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Tourism Planning





TOURISM PLANNING

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INTRODUCTION

Tourism is one of many activities in a community or region that requires planning and coordination. This bulletin provides a simple structure and basic guidelines for comprehensive tourism planning at a community or regional level.

Planning is the process of identifying objectives and defining and evaluating methods of achieving them. By comprehensive planning we mean planning which considers all of the tourism resources, organizations, markets, and programs within a region. Comprehensive planning also considers economic, environmental, social, and institutional aspects of tourism development.

TWO SIDES OF TOURISM PLANNING

Tourism planning has evolved from two related but distinct sets of planning philosophies and methods. On the one hand, tourism is one of many activities in an area that must be considered as part of physical, environmental, social, and economic planning. Therefore, it is common to find tourism addressed, at least partially, in a regional land use, transportation, recreation, economic development, or comprehensive plan. The degree to which tourism is addressed in such plans depends upon the relative importance of tourism to the community or region and how sensitive the planning authority is to tourism activities.

Tourism may also be viewed as a business in which a community or region chooses to engage. Individual tourism businesses conduct a variety of planning activities including feasibility, marketing, product development, promotion, forecasting, and strategic planning. If tourism is a significant component of an area's economy or development plans, regional or community-wide marketing plans are needed to coordinate the development and marketing activities of different tourism interests in the community.

A comprehensive approach integrates a strategic marketing plan with more traditional public planning activities. This ensures a balance between serving the needs and wants of the tourists



versus the needs and wants of local residents. A formal tourism plan provides a vehicle for the various interests within a community to coordinate their activities and work toward common goals. It also is a means of coordinating tourism with other community activities.

STEPS IN THE PLANNING PROCESS

Like any planning, tourism planning is goal-oriented, striving to achieve certain objectives by matching available resources and programs with the needs and wants of people.

Comprehensive planning requires a systematic approach, usually involving a series of steps. The process is best viewed as an iterative and on-going one, with each step subject to modification and refinement at any stage of the planning process.

There are six steps in the planning process:

1. Define goals and objectives.
2. Identify the tourism system.
 - a) Resources
 - b) Organizations
 - c) Markets
3. Generate alternatives.
4. Evaluate alternatives.
5. Select and implement.
6. Monitor and evaluate.

STEP ONE: Defining Goals and Objectives.

Obtaining clear statements of goals and objectives is difficult, but important. Ideally, tourism development goals should flow from more general community goals and objectives. It is important to understand how a tourism plan serves these broader purposes. Is the community seeking a broader tax base, increased employment opportunities, expanded recreation facilities, better educational programs, a higher quality of life? How can tourism contribute to these objectives?



If tourism is identified as a means of serving broader community goals, it makes sense to develop plans with more specific tourism development objectives. These are generally defined through a continuing process in which various groups and organizations in a community work together toward common goals. A local planning authority, chamber of commerce, visitors bureau, or similar group should assume a leadership role to develop an initial plan and obtain broad involvement of tourism interests in the community. Public support for the planning process and plan is also important.

Having a good understanding of tourism and the tourism system in your community is the first step toward defining goals and objectives for tourism development. The types of goals that are appropriate and the precision with which you are able to define them will depend upon how long your community has been involved in tourism and tourism planning.

In the early stages of tourism development, goals may involve establishing organizational structures and collecting information to better identify the tourism system in the community. Later, more precise objectives can be formulated and more specific development and marketing strategies evaluated.

STEP TWO: Identifying Your Tourism System

When planning for any type of activity, it is important to first define its scope and characteristics. Be clear about exactly what your plan encompasses. A good initial question is, "What do you mean by tourism?" Tourism is defined in many ways. Generally, tourism involves people traveling outside of their community for pleasure. Definitions differ on the specifics of how far people must travel, whether or not they must stay overnight, for how long, and what exactly is included under traveling for "pleasure". Do you want your tourism plan to include day visitors, conventioners, business travelers, people visiting friends and relatives, people passing through, or seasonal residents?

Which community resources and organizations serve tourists



or could serve tourists? Generally, tourists share community resources with local residents and businesses. Many organizations serve both tourists and locals. This complicates tourism planning and argues for a clear idea of what your tourism plan entails.

You can begin to clarify the tourism system by breaking it down into three subsystems:

- (1) tourism resources,
- (2) tourism organizations, and
- (3) tourism markets.

