1. Place in curriculum and organization

• Level 7 paper – 15 points
• 150 learning hours (of which 36 lecture and tutorial hours):
  • Lectures: Monday from 4pm to 6pm at WF613
  • Tutorials: Wednesday from 5pm to 6pm at WF613
• Contact possibilities:
  • Lecturer: Bart Neuts
  • Office WH317, contact hours every Monday from 2pm to 4pm
  • Email: bneuts@aut.ac.nz
  • Phone: +64 921 9999 ext. 6692
2. Course overview

- **What?**
  - Analysing the role of decision-makers and planners and the procedures of planning and control in order to develop (and hopefully achieve sustainable forms of) tourism

- **Why?**
  - Identifying goals and objectives guides decision-making on a longer time horizon
  - Can protect resources and integrate different levels/sectors/agencies
  - Helps in coordinating, evaluating, developing guidelines and standards and make alterations if needed

- **Visionary planning?**

  [YouTube Video](https://www.youtube.com/watch?v=Zv_7dKTS14o)
  Copyright: Al Jazeera (2011)
A better example:

- Went against conventional 1950s theme park wisdom regarding pricing and gateway entrance
- Dealt with sceptical investors and had the potential to bankrupt Disney
- Grew to become the third most visited theme park, with 16.8 million visitors in 2014

---

Course structure:

<table>
<thead>
<tr>
<th>Week</th>
<th>Lecture /tutorial</th>
<th>Reading/resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wk 1 (17 July – 21 July)</td>
<td>L: Course introduction T: No tutorial</td>
<td>Paper study guide</td>
</tr>
<tr>
<td>Week</td>
<td>Lecture/Tutorial</td>
<td>Reading/resources</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Wk 4 (7 August – 11 August) | L: Defining destinations and surveying area characteristics  
T: Analysing characteristics and seeking competitive advantage  
| Wk 5 (14 August – 18 August) | L: Determination of objectives and market forecasting  
T: Skypath: A case on demand forecasting  
| Wk 6 (21 August – 25 August) | L: Tourism policy and plan formulation: management frameworks and regulations  
T: Tourism policy and plan formulation: management frameworks and regulations  
| MID SEMESTER BREAK (28 August – 8 September) |                                                           |                                                                                  |
| Wk 7 (11 September – 15 September) | L: Development and design standards  
| Wk 8 (18 September – 22 September) | L: The planning environment in NZ: the RMA  
T: The planning environment in NZ: Health & Safety  
Assessment 1: Mini-test 4 due |                                                                                   |
<table>
<thead>
<tr>
<th>Week</th>
<th>Lecture/Tutorial</th>
<th>Reading/Resources</th>
</tr>
</thead>
</table>
| Wk 9 (25 September – 29 September) | L: Assessment 2: Gamification exercise (attendance mandatory)  
T: Assessment 2: Gamification exercise (attendance mandatory)  
| Wk 10 (2 October – 6 October) | L: Financial project analysis and decision-making from a public point of view  
T: Financial project analysis and decision-making from a private point of view  
| Wk 11 (10 Oct – 14 Oct) | L: Partnership models in development projects  
T: Risks and benefits of Public-Private Partnerships  
Assessment 1: Mini-test 6 due | |
3. Goals and learning tools

The final goal should be to show long-term planning skills with elements of creativity within a context of historical and contemporary analysis.

Recommended book for background reading:


See Paper Study Guide for list of supplementary reading that could during the course. Learning tools are primarily there to help with assignments and provide additional information to the classes.
4. Assessments

• 3 assessments:

<table>
<thead>
<tr>
<th>#</th>
<th>Assessment type</th>
<th>Due date</th>
<th>Weighting</th>
<th>Learning outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Mini-tests (online): 4 to be completed out of 6</td>
<td>Weeks 4-12</td>
<td>40% (10% per test)</td>
<td>1, 2, 3</td>
</tr>
<tr>
<td>2</td>
<td>Gamification exercise</td>
<td>Week 9</td>
<td>10%</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Individual written report</td>
<td>Week 12</td>
<td>50%</td>
<td>1, 2, 3</td>
</tr>
</tbody>
</table>

Students are expected to be available for all assessments (including examinations and tests) at any time that they are scheduled during the Semester (17th July - 10th November). Any exceptions relate to only those exceptional circumstances beyond your control. Applications for alternative arrangements will only be granted through the Special Consideration Applications (SCA) process. For examples of exceptional circumstances please refer to https://blackboard.aut.ac.nz/webapps/aut-sea/aut-sea_lbb60/1/userGuideStudents.pdf

• Assessment 1: Mini-tests (online)
  • Due date: One week after tests are uploaded
    • Test 1: due date 11 August, 11:59pm
    • Test 2: due date 18 August, 11:59pm
    • Test 3: due date 25 August, 11:59pm
    • Test 4: due date 22 September, 11:59pm
    • Test 5: due date 29 September, 11:59pm
    • Test 6: due date 14 October, 11:59pm
  • Submission instructions: Mini-tests to be completed in Blackboard, under the tab ‘Assessment 1: Mini-tests’
  • Requirements: You are required to complete a minimum of 4 out of 6 mini-tests or you will receive a DNC for this assessment. If you hand in more than 4 mini-tests, the 4 best ones will be counted towards your total for assessment 1.
• Assessment 2: Gamification exercise
  • Due date: **Week 9 in class – attendance mandatory**
  • Assessment brief:
    • Aspects of gamification have recently been introduced in various planning settings as a means to internalize shared community visions in the planning process. It is an interactive way to come to an understanding of various stakeholder perspectives, goals, power-relations, and barriers
    • The game is based on the redevelopment plans of Wynyard Quarter, as part of *The Waterfront Plan 2012* by Waterfront Auckland (https://www.panuku.co.nz/www/uploads/moduleresourceitems/the-waterfront-plan-2012-9e08935901.pdf). More specifically, the idea of a waterfront stadium as a signature building is explored
    • The game introduces various character roles, each with their own ideas and wishes. Roles include Waterfront Auckland, Auckland Transport, political opposition, residents of Wynyard Quarter, residents of the wider Auckland region, commercial establishments, project developers, and Ngāti Whātua. You will be assigned one of these roles at random and during the course of the game you have to protect the interest of your specific role
  • Requirements: Presence and active participation during gamification assessment will give you full marks on this assessment

https://vimeo.com/40396690
Copyright: Games from Cities (2012)
Assessment 3: Individual written report

- Due date: Friday 20 October (only soft copy needed)
- As the culmination of the paper, you will write an individual report that analyses the feasibility of a new waterfront stadium on the location of the tank farm in Wynyard Quarter
- The report should be structured as:
  1. Introduction to the topic (i.e. historical background of area, development need, goals for development)
  2. Stakeholder mapping for Wynyard Quarter
  3. An inventory of recreational and tourist facilities
  4. Analysis of transportation characteristics in the neighbourhood (pedestrian, cycling, car, public transport)
  5. Introduction of waterfront stadium and analysis of building requirements (in terms of RMA) and estimated positive and negative impacts
  6. Conclusion
  7. Reference list
- Requirements: a minimum of 3000 words

Multimedia


Content

• In this introductory session we focus on defining planning and development: how do they relate to one another?
• Furthermore, we look at particularities of tourism; it’s good and bad sides to function as a development tool
• Finally, attention is paid to some basic planning rules
1. Case introduction: SALK, a story of change

- On 24 October 2012, Ford management declared full closure of car manufacturing factory within 2 years, notwithstanding earlier promises of guaranteed employment until 2020
- 4,300 people will lose their job directly, with an estimated ripple effect of another 5,700 layoffs, mostly in the province of Limburg

https://www.youtube.com/watch?v=qDiqJ4rrJg4
Copyright: AFP news agency (2012)
• ‘Strategisch Actieplan Limburg in het Kwadraat’ (SALK): in 2013 the government decides on a plan to reform Limburg economy, with a capital influx of 217.5 million EUR (10 million for tourism projects)
• Aim: 3,000 jobs in the short run, 10,000 over the period 2013-2019

2. Planning and development: defining the concepts
• Mindmapping your state of knowledge:

“Never let a good crisis go to waste.”
What’s a plan? Tourism planning is...

- Organising the future to achieve certain objectives. The purpose is to create plans of action for a foreseeable future and implement these actions.
- Closely related to strategic planning/management, but focus is on physical planning, land use, and design.
- It is:
  - Future-oriented
  - Developing a strategic (longer-term) vision
  - Anticipating (or reacting) on change
  - Acquiring knowledge and providing recommended approaches
  - Evaluating different courses of action
  - Value-laden and political

- May be short term (tactical or operational planning) or long term (strategic planning) but should always start from a long-range vision.

- In reality, though, long-range planning can be difficult to achieve and is strongly linked to legislative periods.

