication—how to approach natives
- Facilities, services—different features, standards
- Health—avoidance of problems

Seminars, videos, books, Internet, Web sites, and tour guidance on these topics need not diminish the traveler's ability to obtain adventure.

Planning Considerations

Information segmentation is needed. In the past, some informational literature and guidance has been so generalized that no one really benefits. Instead, special places require special descriptive information and guidance. Historic sites, for example, may require several options related to the sophistication and interest of the visitor. Busloads of school children led by history teachers require different talks and exhibits from the casual visitor coming by personal automobile.

Information systems are not promotion. Much of promotion is directed toward the market before travel decisions are made whereas information is needed both before and during travel. Generally, roadside billboards are of greater scenic destructive value than either informative or promotional value for travelers. A mix of maps, guidebooks, well-marked highways, geographic positioning systems, Internet access, and visitor centers can assist the traveler in finding his way and understanding what he is seeing and doing.

Visitor centers are essential. A well-designed visitor center complex adjacent to resource-based attractions promises to solve many issues. First, it can be designed to accommodate personal cars as well as tour buses. It can handle masses of visitors without environmental damage to the primary resources of importance to the attraction. It can provide a vicarious resource experience for the visitor as a surrogate for direct contact and its accompanying noise, litter, and physical wear and tear. Cooperative planning between public agencies, nonprofit organizations, and commercial business can take much of the financial burden away from public agencies. A visitor center complex could include food service, retail sales (crafts, souvenirs), pageantry, museum, exhibits, and demonstrations as well as lectures, videos, and publications.
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A national guidance system is ideal. Some nations, such as Australia and Great Britain, have planned and established networks of information centers of great value to the traveler. Tourist maps and roadside signs identify with a uniform symbol, such as an “I,” where such centers are located. Here the traveler can obtain additional literature, maps, and personal counseling. In order to reduce costs, these may be incorporated into local businesses, such as restaurants and shops. This system offers better directions, is better liked by visitors, and creates less visual clutter than excessive roadside signs. The increased popularity of geographic positioning systems (GPS) is assisting greatly in finding one’s way.

Local hospitality training is needed. Planning for improved tourism information for visitors requires an adequately informed local citizenry. Too often travelers are given no information or even misguidance when asking a local citizen for aid. Local hospitality training programs can be effective for improving knowledge of services and attractions as well as the ability to properly greet visitors.

Issue: For better visitor understanding and resource protection, there are great opportunities for new interpretive centers, traveler guidance, and computer technology, a challenge to tourism planners and developers.

PROMOTION

Although promotion is dominantly programs rather than physical development, it is an important component with strong linkage with all other components. Tourism promotion is a major policy and program activity of many nations, provinces, states, governmental developments, and businesses. Promotion for tourism usually encompasses four activities: advertising (paid), publicity (unpaid), public relations, and incentives (gifts, discounts).

Of great aid in promoting tourism is the recent explosion in the use of the Internet and e-business (electronic business). Very helpful to planners, developers, and managers are two publications produced by the World Tourism Organization: Marketing Tourism Destinations Online (Richer and Carter 1999) and E-Business for Tourism (Carter and Bedard 2001). Available to chambers of commerce and tourism organizations are electronic networks with linkages to supply side development. Web sites today are proliferating. Following entry to a Web site through a home page, topical displays can provide linkage to a variety of choices. These choices might include: attraction features, a trip planner, a brochure, maps, linkages with services and facilities, even booking. For the sophisticated traveler, detailed descriptions of sites may include photographs, historical
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background, physical features, and relationship to other attractions and destinations. It can link a site to a specific travel segment. Because Web sites are becoming so popular, destinations and sites can obtain a great amount of information about their competitors. The electronic age is here and can be of great aid in tourism planning, development, and management.

Because so much money is spent on promotion, the important planning linkage is the matter of what is promoted. All promotional planning must be closely integrated with all other supply-side planning and development.

For example, Baker (1992, 1) found that the marketing program of the U.S. National Park Service to promote off-scale seasonal use did accomplish that objective but exacerbated the overall use problem. Whereas over 95 percent of the park use was in June, July, and August before their campaign, the percentage dropped to 78 percent in 1990, after the program. But the program resulted in a significant increase in total visitors. This effort increased the burden on National Park staff, already overextended because of budget reductions.

Even though promotion is an important tool for increasing economic impact, it must be used with great sensitivity to the goal of user satisfaction, closely related to land development. For example, the planning and management of attractions within destinations may not allow the visitor to experience the view or the objective illustrated in promotional literature. A professional photographer, hired by the promoters, may have required special access permission and many days of waiting for ideal weather to obtain the beautiful and enticing image of a scenic or historic attraction—all of which were unavailable to the visitor. Understanding visitor use and site management are especially important for all tourism promotion.

