TOURISM--BEYOND THE FIRM

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Summary

Although tourism has grown to be a huge part of the Texas economy ($16 billion a year), it is not well understood. Better understanding of the overall functioning of tourism could stimulate even better success within all businesses and agencies. The need is better integration of the functioning components of supply--transportation, attractions, services, information/promotion--and how it relates to markets, the demand side. Several barriers need to be removed--misunderstanding of the tourism product, rigid jurisdictional boundaries, organizational fragmentation, narrow perception of markets and ideological stress. Needed are new and bold state tourism policies on several topics that could foster better integration of the tourism system: guideline information, state incentives, integrated state development, revised policies and regulations, research and education, and better advertising/promotion. The self interest of business can be fostered best by greater unselfish networking with the other parts of tourism upon whom it depends.

Introduction

As a powerful economic force, tourism has now become a major topic of development and politics throughout the world. Research is demonstrating that tourism is one of the top sources of employment, income and tax revenues. In Texas, it has grown to be a $16 billion industry and remains reasonably stable in spite of a weak economy from other sources. In 1985, this produced 278,099 jobs, a payroll of $3 billion, and generated $723 million in taxes.

But, in spite of tourism's importance it is not well understood, at least not at a scale beyond the individual enterprise. The purpose of this paper is to show the relevance of the business firm, such as private wildlife hunting enterprises, to overall tourism. These comments are based on many years of probing the complexities of tourism in order to derive some principles that can be of value to developers, managers and conservationists.

THE FUNCTIONING TOURISM SYSTEM

Throughout the world, and Texas is no exception, the dominant notion of tourism is promotion. Therefore, it is believed that tourism is the exclusive responsibility of Chambers of Commerce, Visitor and
Convention Bureaus and the state tourism office. Because of greatly increased competition for tourist dollars, it seems logical that many more millions should be spent on promotion.

However, this preoccupation with promotion tends to direct our attention away from what is being promoted—the tourism "product." The tourism product is hard to define. Technically, it is the personal satisfaction we derive from travel experiences. But, when tourists "purchase" this tourism product, the context is reversed from the typical purchase of goods. Manufactured goods are distributed to markets. The consumer has little interest in the place of manufacture. The opposite is true for tourism. The market, the tourists, are distributed to the products which are very much a part of the environment of a travel destination. For this reason the design, planning and management of the product area is very critical to success.

One way of gaining better insight into this product-market relationship is to view tourism as a functioning system. Just as an automobile will not function well unless all 14,000 parts are working properly, individually and collectively, so it is with tourism. But, there are so many parts to tourism that they almost defy description. Study of these thousands of parts however does show that they could be grouped into five major components. First, let me describe these five individually and later examine how they interrelate. There are some interesting implications for the field of wildlife when these components are viewed as a functioning system.

People

No matter how good we think we are in travel-related businesses, we are completely dependent upon people who have interest in and the ability to travel. Therefore, we must know about the characteristics of these people. Even though demographics are no longer the indicators we thought they were, we do know that more and more travelers are older, they are no longer dominantly traditional family units, and they are much more demanding of quality. If we are developing tourism we must know more about their location relative to our location. Today, some tourists travel great distances, especially the more affluent on business and on vacations. But, the dominant volume of travelers come less than 300 miles. We must be aware of changes in activity preferences. While some travel activities continue, year after year, others come and go with fads and fashions. Perhaps the most revealing finding in recent years is segmentation of the market—recognizing clusters of interests rather than assuming all tourists want the same things. Researchers are now telling us that our travel plans are greatly influenced by cultural patterning—our life styles. Our family background, the environment in which we grew up and our goals in life have much to do with our travel preferences and actions. Seasonality is an important constraint of some activities but the market is less bound to seasonal travel than in the past. Certainly, the people component of tourism is a very important one.
Attractions

The flip side of people who are able and interested in travel is the component of attractions. These are the things to see and do, the real purposes of travel, whether for business or pleasure. Attractions must fulfill two main functions. They not only draw us toward destinations away from home but also provide satisfactions when we get there. Hunting and fishing areas continue to be important travel attractions. And, many attractions today are based on cultural resources such as historic sites and festivals. In the last few decades, theme parks and other man-made attractions have become very popular. These are less dependent on special natural or cultural assets but require nearness to markets. We must remember that policies and practices of owners and managers of attractions vary between those that are commercial enterprise, nonprofit organizations and governments (as developers of parks, campgrounds, wildlife resources).