Gunn (2002); Inskeep (1991)

WTO (1994, p.9)

WTO (1994)
• Typical planning hierarchy:

- **Strategic**
  - Vision: The dream
  - Mission: The what and why
  - Objectives: How much of what will be accomplished by when
  - Strategies: The how

- **Tactical**
  - Action plans: What change will happen, who will do it, and when

- **Operational**

Where do we want to be five years from now?

Why do we exist? What do we aim to achieve through our existence?

Breaks down ambitions in smaller, quantifiable goals.

Linking objectives with available resources and budgets.

Focus on day to day running of the organization and sets out the roadmap to achieve objectives/goals.

- Pitt & Koufopoulos (2012)

• Can you fill in this canvas for Auckland?

[Image of Auckland City Centre Masterplan 2012]

Look in:
Main objectives of tourism planning:

- Increase employment, wages, increased tax revenues
- Increase visitor satisfaction
- Avoiding decline by prolonging maturity phase
- Integrating tourism with existing local social and economic life
- Promoting public and private sector interaction
- Protection and better utilization of natural and cultural resources

How to define development?

- In a biological sense: to progress from simple to complex stages in the growth of an individual or the evolution of a species
- To bring something to a more advanced or expanded stage (usually: increase revenue, jobs, conservation)

Tourism planning + development:

The process: making outlines, maps, schemes, strategies etc.

The content: the available resources and the ‘species’ (i.e. the tourism industry, the destination) in need of evolution

The outcome: bringing the tourism industry, the destination, etc. to a more advanced stage
3. Why tourism as development strategy?

The good

- Growing industry with backward linkages
- Has proven quite resilient
- Labour-intensive
- Takes place on location (no outsourcing possible)
- Does not necessarily require huge upfront investments (utilization of ‘free’ infrastructure)
- Provides jobs for unskilled labour as alternative to manufacturing industry

The bad

- Work-conditions in tourism and hospitality industry not optimal
- Can lead to price increase and speculation (e.g. on housing market)
- Adds pressure on local resources (e.g. displacement of locals, cultural change)
- Winnifred (2009)

4. Some basic planning rules

Focus investment funds where it matters most

- Create bigger products; Linking private investment with public infrastructure
- Levels can range from imposed development, tokenistic involvement, meaningful participation to true empowerment

Development plan

- a. Participatory
- b. Incremental growth
- c. Diversified
- d. Multilevel
- e. Demand and supply focused

Helps to generate quick-wins and create goodwill

Avoid creation of one-basket economies

- Godfrey & Clarke (2000); Timothy (2011)
a. **Participatory development:**
- Communities are the basic elements of tourism. They are hosts, main attractors, and unique tourism ‘products’
- Communities often bear the majority of negative impacts while benefits are spread

b. **Incremental growth:**
- While planning should necessarily have a long-term outlook (basic objectives should remain fixed), in the implementation phase the aim should be in incremental development
- Using existing resources as a baseline of future development and achieving Incremental growth in these allows for quick-wins and flexibility to still adapt the plan where needed
- It further helps to minimize initial investment needs and get partners on-board
- Together with monitoring, it can signal limits of acceptable change of local community

c. **Diversified:**
- Tourism development should be part of a diversified economy: tourism is no economic panacea but best suited as supplement to local economy
- Diversification in products and industries could alleviate strong negative effects of market shifts and contributes to indirect effects via linkages

*Godfrey & Clarke (2000); Timothy (2011)*
d. **Multilevel planning:**
- Collaborative efforts are needed between types of planners and, hierarchically, between plans on different levels
- Planning happens on:
  - **Subsidiarity principle:** social problems should be dealt with at the most immediate (or local) level consistent with their solution
  - Lower level plans ought to be built on higher level plans: site design and development is part of an environmental whole (place and placemaking)

<table>
<thead>
<tr>
<th>International (although rare)</th>
<th>National</th>
<th>Regional</th>
<th>Destination zone</th>
<th>Site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

e. **Demand and supply-focused:**

- Consider that:
  - Different markets seek different things → need for proper market segmentation
  - Forecasting of demand is desirable but difficult
  - Economic impacts come primarily through service businesses (hotels, motels, restaurants, shops), but these are facilitators, not attractors
  - Attractions are the primary causes for travel
  - Attractions depend greatly upon location
5. Back to the case: SALK

• Start of planning process:
  - An (un)expected tragedy fuels a need for change and redevelopment of a region
  - The aim of the plan becomes clear: increasing employment opportunities and regional income
  - Outlook of the plan over the period 2013-2019 (quite short term for a strategic plan)

• How does the plan deal with collaborative efforts?
  - Public: 3 levels involved
  - Private: of the 9 proposed investment and development projects, 2 deal directly with private partners
    - RMW NV
    - BVBA The Cosmopolitan Chicken
• Participatory development and demand-supply focus?
  • Mainly limited to tokenistic involvement → information moments for community members but no active involvement in projects
  • Projects themselves focused entirely on creating attractions → rest of tourism system stays outside of the scope

• Incremental growth?
  • Partners that receive financial means have to show progress at least twice a year, but no specific focus on incremental growth

Conclusion

• Planning and development are interrelated concepts: development (i.e. evolution, growth) is the envisioned outcome of a plan
• Plans exist on different timeframes (from long-term 10+ years to short term operational) but should always have a long-term vision in mind
• Plans should ideally be based on: participatory development, collaboration between different levels, incremental growth, diversification, and an understanding of supply and demand
References


Multimedia


Tourism Planning & Development

Wk 2
Tutorial 02-2

The planning process

Content

• In theory, the planning process is rational and hierarchical, attention will be paid to the different steps of the process
• As part of the study preparation, project management is introduced to guide, manage, and monitor progress
1. A stepwise planning process

<table>
<thead>
<tr>
<th>Study preparation</th>
<th>Determination of objectives</th>
<th>Survey of elements</th>
<th>Analysis and synthesis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy and plan formulation</td>
<td>Formulation of other objectives</td>
<td>Implementing and monitoring</td>
<td></td>
</tr>
</tbody>
</table>

a. Study preparation
   - Formulating terms of reference (TOR) = describe purpose and structure of project, deliverables, time horizon, etc.
   - Selecting the technical team, appointing a steering committee, organizing study activities

b. Determination of objectives
   - State the objectives for the development of tourism, the end goal (also found in TOR)
   - Can first be established in a preliminary matter and later refined based on results of the survey and analyses and the plan formulation

c. Survey of all elements
   - Involves collecting quantitative and qualitative data on aspects such as patterns of tourism, characteristics of competing tourist destinations, existing and potential attractions, etc.
   - Categorizing elements and evaluating them with respect to accessibility, feasibility of development, quality, market trends, etc.

d. Analysis and synthesis
   - Integrating various components and identifying opportunities

e. Policy and plan formulation
   - Involves the preparation and evaluation of alternative development scenarios
   - Based on an evaluation of scenarios, final policies and plans are selected and refined

f. Formulation of additional recommendations

g. Implementation and monitoring
   - Monitoring can detect problems that arise so remedial measures can be taken

• Inskeep (1991)
Example: (see case handout)

- Bhutan, located in the eastern Himalaya Mountains is known for its restrictive policy on tourism development
- The case describes the adoption of a tourism development plan as early as 1986
- Do you recognize various aspects of the stepwise planning procedure in this plan? How has the plan helped in developing tourism in Bhutan, given your current knowledge of the country and the situation?

2. Project preparation and the importance of project management

- Project management is the application of knowledge, skills, tools, and techniques to project activities to meet project requirements
- A project is typically characterized by:
  - An extensive set of activities
  - Constraints on activity precedence
  - Completion of the project follows from completion of all activities
  - Time and budget constraints
- Some valuable and logical project management techniques are the Program Evaluation and Review Technique (PERT) and the Critical Path Method (CPM), which have since largely merged into a hybrid technique

Reece & Svaan (2012)
• The PERT/CPM method is based on a network diagram of activity precedence relationship and is focused on the total time it takes to traverse the network from start to finish

• Necessary starting point of analysis:
  • List of activities
  • Relationships between activities (i.e. predecessors)
  • Expected activity duration. If duration uncertain, an estimate of the probability distribution of duration is required

• From the table a network diagram (often also depicted as a Gantt chart) is created:

• Next, the critical path is identified. This is the longest path through the network that will determine completion time of project
Advantages of the two-pass algorithm:

- Total slack for each activity can then be calculated as LS – ES (or LF – EF). This shows flexibility in starting time for activities without jeopardizing project completion time.
- Indicates the critical path of activities that need to be monitored since a slip in schedule here will affect entire project.
- Can be used for time-cost trade-offs (i.e. “crashing” an activity): accelerating an activity by allocating more resources to it.

---

Finally, budgets can be controlled by adding resources to activities:

- Rather than budgeting corresponding to the organizational structure, this uses an activity (or group of activities) as the basic accounting unit.
- Time-phased budgeted costs (Planned Value) are compared to the budgeted costs of the work that has actually been completed (Earned Value).
- Budgeted costs of the work that has actually been completed (Earned Value) are compared to the actual costs incurred (Actual Costs).