Closely related to land planning for tourism is the use of billboards and signs along highways. Although informative signs at exits of freeways and at highway intersections may be needed, promotional signs have questionable value. In most instances today, they are less effective for luring visitors than other media—tour guidebooks, radio-TV spots, publicity, Internet, magazine articles, and word-of-mouth from friends and relatives. Furthermore, scenic appreciation of roadsides is such a strong desire among travel markets that defacing the landscape by billboards hardly seems desirable. Many regions, such as Hawaii, a very successful travel destination, have banned billboards and severely limited the use of signs.

**Issue:** Misleading and unproductive promotion must be replaced by new ethical standards for better quality visitor experiences.
External Influences on Tourism System. All development of the supply side of tourism is influenced greatly by several externalities: natural resources, cultural resources, organizations/leadership, finance, labor, entrepreneurship, community, competition, and governmental policies.

**EXTERNAL FACTORS**

Such a core of functioning components of the supply side of tourism is greatly influenced by many external factors (Figure 2-3). Planning cannot be concerned solely with the core of the tourism system because all sectors may be as subject to outside influences as those under their own control. Several factors can have great influence on how tourism is developed. A brief examination of these may help in understanding this complicated reality of tourism, critical to planning, and the proper functioning of the tourism system.

**Natural Resources**

The popular emphasis on tourism economics and businesses tends to divert attention from important foundations for tourism development. Again, the causes of travel to a destination are grounded in the destination’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 surrounding area have many complementing attractions—art museum, science center, a 72-building historic district, Lake Eola, wildfowl (ducks, geese, herons, anhingas, cormorants, moor hens), Leu Botanical Gardens, Florida Audubon Society Center for Birds of Prey, Bok Tower Gardens, and Wekiwa Springs State Park (Whitman, 1992). Other attractions nearby are A World of Orchids, Airboat tours,
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TABLE 2-5
TOURISM DEVELOPMENT RELATED TO NATURAL RESOURCES

<table>
<thead>
<tr>
<th>Resource</th>
<th>Typical Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water</td>
<td>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</td>
</tr>
<tr>
<td>Topography</td>
<td>Mountain resorts, winter sports areas, mountain climbing, hang gliding areas, parks, scenic sites, glacier sites, plains, ranch resorts, scenic drives, vista photography</td>
</tr>
<tr>
<td>Vegetation</td>
<td>Parks, campgrounds, wildflower sites, autumn foliage areas, scenic overlooks, scenic drives, vacation homes, scenic photography sites, habitat for wildlife</td>
</tr>
<tr>
<td>Wildlife</td>
<td>Nature centers, nature interpretive centers, hunting, wildlife observations, wildlife photographic sites, hunting resorts</td>
</tr>
<tr>
<td>Climate</td>
<td>Sites suited to sunbathing, beach use, summer and winter resorts, sites with temperature and precipitation suited to specific activity development</td>
</tr>
</tbody>
</table>

Green Meadow Petting Farm, riding stables, citrus grove tours, Jungle-Land Zoo, Lakeridge Winery & Vineyards, and hundreds of lakes, conservation areas, state parks, wildlife preserves, and nature trails.

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 especially important to tourism: water, topographic changes, vegetation, wildlife, and climate. Table 2-5 summarizes the relationship 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 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 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 essential to tourism’s success—economically as well as socially and environmentally.

Historically, and even today, topographic change—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. Hillsides and mountaintops offer spectacular vistas, near and far. Mountain resorts, winter and summer, retain their appeal for contemporary travel market segments. Related to topography are soils, of significance to tourism development—construction stability, landscape modification, erodibility. 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 reliability of water supply.

For many kinds of tourism development, from the tundra of the north to the rain forests of the tropics, vegetative cover is an important natural resource for tourism development. While deserts appeal to some 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 special plant areas (redwoods, the Big Thicket, silverswords in Hawaii, Michigan jackpine for Kirtland warbler) are singularly important 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 this resource is to maintain its value to tourism.

Once primarily of interest only to travel segments interested in game hunting, wildlife today is even of greater importance for non-consumptive tourist markets. Viewing and photographing wildlife have grown significantly in recent years. It is estimated that about $31 billion was spent by travelers on observing, feeding, and photographing wildlife in the United States in 1996 (USFWS 1997). Photo safaris are far more important today in Africa than hunting ever was. Color and digital photographs 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. An issue today is conflict between urban sprawl and invasion 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 U.S., 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 in the popularity of Hawaii and Caribbean islands. There is little evidence to suggest that storm hazards—lightning, tornadoes, 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 do object to areas where odor, manufacturing gases, and automobile pollution are prevalent. The new wave of “sustainability,” “green tourism,” and “ecotourism” (as presented in chapter 3) are evidence of new awareness of the importance of natural resources and their protection for tourism’s success.