An initial task in developing a tourism plan is to identify, inventory, and classify the objects within each of these subsystems.

TOURISM RESOURCES are any (1) natural, (2) cultural, (3) human, or (4) capital resources that either are used or can be used to attract or serve tourists. A tourism resource inventory identifies and classifies the resources available that provide opportunities for tourism development. Conduct an objective and realistic assessment of the quality and quantity of resources you have to work with. Table 1 provides a suggested classification to help obtain a broad and organized picture of your tourism resources.

TOURISM ORGANIZATIONS combine resources in various proportions to provide products and services for the tourist. Table 2 is a partial list and classification of organizations that manage or coordinate tourism-related activities. It is important to recognize the diverse array of public and private organizations involved with tourism. The most difficult part of tourism planning is to get these groups to work toward common goals. You should develop a list of these organizations within your own community and obtain their input and cooperation in your tourism planning efforts. Setting up appropriate communication systems and institutional arrangements is a key part of community tourism planning. (See Extension bulletin E-1958 in this series)



TABLE 1. TOURISM RESOURCES

Natural Resources	<ul style="list-style-type: none">● Climate—seasons● Water resources—lakes, streams, waterfalls● Flora—forests, flowers, shrubs, wild edibles● Fauna—fish & wildlife● Geological resources—topography, soils, sand dunes, beaches, caves, rocks & minerals, fossils● Scenery—combinations of all of the above
Cultural Resources	<ul style="list-style-type: none">● Historic buildings, sites● Monuments, shrines● Cuisine● Ethnic cultures● Industry, government, religion, etc.● Anthropological resources● Local celebrities
Human Resources	<ul style="list-style-type: none">● Hospitality skills● Management skills● Seasonal labor force● Performing artists—music, drama, art, storytellers, etc.● Craftsman and artisans● Other labor skills from chefs to lawyers to researchers● Local populations
Capital	<ul style="list-style-type: none">● Availability of capital, financing● Infrastructure—transportation roads, airports, railroads, harbors & marinas, trails & walkways● Infrastructure: utilities water, power, waste treatment, communications

TOURISM MARKETS: Tourists makeup the third, and perhaps most important subsystem. Successful tourism programs require a strong market orientation. The needs and wants of the tourists you choose to attract and serve must be the focus of much of your marketing and development activity. Therefore, it



TABLE 2. TOURISM MANAGEMENT ORGANIZATIONS AND SERVICES

<p>Off-Site: coordination, planning, technical assistance, research, regulation</p>	<ul style="list-style-type: none"> ● Federal & state departments of commerce, transportation, & natural resources ● Federal, state, regional, & local tourism associations ● Educational organizations & consultants, e.g., Travel & Tourism Research Association; U.S. Travel Data Center; Travel Reference Center, Univ. of Colorado, Boulder; Travel, Tourism, & Recreation Resource Center, Michigan State University. ● Travel information & reservation services
<p>On-Site: development, promotion, and management, of tourism resources</p>	<ul style="list-style-type: none"> ● Federal agencies, NB. departments of commerce, transportation, & land management agencies ● State agencies, NB. departments of commerce, transportation, & land/facility management agencies ● Local government organizations, e.g., visitor information, chamber of commerce, convention & visitor's bureaus, parks ● Businesses: <ul style="list-style-type: none"> Accommodations <ul style="list-style-type: none"> Hotels, motels Lodges, resorts, bed & breakfast Cabins & cottages Condominiums, second homes Campgrounds Food & Beverage <ul style="list-style-type: none"> Restaurants Grocery Bars, nightclubs Fast food Catering services Transportation <ul style="list-style-type: none"> Air, rail, bus Local transportation: taxi, limo Auto, bicycle, boat rental Local tour services Information <ul style="list-style-type: none"> Travel agencies Information and reservation services Automobile clubs