---

Two useful metrics:

- Cost Performance Index (CPI) = EV/AC
- Schedule Performance Index (SPI) = EV/PV

---

Reece & Svaan (2012)
• Useful planning tool for the study preparation phase: [http://www.projectlibre.org/](http://www.projectlibre.org/)
  • Links projects to resources and responsibilities
  • Creates Gantt-charts
  • Tracks progress of sub-parts and allows for easy extensions of deadlines by linking tasks with predecessors
  • A useful tutorial to get you started: [https://www.youtube.com/watch?v=9IcbuqfuEvw](https://www.youtube.com/watch?v=9IcbuqfuEvw)

Conclusion

• The planning process should follow a logical sequence which, when done correctly, helps in identifying opportunities and managing change
• At the start of the project, in the preparation phase, project management tools are useful for understanding the project flow and identifying critical activities
• During the course of the project, the project management helps in monitoring progress and budgetary control

Copyright: CarterRadley Courses (2016)
References


Multimedia


Tourism Planning & Development
Wk 3 Lecture 03-1
Choosing tourism as a driver for change: recognizing impacts

Content

- The changing nature of tourism development theories is discussed, with its culmination in the form of context-specific sustainability thinking
- Various impacts are discussed as affecting the chance of achieving sustainable development
- A definition of sustainable development is given, and its application in tourism situations is discussed
1. Evolving tourism development theories

• The principal reason for promoting tourism is its perceived role as a catalyst for economic growth. However, tourism also has important downsides and requires a good knowledge on opportunities and constraints in order to understand trade-offs

  • After advent of mass tourism in 1960s, conventional wisdom of tourism as unconditional benefit was questioned
  • Mismanaged growth led to environmental pollution and social conflict
  • Contemporary planning realizes that development involves much more than jobs and income, including social, ethical, environmental, and political factors

  • Mattes

• The shifting focus on what encompasses ‘development’ is noticeable in the changing development theories since the 1950s:

  1950s-1960s
  • Modernization theory: Dominance of western economic growth-based models

  1960s-1970s
  • Modernization theory/dependency theory: Underdevelopment the result of domination/exploitation by developed countries

  1970s-1980s
  • Neo-liberalism: Promotion of the free market

  • Neo-liberalism/alternative development: Awareness of effects of development on different cultures/societies

  1980s
  • Alternative/sustainable development: Dominance of sustainable development paradigm but emergence of post-development school

  1990s
  • A new paradigm?: Post-development; rejection of overarching development concepts and beginning of a more fractured, context-specific perspective

  • Sharpley (2009)
Redefining development beyond economic growth theory does not only depend on ideological changes but also on destination development cycle:

**Newly developing destinations:**
- Possibility to learn from destinations where things went wrong
- Aiming for slow, small-scale growth
- Tourism as a means to support a small community, community-driven and local → tourism matures together with destination

**Mature destinations:**
- Some destinations might not be able to cope with growth in numbers
- Attempting to change tourism profiles (increase in quality, not numbers)
- Regenerate existing areas instead of developing new ones
- Demarketing of sensitive areas via increasing price, increasing capacity warnings, reducing advertising, reducing distribution outlets, etc.

Butler (1980, p.7)

https://www.youtube.com/watch?v=dH573B1bkI4
Copyright: HBO (2014)
2. Recognizing potential tourism impacts

**Economic changes:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
</table>
| Employment                | - New job creation, often at entry-level (requiring little or moderate skills)  
- Stability in economic basis; not easily outsourced/relocated       | - New jobs often low-paid, seasonal, part time  
- Turnover of staff relatively high compared to alternative economic activities  
- Management jobs might be filled with outside experts (limited growth opportunities) |
| Public income             | - Growth in tourism and tourism enterprises increases tax revenue  
- Increased parking and admission fees for public sector facilities  
- Possibilities of bed tax or tourist tax                                  | - Depending on economic diversification of the destination and specific tourist demand, leakages due to imports and foreign ownership can be significant |
| Diversification and regeneration | - Tourism can be complementary to other functions (especially in towns and cities)  
- Compared to manufacturing and extractive industries, tourism is relatively clean | - Land rents might go up when physical space becomes a premium  
- When tourist-related shops are more profitable than locally-focused shops, local functions might be crowded out |

*Godfrey & Clarke (2000)*

**Socio-cultural changes:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
</table>
| Quality of life    | - Helps to improve living standards of those directly involved in the industry  
- Supports diversity of restaurants, theatres, and other cultural entertainment  
- Influences the availability of goods for sale in local shops  
- Greater care being placed on overall environmental quality  
- New opportunities for recreation and other leisure pursuits | - Increased traffic congestion and crowding of public spaces  
- Longer queues in local shops and facilities  
- Inflation of prices in local shops and assortment focused on visitors  
- Petty theft and pickpockets  
- Social problems of drugs, alcohol, crime, and prostitution  
- Can threaten local traditions and lead to cultural change |
| Sense of place     | - Revitalizing local culture and traditions (especially crafts, folklore, dance, and music)  
- Establishing or enhancing a sense of pride in local heritage  
- Enriching local understanding and interest in history and culture  
- Influences industries and businesses to relocate or expand in the area | - Festivals, activities, and traditions might become commodified and inauthentic  
- Crafts may be modified and mass produced to make them more saleable |

*Godfrey & Clarke (2000)*
**Environmental changes:**

<table>
<thead>
<tr>
<th>Category</th>
<th>Positive</th>
<th>Negative</th>
</tr>
</thead>
</table>
| **Built environment** | - Stimulates funds for conservation and rehabilitation of old buildings, sites, and monuments  
- Encourages the regeneration, redevelopment, and landscaping of town and city districts, as well as redundant industrial and commercial sites  
- Renewed interest in transport systems and infrastructure | - Problems of architectural pollution  
- Creation of ‘strip’ or ‘ribbon’ development and urban sprawl  
- Straining of local service infrastructure (fresh water supply, sewerage systems, electricity)  
- Traffic congestion, parking problems, and damaging effects of fumes from tourist vehicles  
- Wear and tear of stone fabric, graffiti, and vandalism |
| **Natural environment** | - Creation of park areas and attention to importance of wildlife and biological preservation  
- Has drawn attention to need for environmental stewardship | - Loss of vegetation because of development of visitor facilities  
- Trampling of plants, compaction and erosion of soil  
- General spread of garbage and litter  
- Reduction in water tables for consumption, and increase of pollution from run-off and dumping of untreated sewage  
- Disruption of animal breeding patterns and loss of habitat  
- Direct loss of wildlife population through hunting and trade in exotic species |


---

https://www.youtube.com/watch?v=kjMMcxe1C64

Copyright: Journeyman Pictures (2016)
3. Tourism impacts: the importance of context

- The nature of impacts are destination specific. There is no simple cause-effect relationship between tourists and their effects.
- The existence/relevance of impacts is influenced by:
  - Local morphology (including the political, social, and economic structure of destination)
  - Local ecology and environmental quality
  - Type of tourism activity and number of visitors involved
  - Difference in social attributes between residents and visitors
  - Nature of interaction taking place

[Godfrey & Clarke (2000)]

4. Sustainable development, a difficult concept

- Recognizing the potential of tourism development within the limitations of potential for negative impacts is central within ideas of sustainable development.
- “...development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (World Commission on Environment and Development, 1987, p.43)

Main elements of definition:
- Needs
- Future generations
- Limits
- Development
• Centrality of needs in definition makes it a very anthropocentric concept

• Capital stock model translates development into availability of 4 capital goods in society, identified as: Natural or environmental capital, Production capital, Human capital, Institutional capital

• Capital stock model gives rise to two polar approaches to sustainability:

<table>
<thead>
<tr>
<th>Weak (non-conservationist)</th>
<th>Strong (conservationist)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Development is sustainable as long as total sum of capital goods stays at least equal</td>
<td></td>
</tr>
<tr>
<td>- Allows for decrease and ultimate destruction of some capitals as long as substitution is possible</td>
<td></td>
</tr>
<tr>
<td>- Main goal: development</td>
<td></td>
</tr>
<tr>
<td>- Sustainable development only reached if none of the 4 production capitals diminish</td>
<td></td>
</tr>
<tr>
<td>- Requires subsistence of the resource base; substitution between capitals not a valid alternative</td>
<td></td>
</tr>
<tr>
<td>- Main goal: protection</td>
<td></td>
</tr>
</tbody>
</table>

Weak sustainability problematic because of:
- Imperfect information
- Intrinsic value
- Substitution problems
- Discontinuity in systemic changes (change not linear)

• Bachus (2009); Stern (1997)

• So when talking about sustainable development, do we mean the same thing?