Services

The more conspicuous side of tourism includes the services. These are dominantly provided by the private sector. It is on services that the most tourist dollars are spent: lodging, food and beverage service and retail products. Services provide local economic impact in terms of employment, income and tax revenues. For example, Ron Schmied, a specialist in sports fishing in the Caribbean has identified several stages of traveler use of services:

Pre-trip: purchasing fishing equipment, information, licenses, clothes, accessories, boat repair and maintenance, travel arrangements, diving equipment, insurance.

Excursion: local transportation, access, dive shop, bait, tackle, ice, food, lodging, boat repair, supplies.

Post-trip: supplies for catch handling, storage, shipping, trophy mounts, car and boat repair, transportation home.

Services represent an important component of tourism.

Transportation

Transportation has been singled out as a separate component because of its great significance. In this country, public agencies supply the roads and many of the airports whereas the private sector supplies the vehicles and fuels. Today, very few new roads are being built; maintenance, repair and expansion of present roads seem to use up the budgets.

This means that the location relative to present highways and airports is very important to all tourism development. This network of highways and airways virtually determines future success because of access to attractions and to cities. Increasingly, it has become
important to plan transportation for people-movement within attraction complexes. And, a major issue today is intermodal transportation, improving the linkage between the several travel modes in order to get from home to destinations and back in an efficient manner.

Information/Promotion

The field of promotion is increasingly important because so many more areas are available today and competition for travel dollars has sharpened greatly. All forms of promotion are utilized more fully—advertising, publicity, public relations, and incentives.

Perhaps no other aspect of tourism is in greater need today than that of better information—descriptive literature, guidebooks, interpretive programs, and especially maps. With new and inexperienced markets as well as for motorcoach tours, many more guide services are needed. Yet to be developed are new and better directions to attractions, accommodations and other services.

Describing the five components is only half the story. As shown in Figure 1, these components are strongly interrelated. Change in any part of one component affects the parts of all the other components. The demand side is closely related to the supply side, made up of the four components of attractions, services, transportation and information/promotion.

One can observe many ways in which these components affect one another. For example, airline deregulation and lower fares have stimulated long-distance travel as never before. This has put some new destinations into business and hurt others. Older age brackets within travel markets have stimulated greater motorcoach and cruise ship travel. New man-made destinations such as Epcot and Opryland have stimulated more transportation, lodging and food services en route. According to a survey of hunting and fishing in Texas in 1983, the market desire to participate in theses activities created trip expenditures of $1,709,665,000, spent on lodging, food, transportation and many other travel-related businesses. And there is increased interest in the non-game side of wildlife—observing, appreciating and photographing natural resources. I have no doubt that viewing and photographing wildlife constitute a major part of the $2 billion spent on sightseeing in Texas each year.

But, in spite of the logic of this functioning system of interrelated parts, the may businesses, organizations and public agencies continue to go it alone. There have been very few instances in which policymakers and managers of the many parts ever get together for their mutual benefit. While it is important for each business to have the very best internal operation as possible, this accomplishment may be only half enough for complete success. So, this is the theme of this paper—"Tourism—Beyond the Firm." The more that the businesses, organizations and agencies recognize their dependence upon one another,
their product is rooms whereas their service is greatly dependent on promotion/information, access and especially on attractions. If it weren't for attractions bringing travelers to the destination, the hotel services would not be needed. Highway departments tend to believe their product is graded concrete ribbons whereas the true product is personal travel satisfaction with safe, convenient, interesting and dependable access from home to destination and back. Highways have much to do with the success or failure of travel business but seldom is the voice of business heard. Resource managers continue to believe their objective is only resource protection whereas in most instances their legal mandates include public use as well. Are resource managers trained as well in visitor behavior as in biology?