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,
TABLE 2-6
TOURISM DEVELOPMENT RELATED TO CULTURAL RESOURCES

<table>
<thead>
<tr>
<th>Resource</th>
<th>Typical Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prehistory, Archeology</td>
<td>Visitor interpretive centers, archeological digs, prehistory parks and preserves, nautical archeological sites, festival sites related to prehistory, exhibits and customs related to prehistory</td>
</tr>
<tr>
<td>History</td>
<td>Historic sites, historic architecture, historic shrines, museums depicting eras of human history, cultural centers, historic pageants, festivals, landmarks, historic parks</td>
</tr>
<tr>
<td>Ethnicity, Lore, Education</td>
<td>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</td>
</tr>
<tr>
<td>Industry, Trade, Professionalism</td>
<td>Manufacturing and processing plants, retail and wholesale businesses, conference centers, educational and research institutions, convention centers, performing arts, museums, galleries</td>
</tr>
<tr>
<td>Entertainment, Health, Religion, Sports</td>
<td>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</td>
</tr>
</tbody>
</table>

Peterson’s research (1990, 209) has categorized cultural travelers as aficionados (sophisticated, professional), casual visitors (urban backyard visitors), event visitors (activities at sites), and travel-tourists (historic site visitors). She cites 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. Stressed was the need for greater public-private cooperation. (Twenty papers presented at this ICOMOS conference are contained in “Cultural Heritage and Tourism,” (1990) Historic Environment, (7), Department of Environment and Planning, Adelaide, South Australia: 3–4). The field of cultural resources spans virtually all resources except those that can be called “natural.”
The travel market interest in *prehistory* and archeology has stimulated development of these resources for visitors. Locations where scientists are discovering structures and artifacts of ancient peoples are of increasing interest to 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. It has been estimated that illegal trade in antiquities is approximately $4.5 billion a year in the U.S., ranking fourth in illicit activities after drugs, guns, and money laundering (Black 2001). Archeologists emphasize the fact that the context (relationship to setting and other artifacts) is more important than the artifact. Documentation of what these clues suggest for ancient peoples—dates, foods, customs—is more important than collecting. Special design and management policies, such as restrictions against collectors and treasure hunters and the establishment of interpretive visitor centers and museums, are needed to handle volumes of visitors to prehistoric sites, terrestrial as well as marine.

As travelers have become more sophisticated, they have much greater interest in *historic* areas. The topic of history deals with the documented past. 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. For tourism, sites, structures, and events related to places are the foundations for historic attractions. As with archeological 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, forty-two 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 of places 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 that 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.

Evidence of progress on this topic is illustrated in Part II, especially the planning and policies of the Hopi in Arizona. Close cooperation between planners and 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. These objectives 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. In spite of the growth of Internet and telecommunications, face-to-face meetings and conferences are still important. And many areas are major tourist objectives because of the diversity of shops. Shopping is a very important activity for a great many travelers.

Places for performing arts, museums, and galleries are very important for a great 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
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percentage of attenders are tourists. The United States Travel and Tourism Association (USTTA)'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. The Travel Industry Association of America reported that domestic travelers took 214.1 million person-trips to cultural attractions in 1999.

Finally, cultural resources also include places that provide for entertainment, health, sports, and religion. Health spas, centers for physical fitness and 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 cultural resources such as gaming casinos, music halls, opera houses, and nightclubs.

Entrepreneurship

Because tourism is dynamic, needed are entrepreneurs 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, 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. The lack of this factor in many undeveloped countries is a major handicap that increases the difficulty of creating and expanding tourism.

Finance

Certainly, for the development of tourism, capital is required. But the ease of obtaining the financial backing for tourism varies greatly. Public and private lenders are often skeptical, have a negative image of the financial stability of tourism generally, and are slow to accept innovations. 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 does take considerably more capital than is popularly believed. Investors are
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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 industrial 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.
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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, Leadership

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

Tourism planning at all scales is most productive when done in the context of the tourism functioning system.

Because every part of tourism is related to and influenced by every other part, its design/planning must consider this relationship. No hotel, airline, or theme park can be properly planned without consideration of market demand, other supply side components, and many externalities. Public park and recreation areas function not only as protected resource lands but also as attractions within the overall tourism system.

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 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 of all three sectors.

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 on 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.

Matching development of supply with demand is a constant challenge.

Because travel demand and supply development are dynamic, plans must be updated regularly. In addition to project plans, required is a continuing planning process, by the public as well as the private sector.

The tourism system requires integrated planning.

Even though private and independent decision making 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.

DISCUSSION

1. How can developers of the supply side of tourism gain better information on market characteristics?
2. Discuss why travel markets are dynamic, not static, and what this has to do with planning.
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3. How can individual tourism designers/planners and developers communicate better with members of the several components?

4. Speculate on how a destination can avoid obsolescence if its travel market chooses other destinations.

5. Consider creative solutions to the several planning and development issues raised in this chapter.

6. What should be the role of government in fostering rather than interfering with the success of free enterprise?

7. How can tourist service businesses become more proactive for resource protection and how would they gain?

8. Discuss why urban planners have not incorporated the tourism system and its implications in their village, city, and town plans.

REFERENCES