"The private tourism industry views it largely in economic and marketing terms. How can the tourism market be sustained and grow in the long term? The local community may see it in terms of socio-economic benefits and cultural preservation. An environmental NGO would present more of an ecological perspective. (USAID, 2005, p.5)

• In tourism there is:
  - **Resource-based tradition**: a constricted economic development, within restrictions set by the environment and the cultural capital
  - **Activity-based tradition**: allows for modification of resources based on needs of the industry, assuming that the tourist industry itself has an inherent limit to growth
  - **Community-based tradition**: involving community stakeholders in finding appropriate amount of resource extraction and set standards for development

• Neuts (2016)
5. Impactless tourism? The search for unicorns

- One thing should be clear: there is no such thing as a free lunch → environmental conservation costs money. There’s always an opportunity costs
- Difficulties to achieve a true ‘triple bottom line’ approach:
  - Interconnected nature between capitals
  - Different agendas for different stakeholders
  - Scale of impacts (e.g. ‘tragedy of the commons’)
  - Law of unintended consequences (or ‘the possum principle’): actions always have unanticipated or unintended effects, exacerbated by common fallacies such as hindsight bias
As a result, we can often notice a cyclical process in tourism development and opportunities for sustainability:

Conclusion

• We all know the three elements of sustainable development, but defining them is easier than accomplishing them
• Tourism is not a ‘smokeless’ industry and the potential for both positive and negative impacts is a reality that needs to be dealt with
• It is not just a balancing act, but also a management act of decision-making to aim for any form of sustainable development
• Sustainable development should not be conceived as a product, but rather as a process, an ideal to work towards
References


Multimedia


Content

• Following the lecture on impacts and sustainable measurement, attention is paid to the need for monitoring progress
• The difficulty of establishing a concise yet complete set of indicators is discussed
• Reporting of progress on indicators will always entail public choice on setting benchmarks
1. Impact monitoring: appreciating donkeys

- If sustainability is a work in progress, with alternating objectives, this progress needs to be continuously tracked.
- In order to move towards a more sustainable development, a first step is identifying the key tourism resources and the potential impacts that could happen here.
- One general issue: It’s hard to see the forest for the trees!

A wide variety of impact measurement indicators and/or tools have been developed, differing in:

- Methodology: qualitative or quantitative
- Comprehensiveness: focused on one dimension or multidimensional
- Outcome: part scores or composite score
- Scope: universal or destination-specific

E.g. Ratio of locals/visitors: quantitative and unidirectional
E.g. Hectares of natural protected space: quantitative and unidirectional
E.g. Tourism multiplier effect: quantitative and unidirectional

$\sum$ of these to create quantitative multidimensional composite score
Example of a simple composite score: Tourism penetration index (TPI):

- The tourism penetration index (TPI) is designed as a rather simple composite score of three different indexes that measure the economic, social, and environmental penetration of tourism. The complexity largely depends on the choice of variables representing impacts.
- Use of TPI is limited to comparing multiple destinations in a relative fashion.

Steps for calculating TPI:
1. Choice of destinations
2. Choice of indicators/indexes
3. Standardization of indexes via: $l_{ij} = \frac{x_{ij} - \text{Min } x_i}{\text{Max } x_i - \text{Min } x_i}$, with $i =$ variable and $j =$ destination
4. Aggregating three indexes: $\text{TPI}_j = \sum w_{ij} l_{ij}$, with $w =$ weights for different indexes and $w_1 + w_2 + w_3 = 1$

Applying the TPI to Balearic Islands:
1. Comparing the Balearic Islands with 20 Caribbean islands
2. Economic = tourist expenditure per capita; Social = average daily visitor density per 1000 residents; Environmental = hotel beds per km² of land area
3. $l_{eco} = 0.56; l_{soc} = 1; l_{env} = 0.49$
4. $\text{TPI} = (0.56 + 1 + 0.49) / 3 \approx 0.683$

But how to interpret these scores?
• Of course, the problem with composite scores...

https://www.youtube.com/watch?v=aboZctHFK8
Copyright: Buena Vista Pictures (2005)

2. Selecting indicators: a 7-step approach

Adopts a scientific approach to ensure coverage of all sustainability sub-dimensions in an effective and efficient fashion

Introduces the policy-perspective to ensure fit between indicators and decision-making

Tanguay et al. (2013, p.866)
To start the first step, the WTO’s (2004) *Indicators of Sustainable Development for Tourism Destinations: A Guidebook* is a comprehensive starting point, listing a wide range of multidimensional indicators within more general groups of issues.

The WTO (2004) acknowledged the need to make choices in issues and indicators and consider the wide range of indicators as a menu from which to pick the indicators of particular relevance (while suggesting Baseline indicators).

Minimum requirements are also reflected in the monitoring requirements of UNWTO INSTO Observatories (http://insto.unwto.org/framework):

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Economy</th>
<th>Environment</th>
<th>Social</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indicator groups</td>
<td>- Tourism seasonality&lt;br&gt;- Employment&lt;br&gt;- Destination economic benefits</td>
<td>- Energy management&lt;br&gt;- Waste water management&lt;br&gt;- Waste water (sewage) management&lt;br&gt;- Solid waste management</td>
<td>- Governance&lt;br&gt;- Local satisfaction</td>
</tr>
</tbody>
</table>

Tanguay et al. (2013) note the need to make the reduced list of indicators comprehensive, while allowing maximum coverage of all specific issues (general rule: one indicator per issue).
**Exercise:**
- Start from the Baseline Indicators of Sustainable Tourism, proposed by WTO (2004, p.244-245)
- Choose one specific indicator from this list and try to fill in the Indicator Selection Worksheet (WTO, 2004, p.485) and the Indicator Development Worksheet (WTO, 2004, p.486-487) for Auckland
- Try to find current information on this indicator for Auckland

3. Indicator reporting

- Indicator reporting is complicated by problems such as:
  - Difference in timescales between indicator collection
  - Difference in measurement level (complicates normalization possibilities)
  - Lack of benchmark on what consists an acceptable/unacceptable situation

- Commonly, reporting takes the form of an ordinal type of measurement:

  Ordinal levels of judgement then based on long-term policy strategies. Yearly evolutions are compared to long-term goal and a qualitative interpretation is given as to whether or not we are on track to achieve the set goal.

<table>
<thead>
<tr>
<th>Preserving resources</th>
<th>Target level</th>
<th>Assessment</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of selected native species</td>
<td>90%</td>
<td>80%</td>
<td>16</td>
</tr>
<tr>
<td>Greenhouse gas emissions</td>
<td>90%</td>
<td>85%</td>
<td>17</td>
</tr>
<tr>
<td>Nitrogen in rivers</td>
<td>80%</td>
<td>75%</td>
<td>18</td>
</tr>
<tr>
<td>Adult educational attainment</td>
<td>80%</td>
<td>75%</td>
<td>19</td>
</tr>
<tr>
<td>Assets and infrastructure</td>
<td>80%</td>
<td>75%</td>
<td>20</td>
</tr>
<tr>
<td>Speakers of te reo Māori</td>
<td>80%</td>
<td>75%</td>
<td>21</td>
</tr>
</tbody>
</table>

Statistics New Zealand (2011, p.5)
4. Back to the case: SALK

- At planning process, indicators were selected based on strategic goals
- Since SALK project was very much centred on economic growth for the region, indicators strongly mirror these goals and primarily focus on economic dimension

<table>
<thead>
<tr>
<th>Strategic goals</th>
<th>Indicators</th>
</tr>
</thead>
</table>
| SG1 Increase potential of tourist sector | 11: Increase in tourism establishments  
12: +2,000 jobs in tourism sector  
13: Increase in investment in tourist sector  
14: Financial health of companies within tourism rises  
15: High job satisfaction of employees in tourism sector |
| SG2 Increase customer satisfaction through qualitative supply | 16: Satisfaction of tourists remains positive  
17: Tourists judge Limburg as a hospitable destination  
18: Number of licensed accommodation providers increases  
19: Number of establishments with quality label increases  
20: Number of establishments providing accessible tourism increases |
| SG3 Increase reputation and attractiveness of Limburg | 111: Limburg is seen as green and child-friendly  
112: Number of leisure tourists from target markets increases  
113: Number of overnight stays increases  
114: Number of visits to tourist attractions increases  
115: Use of route networks (cycling, walking, horseback riding) increases  
116: Number of visitors to tourist information centres increases  
117: Online interest in Limburg increases |
| SG4 Increase profit margin and employment | 118: Revenue in the tourism sector increases  
119: Tourist expenditure of overnight tourists increases  
120: Tourist expenditure of excursionists/day visitors increases  
121: Expenditure of users of route networks increases |

- Toerisme Limburg (2013)
Conclusion

• Sustainable development is not an end state that remains fixed in time → situations are continuously evolving
• Value of the concept lies in focusing attention on foreseeable impacts and taking actions in order to minimize them
• In order to do this, establishing potential impacts and linking them with measurable indicators (for the monitoring process is essential)
• In the end, there will always be an important measure of subjectivity in this process, specifically when establishing benchmarks

References


Multimedia

Tourism Planning & Development
Wk 4
Lecture 04-1

Surveying and analysing area characteristics

Content

• Surveying of the actual resources available is an important step in the entire planning process. In order to look ahead, we must realize where we come from
• It requires looking at both the supply and the demand side, from a touristic as well as a wider point of view
• Development as evolution rather than revolution, building on a solid foundation and activating strengths
• The analysis takes input from the survey stage and transforms it into workable knowledge. Bringing all elements from the area survey together in a spatial overview is the first step towards a deeper analysis
1. Surveying resource availability

Where we are now:

- Wk2: Set initial objective, team, and planning
- Wk3: Establish success indicators based on end goals

Inskeep (1991, p.50)
• Data collection of situation ‘as is’ (as well as non-project related planned developments) can be both quantitative and qualitative, e.g. review of existing maps, official governmental data (stats), discussion with relevant stakeholders, field surveys, social media, etc.