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TABLE 2. TOURISM MANAGEMENT ORGANIZATIONS AND SERVICES

<p>On-Site: development, promotion, and management, of tourism resources (continued)</p>	<ul style="list-style-type: none">● Businesses: (continued)<ul style="list-style-type: none">Recreation Facilities & Services<ul style="list-style-type: none">Winter sports: ski, skating, snowmobile areasGolf courses, miniature golfSwimming pools, water slides, beachesTennis, handball, racquetball courtsBowling alleysAthletic clubs, health spasMarinas, boat rentals and chartersHunting & fishing guidesHorseback enterprisesSporting goods sales & rentalsEntertainment<ul style="list-style-type: none">NightclubsAmusement parksSpectator sport facilitiesGambling facilities: casinos, horseracing, bingoVideo arcadesArt galleries and studiosCraft shops, studios, demonstrationsPerforming arts: theater, dance, music, filmHistoric & prehistoric sitesMuseums: art, history, science, technologyArboreta, zoos, nature centers,Special festivals and eventsSupport services<ul style="list-style-type: none">Auto repair, gasoline service stationsBoat & recreation vehicle dealers and serviceRetail shops: sporting goods, specialties, souvenirs, clothingHealth services: hospitals, clinics, pharmaciesLaundry and dry cleaningBeauty & barber shopsBabysitting servicesPet careCommunications: newspaper, telephoneBanking and financial services
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is important to clearly understand which tourism market segments you wish to attract and serve.

Tourists fall into a very diverse set of categories with quite distinct needs and wants. You should identify the different types of tourists, or market segments that you presently serve or would like to serve. This may involve one or more tourism market surveys.

A visitor survey identifies the size and nature of the existing market and asks the following questions:

- What are the primary market segments you presently attract?
- Where do they come from?
- What local businesses and facilities do they use?
- What attracted them to the community?
- How did they find out about your community?
- How satisfied are they with your offerings?

A market survey (usually a telephone survey) also can be conducted among households in regions from which you wish to attract tourists. This type of study helps identify potential markets, and means of attracting tourists to your area.

Tourism market segments

In a general tourism plan, some clear target tourism market segments should be identified (See Table 3). You might begin by defining the market area from which you will draw most of your visitors. The size of your market area depends upon the uniqueness and quality of your “product”, transportation systems, tastes and preferences of surrounding populations, and your competition. Identifying the market area will help target information and promotion and define transportation routes and modes, competition, and characteristics of your market.

Next, divide your travel market into the following trip length categories:

- day trips from a 50 mile radius,



- day trips from 50 to 200 miles away,
- pass-through travelers,
- overnight trips of 1 or 2 nights (most likely weekends), and
- extended overnight vacation trips.

After you have an idea of your market area and kinds of trips you will be serving, begin defining more specific market segments like vehicle campers, downhill skiers, sightseers, family vacationers, single weekenders, and the like. These segments can be more clearly tied to particular resources, businesses, and facilities in your community.

What kinds of products and services are likely to attract each of these groups? Tourist needs as well as their impact on the local community are quite different for day tourists versus overnight tourists. Areas catering primarily to weekend traffic will experience large fluctuations in use. In deciding the relative importance of these different segments, communities need to assess both their ability to provide required services (do you have enough rooms?), as well as the demand for different types of trips relative to the supply and your competition.

THE ENVIRONMENT: A tourism plan is significantly affected by many factors in the broader environment. Indeed, one of the complexities of tourism planning is the number of variables that are outside of the control of an individual tourism business or community. These include such things as tourism offerings and prices at competing destinations, federal and state policy and legislation, currency exchange rates, the state of the economy, and weather. These factors are discussed more fully in Extension bulletin E-1959 as part of the market environment analysis.

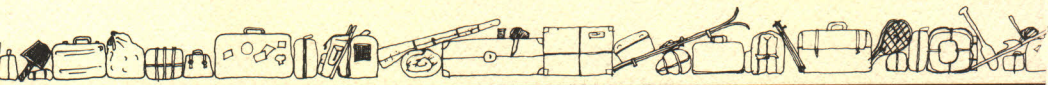
Local populations also must be considered in tourism planning. As they compete with tourists for resources, they can be significantly affected by tourism activity, and they are an important source of support in getting tourism plans implemented. A survey of local residents can be conducted to



TABLE 3. TOURISM MARKET SEGMENTS

I. Geographic market areas	
II. Trip categories	
Day Trips	<ul style="list-style-type: none"> ● short—within 50 miles ● long—up to 200 miles
Pass Through Traffic	<ul style="list-style-type: none"> ● day visitors ● overnight stays
Overnight Trips	<ul style="list-style-type: none"> ● weekend ● vacation
III. Activity or trip purpose	
Outdoor Recreation	<ul style="list-style-type: none"> ● Water-based Activity <ul style="list-style-type: none"> Boating: sail, power, cruise, row, canoe, waterski Swimming: pool, beach, sunbathing, scuba Fishing: charter, sport, from pier, boat, shore, ice ● Land-based Activity <ul style="list-style-type: none"> Camping: backpacking, primitive, developed Hiking: climbing, beachcombing, spelunking Hunting Skiing: downhill, cross country Snowmobiling Bicycling Horseback riding Picnicking ● Air-based Activity <ul style="list-style-type: none"> Airplane rides, hang gliding, ballooning, parachuting ● General <ul style="list-style-type: none"> Nature study Photography or landscape painting Viewing natural scenery