Rigid jurisdictional boundaries often obscure the relationships between components. Many public agencies, created for other than tourism purposes, are often heavily involved in tourism nonetheless. Federal, state and city departments of highways, parks, wildlife, forests, waters, police, health, taxation, airways and planning—all impinge upon tourism. Yet, these generally have no policies or staff functions that overtly include tourism. They become entrenched in narrowly prescribed bureaucracies that make integration for tourism functioning very difficult.

For tourism the increased scatter of private organizations tends to cause further disintegration of the tourism system. Organizations of hotels, restaurants, attractions, airlines and rental cars have become increasingly proliferated. This scatter tends to increase the difficulty of integrating their functions into a whole for tourism.

Another complication is the narrow perception of markets for most businesses serving tourism. Not one of the key businesses that provides the greatest economic impact for tourism is exclusively directed toward traveler markets. Even hotels often provide many functions for residents—banquets, meetings, dining, shopping. Restaurants, shopping centers and service stations often cater more to local than to travel trade. This strong focus on local markets tends to dilute their awareness of how dependent they are on outside factors when they do serve tourists.

In many regions, ideological stress sometimes reduces the efficient functioning of the tourism system. Groups often become embroiled in arguments over the ideology of development versus the concept of conservation. This situation can slow down and sometimes even deny tourism development. Even when planning, design and management practices could ameliorate conflict, they sometimes are not even given a chance because of heated ideological arguments.

These are just a few of the obstacles that get in the way of better functioning of tourism. These certainly are not insurmountable barriers. In fact, a great amount of progress has been shown in recent years to foster greater communication, the first step to cooperation and collaboration.

As I continue my research of tourism, I am beginning to see more
states examining their tourism activities more carefully in order to plan ahead and integrate the system. A few states are adopting more integrative policies and practices, borrowed from other countries around the world. Maine and Hawaii probably have done the most to view tourism as a functioning system. More recently, in spite of the success of the "I Love New York" campaign, at least for awhile, New York decided to make a thorough study of its governmental and private roles and organizations for tourism. Last year I collaborated with Price Waterhouse on a plan for development and marketing of tourism for New York State that emphasized better integration of the many parts of tourism. Just now we are completing a similar project for Oklahoma.

My point is that I believe that the time is already overdue for the public and private sectors of tourism to recognize how much better and how much stronger tourism could be if everyone worked together. Primarily, this means that the individual enterprise has much greater opportunity for success if it reaches outside the firm.

STATE POLICY CONCEPTS

I would like to close this discussion with a challenge—a challenge to take some bold steps toward stimulating the integrated development of tourism. These remarks are intended to build upon and not detract from the past constructive efforts of the many public and private organizations of tourism in Texas. New policy can come about only with greater cooperative involvement by all sectors.

Let me encourage you to think about the following six topics that could revolutionize tourism in this state.

1. **Guideline Information**

Today, states have very little basic statewide information regarding the many important parts of tourism. I suggest we need three kinds of guideline information, especially if new investment and new development in tourism are to take place.

a. Market/Economic Foundation. Needed is annual survey data on Texas tourism markets and economic change. Individual businesses have neither the time nor the money to do their own studies. Needed is statewide data prepared annually that:

   --identifies new trends in market sources—states or countries that would be interested in travel if they knew more about the state;

   --identifies changing characteristics of travelers, who they are and their interests; and

   --identifies economic trends that are likely to affect tourism.

b. Resource Foundation. Not all areas have equal potential because resource factors are not equally distributed. We found in
Oklahoma, for example, that there were two primary zones, four secondary zones and five tertiary zones that had resource potential for future tourism development. There is not use spending new investment dollars on lands that are not fertile for tourism development.

c. Potential for Development. When the market/economic and resource foundation data are put together one has an excellent view of where and how tourism should be encouraged. Secondly, this information would indicate those areas where new regulations may be needed in order to protect tourism resources for the future.

Think how valuable this information would be if published on an annual basis. Both public and private sectors could move much more rapidly in either modifying their present practices or expanding development.

2. State Incentives

It may seem contrary to free enterprise principles to suggest governmental incentives. But, there is ample evidence that this is already being done for other business—therefore, why not for tourism? A good example of an effective state incentive is the Main Street Program. The local economy and livability of several cities have been greatly improved through this program.