Sharpley (2009, p.181)

• Need to balance product-led and market-led development perspectives:

Product-led: developing something that is grounded in strengths of destination

Market-led: developing something that is in demand by specific tourism segments

On a sustainable basis
2. The general survey: supply side

a. General, non-tourism-specific

|--------------|------------------|------------|-------------------------|-------------------------|------------------|
| - Climate: especially in cases where climate is important tourist attraction  
- Topography: slopes < 20%, erosion, areas prone of flooding  
- Wildlife and vegetation  
- Coastal and marine areas  
- Geology and special environmental features (e.g. volcanoes, geysers, mineral waters) | - General history of the area  
- Population characteristics: employment, geographic distribution, education levels  
- Cultural patterns and local lifestyles | - Income levels  
- Main components of the economy (especially those that might be of tourist interest)  
- General land use patterns: agriculture by type, industry, recreation, conservation | - Air quality  
- Quality of surface waters  
- Noise levels  
- Cleanliness of public places  
- Congestion levels  
- Environmental diseases: prevalence and geographic distribution of cholera, malaria, dysentery | - Basic economic, physical and social development policies and strategies of country or region  
- Tourism education and training programs  
- Political stability and safety | - Transport facilities and services  
- Water supply: potential resources may include underground water, surface water, catchment areas and desalination of sea water  
- Electric power  
- Waste disposal  
- Telecommunications |

* Godfrey & Clarke (2000); Inskeep (1991)
**Example: Climatic patterns for Thailand and Sri Lanka**

Because of seasonality of rainfall, good beaches for resort development exist along both the east and west coast, reducing nation-wide seasonality.

Inskeep (1991, p.72)

---

**Example: Transportation analysis for Mongolia**

- Situated at relatively long distance from key markets: in 1990 only direct flights from Moscow, Irkutsk and Beijing
- Thinly populated and widely dispersed attractions
- Transportation key requirement, consisting of domestic flights, bus services (for distances under 300 km), and roads (in need of improvement)

Inskeep (1991, p.126)
b. Tourism-specific characteristics

- 4 Locations considered, with estimated visitor numbers:
  - Middleton: exp. 110,000-125,000
  - Clyne Valley: exp. 130,000-160,000
  - Bute Park: exp. 210,000-250,000
  - Penheim: exp. 380,000-390,000
- Compared to, e.g. the Royal Botanic Garden at Kew (1.3 million visitors in 2009), and the Royal Horticultural Society garden at Wisley (964,212 visitors in 2009), visitor numbers for National Botanic Garden of Wales at Middleton quite low

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Scenic beauty:</td>
<td>- Architectural,</td>
<td>- Theme parks</td>
<td>- Types and quality of accommodation</td>
<td>- Cuisine and food-related patterns:</td>
<td>- Tourist information points</td>
</tr>
<tr>
<td>- associated activities</td>
<td>historical and cultural</td>
<td>- Shopping areas</td>
<td>- Occupancy rates</td>
<td>- related patterns: wine tourism,</td>
<td>- Money exchange</td>
</tr>
<tr>
<td>- such as pleasure</td>
<td>sites</td>
<td>- Conference venues</td>
<td>- Room numbers</td>
<td>- champagne region, kiwi tours,</td>
<td>and financial</td>
</tr>
<tr>
<td>- driving, scenic view</td>
<td>- Museums and other</td>
<td>- Special events such as</td>
<td></td>
<td>- coconut plantation tours, etc.</td>
<td>services</td>
</tr>
<tr>
<td>- points, wildlife</td>
<td>cultural facilities</td>
<td>- sports contests, fairs,</td>
<td></td>
<td>- Eating and drinking</td>
<td></td>
</tr>
<tr>
<td>- viewing, camping</td>
<td>- Cultural festivals</td>
<td>- and expos</td>
<td></td>
<td>establishments and</td>
<td></td>
</tr>
<tr>
<td>- Beach and marine</td>
<td>- Arts and handicrafts</td>
<td>- Entertainment,</td>
<td></td>
<td>quality</td>
<td></td>
</tr>
<tr>
<td>- developments for</td>
<td>- Tourist activities</td>
<td>- casinos, nightlife</td>
<td></td>
<td>- Tourist</td>
<td></td>
</tr>
<tr>
<td>- sunbathing,</td>
<td>- related to economic</td>
<td>- Recreation and sports</td>
<td></td>
<td>information</td>
<td></td>
</tr>
<tr>
<td>- swimming, boating,</td>
<td>- industries</td>
<td></td>
<td></td>
<td>points</td>
<td></td>
</tr>
<tr>
<td>- etc.</td>
<td></td>
<td></td>
<td></td>
<td>- Money exchange</td>
<td></td>
</tr>
<tr>
<td>- Parks and</td>
<td>- Archaeological,</td>
<td>- Types and quality of</td>
<td>- Cuisine and</td>
<td>- Financial</td>
<td></td>
</tr>
<tr>
<td>- conservation areas</td>
<td>- historical and</td>
<td>- accommodation</td>
<td>food-related</td>
<td>- services</td>
<td></td>
</tr>
<tr>
<td>- - Flora and fauna-</td>
<td>- cultural sites</td>
<td>- Occupancy rates</td>
<td>patterns:</td>
<td>- Medical</td>
<td></td>
</tr>
<tr>
<td>- related attractions</td>
<td>- Museums</td>
<td>- Room numbers</td>
<td>wine tourism,</td>
<td>- facilities</td>
<td></td>
</tr>
<tr>
<td>- - such as zoos,</td>
<td>- other cultural sites</td>
<td></td>
<td>champagne</td>
<td>- Medical</td>
<td></td>
</tr>
<tr>
<td>- - aquariums, botanic</td>
<td>- parks and</td>
<td></td>
<td>region, kiwi</td>
<td>- facilities</td>
<td></td>
</tr>
<tr>
<td>- gardens</td>
<td>- conservation areas</td>
<td></td>
<td>tours, coconut</td>
<td>- Medical</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>plantation tours,</td>
<td>- Mental</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>etc.</td>
<td>health</td>
<td></td>
</tr>
</tbody>
</table>

* Godfrey & Clarke (2000); Inskeep (1991)
• **Example:** Tourist attractions in Mongolia
  - Major primary attractions of Mongolia are its scenic, open, unspoiled landscapes, its fauna and flora
  - Cultural attractions are of secondary importance and should be used to provide diversity in tour itineraries

![Map of Mongolia with tourist attractions]

Inskeep (1991, p.102)

• The survey collects all this information in a structured manner:

<table>
<thead>
<tr>
<th>NATURAL</th>
<th>Inventory of Natural Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>LANDSCAPE</td>
<td>Name of feature (and managers)</td>
</tr>
<tr>
<td>FLORA</td>
<td></td>
</tr>
<tr>
<td>FAUNA</td>
<td></td>
</tr>
<tr>
<td>WATER</td>
<td></td>
</tr>
</tbody>
</table>

1 score level of activity/tourist use numbers – m=measured, e=estimated. 2 visitor data: collected or uncollected.

<table>
<thead>
<tr>
<th>EVENTS</th>
<th>Inventory of Natural Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>FESTIVALS</td>
<td>Name of event (and managers)</td>
</tr>
<tr>
<td>TOURNAMENTS</td>
<td></td>
</tr>
<tr>
<td>BUSINESS EVENTS</td>
<td></td>
</tr>
<tr>
<td>OTHER EVENTS</td>
<td></td>
</tr>
</tbody>
</table>

1 patronage number of visitors – m=measured, e=estimated. 2 visitor data: collected or uncollected.

3. The general survey: demand side

• A second category of elements to survey relate to the tourism market (past and present), specifically:
  • Place of origin
  • Purpose of visit
  • Length of stay
  • Demographic profile (age, sex, family, income, education)
  • Travel company
  • Expenditure pattern
  • Visitor attitudes and satisfaction levels
  • Motivations
  • Route

* Godfrey & Clarke (2000); Inskeep (1991)

• Sources for information can come from Embarkation/disembarkation immigration cards, accommodation surveys, special tourist surveys, national population census (for domestic tourism), etc.