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TABLE 3. TOURISM MARKET SEGMENTS

Sight-seeing & Entertainment	<ul style="list-style-type: none">● Visiting particular sites or areas<ul style="list-style-type: none">historic or pre-historicculturalamusementsscenic● Attending particular events, shows, or demonstrations<ul style="list-style-type: none">ethnic festivalssporting eventsperformancesagricultural fair or festivalboat show● Shopping
Other Primary Purpose for Trip	<ul style="list-style-type: none">● Visiting Friends & Relatives● Convention & Business/Pleasure

assess community attitudes toward tourism development, identify impacts of tourism on the community, and obtain local input into tourism plans. Public hearings, workshops, and advisory boards are other ways to obtain public involvement in tourism planning. Local support and cooperation is important to the success of tourism programs and should not be overlooked.

STEP THREE: Generating Alternatives.

Generating alternative development and marketing options to meet your goals requires some creative thinking and brainstorming. The errors made at this stage are usually thinking too narrowly or screening out alternatives prematurely. It is wise to solicit a wide range of options from a



diverse group of people. If tourism expertise is lacking in your community, seek help and advice outside the community.

Tourism planning involves a wide range of interrelated development and marketing decisions. The following development questions will get you started:

- How much importance should be assigned to tourism within a community or region?
- Which general community goals is tourism development designed to serve?
- Which organization(s) will provide the leadership and coordination necessary for community tourism planning? What are the relative roles of public and private sectors?

Tourism marketing decision questions include (Extension bulletin E-1959):

- **Segments:** Which market segments should be pursued; geographic markets, trip types, activity or demographic subgroups?
- **Product:** What kinds of tourism products and services should be provided? Who should provide what?
- **Place:** Where should tourism facilities be located?
- **Promotion:** What kinds of promotion should be used, by whom, in which media, how much, when? What community tourism theme or image should be established? (See Extension bulletins E-1939, E-1957, E-1940, E-1938, E-2005)
- **Price:** What prices should be charged for which products and services. Who should capture the revenue? (See Extension bulletin E-1999)

STEP FOUR: Evaluating Alternatives.

Tourism development and marketing options are evaluated by assessing the degree to which each option will be able to meet the stated goals and objectives. There are usually two parts to a



systematic evaluation of tourism development and marketing alternatives: (1) Feasibility analysis, and (2) Impact assessment. These two tasks are interrelated, but think of them as trying to answer two basic questions: (1) Can it be done?, and (2) What are the consequences? A decision to take a specific action must be based both on feasibility and desirability.

FEASIBILITY ANALYSIS: First, screen alternatives and eliminate those that are not feasible due to economic, environmental, political, legal, or other factors. Evaluate the remaining set of alternatives in more detail, paying particular attention to the market potential and financial plan.

Make a realistic assessment of your community's ability to attract and serve a market segment or segments. This requires a clear understanding of the tourism market in your area and how this market is changing. Also carefully identify your competition and evaluate your advantages and disadvantages compared to the competition.

Plan toward the future because it takes time to implement decisions and for your actions to take effect. Therefore, look at the likely market and competition for several years to come. Review forecasts for the travel market in your area, if available. Careful tracking of tourism trends in your own community can help identify changes in the market that you will have to adapt to. (See Extension bulletins E-1959 and E-1992 for more details on feasibility and marketing.)

IMPACT ASSESSMENT: When evaluating alternative development and marketing strategies it is important to understand the impacts, both positive and negative, of proposed actions. Table 4 presents a classification of economic, environmental, and social impacts associated with tourism development. The types of impacts and their importance vary across different communities and proposed actions. Generally, the size, extent, and nature of tourism impacts depend upon:

- volume of tourist activity relative to local activity
- length and nature of tourist contacts with the community



TABLE 4. IMPACTS OF TOURISM

Economic Impacts	<ul style="list-style-type: none">● Sales, revenue, and income● Employment● Fiscal impact—taxes, infrastructure costs● Prices● Economic base & structure
Environmental Impacts	<ul style="list-style-type: none">● Lands● Waters● Air● Infrastructure● Flora & fauna
Social Impacts	<ul style="list-style-type: none">● Population structure & distribution● Values & attitudes● Education● Occupations● Safety & security● Congestion & crowding● Community spirit & cohesion● Quality of life

- degree of concentration/dispersal of tourist activity in the area
- similarities or differences between local populations and tourists
- stability/sensitivity of local economy, environment, and social structure
- how well tourism is planned, controlled, and managed.