Other incentives, frequently left untouched, are moneys available to communities for park and recreation development. These are often tourist attractions as well as local amenities. Reduction of sales tax, property tax, import tax, and income tax have been used for other types of business but seldom for tourism. Tourism enterprise zones could be established under special legislation. Of course, all businesses benefiting from such incentives must demonstrate a net gain after establishment.

Reasonable variations in land use regulations, such as for lot lines, setbacks, signage, landscape areas, and plazas, can stimulate the development of attractive and high quality areas important to tourism.

As these incentives have been applied an important spinoff has occurred—greater cooperation among many segments of government and business.

3. Integrated State Development

Governmental agencies own and manage many land areas and developments important to tourism. Parks, forests, recreation areas, reservoirs, preserves, shrines, highways, airports and harbors are public developments related to tourism. Certain wildflowers, wildlife, archeological artifacts and surface waters are owned and controlled by the state.

But, each area was established under a different mandate and is operated within an agency's policy constraint. Needed is some
organizational mechanism to insist upon cooperation between these 
agencies on issues related to tourism. Regular review should be made 
of policies and regulations governing federal, state, county and city 
governmental lands and development for tourism. Certainly, instances 
where governments are operating facilities at rates unfair to private 
enterprise should be investigated.

There is no doubt that better integration of tourism development 
could come from better understanding of its functions by many state and 
federal agencies.

4. Revised Policies and Regulations

Today, developers and operators of businesses related to tourism 
are blanketed with a complicated and often conflicting array of 
regulations. These cause costly delays, excessive filing of reports (a 
hidden cost of doing business), and sometimes expensive litigation. 
Overlapping jurisdictions sometimes impose conflicting regulations upon 
businesses.

This mass of regulation is not the result of action by subversive 
politicians seeking to destroy tourist businesses. Quite the contrary; 
many of the regulations have arisen from the intent to do a good deed, 
to right a wrong. In many cases, these restrictive laws and 
regulations are the result of overreacting to a rare or isolated 
problem.

While no one will deny the need for certain basic controls, 
especially for health and safety, it would appear that regulations and 
controls are now excessive. Needed is comprehensive review and 
monitoring of the myriad of regulations to relieve the business person 
from this heavy burden and yet protect his rights and those of the 
traveler.

5. Research and Education

Because so little is known about this phenomenon of tourism, many 
forms of research are needed today. Most should be done on an annual 
basis if best integration of the system is to be accomplished. Here 
are just a few topics in need:

--traveler characteristics
--traveler interests and preferences
--origins and destinations of travelers
--travel market segments
--business inventories (related to tourism)
--ratios of traveler versus local markets
--geographical resource distribution
--public-private roles
--pre-trip versus impulse decisions for travel
--community amenities and tourism enhancement
--education and training needs of employees
--social and environmental impacts of tourism development

Badly needed are education and training programs at all levels of
tourism operation and at all educational levels. For example, there is virtually no education today at the grade school level on the social, personal and economic value of travel. Children should be learning this at an early age. They should also be learning about the many tourism occupations open to them in the future. Expanding tourism requires more well-trained managers and employees. Few schools are responding to this need. College and university administrators are not yet aware of the need for new curricula and staff to meet educational needs of this huge industry. And, who is producing the future teachers?

In order to do a better job of technical assistance and integration of the complexities of tourism, more extension and adult educational programs are needed, such as this one today. We have an abundance of these for other fields but very little for tourism. Community leaders need help in guiding future decisions that can foster tourism. Extension organizations could, if given the staff and budgets, provide badly-needed technical information and catalytic guidance for a better functioning tourism system.

6. Better Advertising and Promotion

Well established is the function of advertising and promotion for tourism. Even so, the public and private roles are not well defined. The effectiveness of promotional programs is not well measured. Much promotion is unrelated to the true tourism products--products that can be assured the traveling public. Advertising and promotion do need improvement.

CONCLUSION

The main conclusion of this paper is that in spite of great progress in tourism in Texas in the last two decades, many more opportunities could be realized, especially at this time of economic stress. Needed is greater commitment on the part of the many scattered parts of tourism to work together to make the tourism system function more efficiently for the good of the traveler as well as for business. When businesses begin to look beyond the firm they will recognize that their self-interest is best served by being more unselfish and by networking with others.

REFERENCES