• Also interviews with most important TOs in tourism market countries

• Social networks becoming increasingly important as additional source of info, offering diverse and novel opportunities:
  • Sentiment analysis via twitter, blogs, etc. (https://monkeylearn.com/blog/creating-sentiment-analysis-model-with-scrapy/)
  • Location analysis of pictures (https://www.flickr.com/photos/walkingst/sets/721576242091586332/)

* Eric Fischer
4. Bringing elements together: qualitative method

- A first step towards a combined analysis is simply to combine the elements of the survey and qualitatively identify their relative uniqueness and appeal

<table>
<thead>
<tr>
<th>Resource feature</th>
<th>Quality Issues</th>
<th>Relative uniqueness</th>
<th>Appeal – drawing power</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATURAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CULTURAL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EVENTS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ACTIVITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SERVICES</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Godfrey & Clarke (2000, p.88)

5. Bringing elements together: cartographic methods

- A destination zone consists of 3 major parts:
  - Areas with attraction potential that are seen as potential destinations
  - A community with sufficient infrastructure and extra capacity
  - Transportation and access from market sources

- In general, tourism potential and distance to the attraction are inversely related: the farther an attraction is from the main tourist area, the less likely it will attract a significant amount of visitors

- Attractions should be reasonably close (about 2-3h) to main tourist centres or be linked in order to provide tourists with more than a day trip possibility

- Gunn (2002)
• **Example:** Birmingham’s Jewellery Quarter

- Birmingham’s Jewellery Quarter expanded fast during late 19th century but has since gone in decline
- Renovation projects included an annual festival and a Museum of the Jewellery Quarter
- The museum only attracted 22,000 visitors per year, instead of the projected 120,000
- One of the problems might be its perceived remoteness from the city centre
- Even though it’s just a 12-minute walk, the route is disconnected and doesn’t offer a proper tourist experience

Fields & Humphreys (2002, p.41)

---

**a. Cartographic regionalization:**

- A method of defining regions by drafting and then superimposing a series of maps, showing distribution of important areal characteristics
- Weights are chosen in function of development objective (e.g. natural vs. cultural destinations)

<table>
<thead>
<tr>
<th>Factor</th>
<th>Weighted Index</th>
<th>Very weak</th>
<th>Weak</th>
<th>Moderate</th>
<th>Strong</th>
<th>Very strong</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water, wildlife</td>
<td>6</td>
<td>0</td>
<td>1-2</td>
<td>3-4</td>
<td>5-6</td>
<td>7-8</td>
</tr>
<tr>
<td>Topography, soils, geology</td>
<td>10</td>
<td>1-2</td>
<td>3-6</td>
<td>7-8</td>
<td>9-10</td>
<td></td>
</tr>
<tr>
<td>Vegetation cover, woods</td>
<td>7</td>
<td>0</td>
<td>1-2</td>
<td>3-4</td>
<td>5-6</td>
<td>7</td>
</tr>
<tr>
<td>Climate, atmosphere</td>
<td>3</td>
<td>0</td>
<td>1-2</td>
<td>3-4</td>
<td>5-6</td>
<td>7</td>
</tr>
<tr>
<td>Aesthetics</td>
<td>13</td>
<td>0-1</td>
<td>2-4</td>
<td>5-7</td>
<td>8-10</td>
<td>11-13</td>
</tr>
<tr>
<td>Tourist attraction, institutions</td>
<td>10</td>
<td>0-1</td>
<td>2-3</td>
<td>4-6</td>
<td>7-8</td>
<td>9-10</td>
</tr>
<tr>
<td>History, ethnicity, traditions</td>
<td>9</td>
<td>0-1</td>
<td>2-3</td>
<td>4-6</td>
<td>7-8</td>
<td>9-10</td>
</tr>
<tr>
<td>Service centres</td>
<td>15</td>
<td>0-2</td>
<td>3-5</td>
<td>6-9</td>
<td>10-12</td>
<td>13-15</td>
</tr>
<tr>
<td>Transportation, access</td>
<td>25</td>
<td>0-4</td>
<td>5-9</td>
<td>10-15</td>
<td>16-20</td>
<td>21-25</td>
</tr>
</tbody>
</table>

Table 4.1: Index scores for Texas automobile touring

Gunn (2002, p.185)
b. Perceptual regionalization:
   • Is the mapping of opinion, with the help of a survey
   • Tourists are asked to label areas, indicate where they entered the region, indicate the boundaries, etc.

c. Cognitive mapping:
   • Is a form of perceptual mapping
   • Most often, respondents are asked to draw a map of a destination from heart, identifying the familiar areas, the places visited, the routes taken, as well as the boundaries to the destination

Gunn & Worms (1973, as cited in Smith, 2013, p.356)
d. Functional regionalization:
  • Identifying regions by examining patterns of personal travel
  • Factor analysis can be used to reduce the amount of regions
  • Check-in data of geospatial apps to develop ‘livelihoods’ ([http://livehoods.org/](http://livehoods.org/))

6. Bringing elements together: quantitative methods

a. Matrix evaluation technique:
  • A matrix evaluation technique, usually applied as a Weighted Sum Method, is simple and useful for both attraction-specific evaluation as for regional destination evaluation
  • It is similar to the cartographic regionalization technique in concept
  • It basically involves 4 steps:
    1. Setting level 1 attributes (e.g. Physical, Social, Environmental) and weights (W)
    2. Setting level 2 attributes and weights (w)
    3. Intra-attribute scaling (S)
    4. Computation of aggregate potential value = \( \sum W_i (\sum S_i w_j) \)

• Mamun & Mitra (2012)
• **Example: Murshidabad District, West Bengal (India)**
  - Environmental attributes considered unimportant, weights (W) for social and physical considered as 0.4 and 0.6
  - Weight of level 2 attributes based on their rank given by respondents

<table>
<thead>
<tr>
<th>Attributes and Ranks</th>
<th>Weights</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Social Attributes</strong></td>
<td></td>
</tr>
<tr>
<td>Rank 1</td>
<td>Annual Tourist Influx 0.5 [3/6]*</td>
</tr>
<tr>
<td>Rank 2</td>
<td>Average Duration of Stay 0.33 [2/6]</td>
</tr>
<tr>
<td>Rank 3</td>
<td>Frequency of Fairs and festivals 0.17 [1/6]</td>
</tr>
<tr>
<td><strong>Physical Attributes</strong></td>
<td></td>
</tr>
<tr>
<td>Rank 1</td>
<td>Physical Accessibility / Connectivity 0.250 [7/28]*</td>
</tr>
<tr>
<td>Rank 2</td>
<td>Accommodation 0.214 [6/28]</td>
</tr>
<tr>
<td>Rank 3</td>
<td>Vehicular Accessibility 0.178 [5/28]</td>
</tr>
<tr>
<td>Rank 4</td>
<td>Food and Market 0.142 [4/28]</td>
</tr>
<tr>
<td>Rank 5</td>
<td>Tourist Information and Guide Service 0.107 [3/28]</td>
</tr>
<tr>
<td>Rank 6</td>
<td>Car parking facility 0.071 [2/28]</td>
</tr>
<tr>
<td>Rank 7</td>
<td>Local Souvenirs 0.035 [1/28]</td>
</tr>
</tbody>
</table>

*Consistency rank value: 1/2 = 0.5

Al Mamun & Mitra (2012, p.4)

• Attributes were scored on a 1-5 scale, reconverted to 0.2, 0.4, 0.6, 0.8 and 1 to be used in aggregation