Look at both the benefits and costs of any proposed actions (See Extension bulletin E-1937). While tourism development can increase income, revenues, and employment, it also involves costs. Evaluate benefits and costs of tourism development from the perspectives of local government, businesses, and residents.



Impacts on Local Government

Local government provides most of the infrastructure and many of the services essential to tourism development, including highways, public parks, law enforcement, water and sewer, garbage collection and disposal. Evaluate tourism decisions with a clear understanding of the capacity of the local infrastructure and services relative to anticipated needs, and take into account both the needs of local populations and tourists.

A fiscal impact analysis evaluates the impact of tourism on the community's tax base and local government costs. It entails predicting the additional infrastructure and service requirements of tourism development, estimating their costs, deciding who will pay for/provide them, and how. Will tourism generate increased local government revenue through fees and charges, local sales or use taxes, increased property values or property tax rates, or larger local shares of federal and state tax revenues?

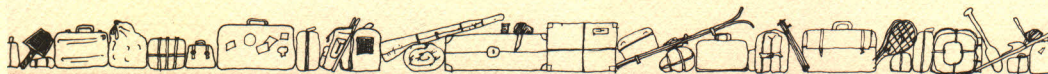
Impacts on Business and Industry

Businesses that are directly serving tourists benefit from sales to tourists. Through secondary impacts, tourism activity also benefits a wide range of businesses in a community. For example, a local textile industry may sell to a linen supply firm that serves hotels and motels catering primarily to tourists. A local forest products industry sells to a lumberyard where local woodcarvers or furniture makers buy their supplies. They in turn sell to tourists through various retail outlets. All of these businesses benefit from tourism.

If most products and services for tourists are bought outside of the local area, much of the tourist spending "leaks" out of the local economy. The more a community is "self-sufficient" in serving tourists, the larger the local impact.

Impacts on Residents

Local residents may experience a broad range of both positive and negative impacts from tourism development. Tourism development may provide increased employment and income



for the community. Although tourism jobs are primarily in the service sectors and are often seasonal, part time, and low-paying, these characteristics, are neither universal nor always undesirable. Residents may value opportunities for part time and seasonal work. In particular, employment opportunities and work experiences for students or retirees may be desired.

Residents may also benefit from local services that otherwise would not be available. Tourism development may mean a wider variety of retailers and restaurants, or a better community library. It may also mean more traffic, higher prices, and increases in property values and local taxes. The general quality of the environment and life in the community may go up or down due to tourism development. This depends on the nature of tourism development, the preferences and desires of local residents, and how well tourism is planned and managed.

STEPS FIVE AND SIX:

Implementation, and Monitoring and Evaluation.

We will not attempt a complete discussion of decisionmaking, plan implementation, and monitoring, but these are critical steps in the success of a tourism plan. A set of specific actions should be prescribed with clearly defined responsibilities and timetables. Monitor progress in implementing the plan and evaluate the success of the plan in meeting its goals and objectives on a regular basis. Plans generally need to be adjusted over time due to changing goals, changing market conditions, and unanticipated impacts. It is a good idea to build monitoring and evaluation systems into your planning efforts.

CONCLUDING REMARKS

Successful tourism planning and development means serving both tourists and local residents. The bulletins in this series stress the importance of a market orientation for attracting and



serving tourists. This market orientation must be balanced with a clear view of how tourism serves the broader community interest and an understanding of the positive and negative impacts of tourism development.

Remember, tourism should serve the community first and the tourist second. Tourism development must be compatible with other activities in the area and be supported by the local population. Therefore, the tourism plan should be closely coordinated with other local and regional planning efforts, if not an integral part of them.

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4. E-1959, Tourism Marketing
5. E-1992, Feasibility Analysis in Tourism
6. E-1939, Developing A Promotional Strategy
7. E-1957, Creating A Promotional Theme
8. E-1940, Information and Traveller Decision Making
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