<table>
<thead>
<tr>
<th>Zones</th>
<th>Scores</th>
<th>S1</th>
<th>S2</th>
<th>S3</th>
<th>V1</th>
<th>P1</th>
<th>P2</th>
<th>P3</th>
<th>P4</th>
<th>P5</th>
<th>P6</th>
<th>P7</th>
<th>P8</th>
<th>P9</th>
<th>V2</th>
<th>V3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aineorge &amp; Sagarj</td>
<td>Nainiath Temple</td>
<td>0.4</td>
<td>0.2</td>
<td>0.4</td>
<td>0.33</td>
<td>0.4</td>
<td>0.2</td>
<td>0.4</td>
<td>0.4</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.4774</td>
</tr>
<tr>
<td></td>
<td>Charbagh Ghat</td>
<td>0.8</td>
<td>0.2</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.8</td>
<td>0.6</td>
<td>0.6</td>
<td>0.8</td>
<td>0.6</td>
<td>0.6</td>
<td>0.3774</td>
</tr>
<tr>
<td></td>
<td>Jagaj Mansion</td>
<td>0.8</td>
<td>0.2</td>
<td>0.4</td>
<td>0.33</td>
<td>0.6</td>
<td>0.2</td>
<td>0.6</td>
<td>0.2</td>
<td>0.6</td>
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<td>0.6</td>
<td>0.6</td>
<td>0.3774</td>
</tr>
<tr>
<td></td>
<td>Kirti Shankar Temple</td>
<td>0.8</td>
<td>0.2</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.3774</td>
</tr>
<tr>
<td></td>
<td>Ramakrishna temple</td>
<td>0.8</td>
<td>0.2</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.3774</td>
</tr>
<tr>
<td></td>
<td>Genggah temple</td>
<td>0.8</td>
<td>0.2</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.3774</td>
</tr>
<tr>
<td>Beniapore</td>
<td>English Cemetery</td>
<td>0.8</td>
<td>0.2</td>
<td>1</td>
<td>0.63</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.7198</td>
</tr>
<tr>
<td></td>
<td>Krishi College</td>
<td>0.8</td>
<td>0.2</td>
<td>1</td>
<td>0.63</td>
<td>1</td>
<td>0.4</td>
<td>1</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.4</td>
<td>0.6841</td>
</tr>
<tr>
<td>Cooch Behar</td>
<td>British Cemetery</td>
<td>0.8</td>
<td>0.2</td>
<td>1</td>
<td>0.63</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6245</td>
</tr>
<tr>
<td></td>
<td>Cooch Behar (Small Palace)</td>
<td>1</td>
<td>0.8</td>
<td>0.2</td>
<td>0.63</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.5699</td>
</tr>
<tr>
<td></td>
<td>Dutch cemetery</td>
<td>0.8</td>
<td>0.2</td>
<td>1</td>
<td>0.63</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6</td>
<td>0.6274</td>
</tr>
</tbody>
</table>

Al Mamun & Mitra (2012, p.5)

• While this offers an easy quantitative and ‘objective’ overview of attraction strengths, it still requires thought on how well best scoring attractions link with potential demand
• Furthermore, it is not just a question of individual attraction strengths but also of potential attraction clusters
b. Importance-performance analysis:

• IPA is a simple but effective tool that analyses quality attributes on two dimensions: performance and importance
• These two dimensions are then integrated into a matrix that can guide destinations to identify the most appropriate strategic options to enhance competitiveness
• It involves three simple steps:
  1. X attributes are chosen that are seen as critical in developing tourism
  2. These x attributes are rated on both performance and importance, usually on a 5-point ordinal scale
  3. The sample means of performance and importance for all attributes are calculated and mapped on four quadrants, using the global empirical means as cross-points (data-centred quadrants approach) or using a scale-centred quadrants approach

[Image: IPA matrix with quadrants and data points]

Characterization of quadrants: (I) concentrate here, (II) keep up the good work, (III) low priority, and (IV) possible overkill

• Example: Kilimanjaro National Park (Tanzania)
  • 13 attributes were identified and a sample of visitors was asked about importance and performance on a 5-point Likert scale
  • Gridlines were set at 4 for both importance and performance (a performance-centred quadrants approach), because Tanzanian tourism positions itself at the high-end scale

[Image: IPA matrix with data points and gridlines]

In a data-centred quadrants approach, gridlines would be at 4.16 and 3.52

[Table: Kilimanjaro National Park Importance and Performance Ratings]

Wade & Eagles (2003, p.201)
Conclusion

• Before bringing elements together and linking them, a thorough data collection is needed, both quantitative and qualitative

• It is important to have both a demand and supply-side perspective in order to adequately link these and develop tourism product with a market and a sense of authenticity

• Mapping of elements to uncover larger areas with a singular destination image and highest development opportunities is a first important step towards analysis

References


Multimedia


Tourism Planning & Development
Wk 4  Analysing destination elements: exercises
Tutorial 04-2

Content

• This tutorial further looks at the analysis-stage of the surveyed data
• Exercises are given on the importance-performance analysis, the matrix evaluation technique, and cartographic regionalization
1. Exercise: Importance-performance analysis

- Go to [https://goo.gl/forms/MXS3r8VooqkxEbGS2](https://goo.gl/forms/MXS3r8VooqkxEbGS2) and fill in the questionnaire
- Calculate the mean values for importance and performance of each attribute

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Importance (mean)</th>
<th>Performance (mean)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity of leisure attractions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A walkable city (everything closeby)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A safe city</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nightlife</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversity of restaurants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Price of food and beverages</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Good price-quality of accommodation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Well-connected with attractions outside city boundaries</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Draw the importance-performance matrix using **data-centred quadrants**
2. Exercise: Matrix evaluation approach

- The city of Amsterdam is considering a new development project in order to draw tourists away from the overcrowded central area. Each of the locations considered has particular strengths and weaknesses in economic development, the environment, and the social fabric.
- First of all, come to a general agreement on the weights to be used for each primary attribute:

<table>
<thead>
<tr>
<th>Primary attribute</th>
<th>Weights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td></td>
</tr>
</tbody>
</table>

Sum = 1

- Now give weights to secondary characteristics based on community-shared rating of the classroom via [https://goo.gl/forms/gQhbK8Zu3owJtqVh2](https://goo.gl/forms/gQhbK8Zu3owJtqVh2)

<table>
<thead>
<tr>
<th>Primary attribute</th>
<th>Secondary characteristics</th>
<th>Weights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>(Ec1) Presence of accommodation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Ec2) Museums and other cultural facilities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Ec3) Arts stores and creative industries</td>
<td></td>
</tr>
<tr>
<td>Environment</td>
<td>(En1) Close to famous Amsterdam canals</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(En2) Near public transport stops</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(En3) Cleanliness of environment</td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>(S1) Population per km²</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(S2) Safety of area</td>
<td></td>
</tr>
</tbody>
</table>

Sum = 1
Expert appraisals of the three zones have given the following scores (on a 1-5 scale) per characteristic for each zone under consideration. With these scores and the previously calculated weights, calculate the composite total score.

<table>
<thead>
<tr>
<th>Economy</th>
<th>Environment</th>
<th>Social</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ec1</td>
<td>Ec2</td>
<td>Ec3</td>
<td>EcT</td>
</tr>
<tr>
<td>Location 1</td>
<td>4</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Location 2</td>
<td>2</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Location 3</td>
<td>5</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

3. Cartographic regionalization

A map of Slovakia, dividing the country in 8 regions is included. The following information is provided:

<table>
<thead>
<tr>
<th>Weighted index</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water, wildlife</td>
<td>8</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>7</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Topography, soil, geology</td>
<td>10</td>
<td>9</td>
<td>9</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Vegetative cover</td>
<td>7</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Climate, atmosphere</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Aesthetics</td>
<td>13</td>
<td>10</td>
<td>6</td>
<td>4</td>
<td>12</td>
<td>6</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Exciting attractions</td>
<td>10</td>
<td>10</td>
<td>8</td>
<td>8</td>
<td>1</td>
<td>9</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>History, ethnicity, archaeology</td>
<td>9</td>
<td>9</td>
<td>5</td>
<td>8</td>
<td>3</td>
<td>6</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Service centres</td>
<td>15</td>
<td>12</td>
<td>5</td>
<td>7</td>
<td>6</td>
<td>10</td>
<td>10</td>
<td>11</td>
</tr>
<tr>
<td>Transportation, access</td>
<td>25</td>
<td>22</td>
<td>24</td>
<td>25</td>
<td>11</td>
<td>7</td>
<td>21</td>
<td>12</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>81</td>
<td>61</td>
<td>62</td>
<td>55</td>
<td>49</td>
<td>64</td>
<td>53</td>
</tr>
</tbody>
</table>
• Fill the regions according to composite tourism strength:
In the previous week, we mentioned the importance of understanding market demand. This week we continue with the analysis of demand in the planning process.

First, we pay attention to market segmentation to identify homogeneous groups and their needs.

Second, we look at quantifying future demand via forecasting techniques.
1. Demand segmentation

• Demand is distinguished by different needs, characteristics and/or behaviour. Segmentation dissects general demand into more homogeneous markets

• For segmentation to be managerially useful, segments need to be accessible, measurable, substantial, and durable

• Smith (2013)

• Four segmentation bases that are commonly used:

  - Geographic: Region, country of residence, subnational regions
  - Sociodemographic: Gender, Age, Family life cycle, Socio-economic status (education, occupation, income)
  - Psychographic: Motivations, Personality types, Attitudes and perceptions
  - Behavioural: Travel occasion, Destination coverage, length of stay, Activities, Loyalty

Images: Jpatokal (left), marvel68 (middle, left), Alexas_Fotos (middle, right), Alan Light (right)
**Majority of segmentation studies use a mixture (two or more) of geographic, demographic, psychographic, and/or behavioural segmentation bases**

Tkaczynski et al. (2009, p.172)

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Demographic</th>
<th>Geographic</th>
<th>Psychographic</th>
<th>Behavioural</th>
<th>No. of variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>DMO (A)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>7</td>
</tr>
<tr>
<td>Accommodation provider (B)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>3</td>
</tr>
<tr>
<td>Other (C1)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>Other (C2)</td>
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<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>3</td>
</tr>
<tr>
<td>Tour operator (D)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>Accommodation provider (E)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>Tour operator (F)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>Tour operator (G)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>Tour operator (H)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>Tour operator (I)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>Tour operator (J)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>3</td>
</tr>
</tbody>
</table>

*Denotes the variable considered to be most important by the tourism stakeholder.*

a. **A priori segmentation approaches**

- Type and number of segments are determined in advance
- Most applicable to segmentation studies with a limited number of segmentation bases and often applied using very simple techniques (e.g. crosstabs)
- Example: matrix segmentation for Ibiza on 3 dimensions (Age, Travel party, Location)

<table>
<thead>
<tr>
<th>Age</th>
<th>18-25</th>
<th>26-30</th>
<th>30+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group of friends</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With partner</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group of friends</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With partner</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Alone</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Group of friends</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>With partner</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

UK
Germany
Spain
Holland
US
France

54 possible segments!

Jadczaková (2013)
b. A posteriori segmentation approaches

- As the name implies, in these approaches the segments are defined based on data analysis via statistical techniques.
- Can incorporate a broad number of segmentation bases and applied using relatively more complex techniques (e.g. clustering, multiple correspondence analysis, neural networks, latent class analysis).
- **Example**: latent class analysis for Shiretoko Peninsula.

![Map of Shiretoko Peninsula](image)

- Latent class analysis applied as a clustering approach for categorical variables (within a structural equation modelling framework).
- The model both predicts membership in a stochastic fashion and analyses the effects of covariates to explain class membership.
- The model is applied to a sample of 1,703 tourists to Shiretoko Peninsula and combines information on trip purpose, push motivations, activities, age, gender, travel party, and repeat visitation.

---

<table>
<thead>
<tr>
<th>Manifest variables</th>
<th>Class 1</th>
<th>Class 2</th>
<th>Class 3</th>
<th>Class 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Latent class probabilities</td>
<td>0.2821</td>
<td>0.2214</td>
<td>0.2943</td>
<td>0.2021</td>
</tr>
<tr>
<td>Trip purpose</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Landscape (Shiretoko Mountains/waterfalls/sea)</td>
<td>0.8208</td>
<td>0.8347</td>
<td>0.8670</td>
<td>0.8341</td>
</tr>
<tr>
<td>- Bears</td>
<td>0.9819</td>
<td>0.7960</td>
<td>0.4082</td>
<td>0.4858</td>
</tr>
<tr>
<td>- Whales/dolphins</td>
<td>0.2323</td>
<td>0.1588</td>
<td>0.3640</td>
<td>0.1450</td>
</tr>
<tr>
<td>- Eagles/seabirds</td>
<td>0.1413</td>
<td>0.3040</td>
<td>0.1371</td>
<td>0.1759</td>
</tr>
<tr>
<td>Push motivations</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>- Organized tour plan</td>
<td>0.1257</td>
<td>0.0000</td>
<td>0.0474</td>
<td>0.0832</td>
</tr>
<tr>
<td>- Prior info (friends/relatives/Internet/guidebook)</td>
<td>0.0704</td>
<td>0.1335</td>
<td>0.0715</td>
<td>0.0796</td>
</tr>
<tr>
<td>- Info from hotels, B&amp;B, other lodging</td>
<td>0.1000</td>
<td>0.0679</td>
<td>0.0000</td>
<td>0.0672</td>
</tr>
<tr>
<td>- Tourist information centre</td>
<td>0.1091</td>
<td>0.0730</td>
<td>0.0313</td>
<td>0.1302</td>
</tr>
<tr>
<td>Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Large boat to Cape Shiretoko</td>
<td>0.1682</td>
<td>0.3801</td>
<td>0.6843</td>
<td>0.1183</td>
</tr>
<tr>
<td>- Large boat to Kamuiwakka Fall</td>
<td>0.0294</td>
<td>0.1903</td>
<td>0.3086</td>
<td>0.0574</td>
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<tr>
<td>- Small boat to Cape Shiretoko</td>
<td>0.3898</td>
<td>0.0782</td>
<td>0.0025</td>
<td>0.2177</td>
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<tr>
<td>- Small boat to Kamuiwakka Fall</td>
<td>0.1163</td>
<td>0.0897</td>
<td>0.0000</td>
<td>0.0247</td>
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<tr>
<td>- Small boat to Rishu Bay</td>
<td>0.2675</td>
<td>0.0122</td>
<td>0.0000</td>
<td>0.0633</td>
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<tr>
<td>- Sea kayaking</td>
<td>0.0729</td>
<td>0.1491</td>
<td>0.0314</td>
<td>0.4946</td>
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<tr>
<td>- Walking path/hiking to waterfalls/Shiretoko NP</td>
<td>0.6318</td>
<td>0.7405</td>
<td>0.8654</td>
<td>0.9369</td>
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<tr>
<td>- UNESCO World Heritage Road Station Utoro</td>
<td>0.5843</td>
<td>0.3794</td>
<td>0.0971</td>
<td>0.7593</td>
</tr>
<tr>
<td>- Shiretoko Pass</td>
<td>0.5578</td>
<td>0.1290</td>
<td>0.4973</td>
<td>0.6123</td>
</tr>
<tr>
<td>- Lake or Mount Rausu</td>
<td>0.0789</td>
<td>0.0626</td>
<td>0.0362</td>
<td>0.1724</td>
</tr>
<tr>
<td>- Hot spring Kunamo-yu</td>
<td>0.0399</td>
<td>0.0184</td>
<td>0.0126</td>
<td>0.3058</td>
</tr>
<tr>
<td>- Rausu Town Cruise/Road Station/Visitor Centre</td>
<td>0.3060</td>
<td>0.1619</td>
<td>0.0861</td>
<td>0.8360</td>
</tr>
<tr>
<td>- Raus Field House</td>
<td>0.0000</td>
<td>0.0000</td>
<td>0.0021</td>
<td>0.0594</td>
</tr>
</tbody>
</table>

Neuts et al. (2016, p.801)

- Identified groups: Class 1: ‘bear-watchers’ (28%); Class 2: ‘Landscape-lovers’ (22%); Class 3: ‘Organized tour groups’ (29%); Class 4: ‘Active explorers’ (20%).
- Covariate analysis indicated that younger travellers (<30) most likely belonged to classes 2 and 4, while older tourists (>59) more likely occupied class 3. People travelling in group or as a family predominantly belonged to class 1 and class 3 mainly constituted first time visitors.
- Identified differences between classes can then be used to inform marketing campaigns and future developments.
• Even though a priori segmentation is still widely used because of its simplicity, current practices increasingly adopt lifestyle approaches to segmentation, developing a destination image to match certain ‘lifestyles’

• Example: NBTC Personas of visitors to the Netherlands

2. Forecasting future demand

• Two general forecasting techniques:
  1. Qualitative: via expert judgement, based on macro-changes in the environment
  2. Quantitative: via time series analyses (trend extrapolation, causal models, gravity models)

• On different levels:
  • Product level: total product, specific tourism form, specific item
  • Geographical level: world, country, county, destination
  • Time level: short, medium, long term

https://www.youtube.com/watch?v=nOHBtjLCAw
Copyright: Hong Kong Airport (2011)
• Four factors to be considered when developing a forecasting model:

| Organizational environment | Characteristics such as structures, ways of operating, resources, and objectives of the organization influence the type of forecast needed and the quality of the forecast |
| Decision-making environment | Level of precision required and whether or not there’s a need for quick decision-making. The more expensive the future plan/development, the more important the accuracy of the model |
| Existing knowledge | Many types of forecasting are based on information about past and current conditions. Is enough past data available? On which levels? |
| Nature of phenomenon | Certain phenomena show a high degree of stability while others exhibit dramatic changes. It’s also harder to forecast new demand than to forecast changes in existing demand |

• Smith (2014)

---

a. Qualitative:
1. The Delphi method:
   - Originally used to provide long-range forecasts of technological developments. Later extended to the fields of economics, politics, medical developments, and tourism
   - It systematically combines the knowledge and experience of experts to form group consensus of opinions concerning future events through a series of looped, anonymous questionnaires with feedback
   - Generally speaking, the following steps can be identified in the Delphi method:

   ![Delphi Method Diagram](image)

   - Definition of themes, interaction window, evaluation scales, etc.
   - Monitoring and feedback
   - Report

• Vanhove (2005)
2. Scenario writing:
• Looks at global patterns and interactions on a macro scale to forecast changes to demand

<table>
<thead>
<tr>
<th>Dimensions</th>
<th>Variables</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demographic</td>
<td>Population growth</td>
<td>While population growth is continuing at a slower rate than before, it is still an important continuous trend that mainly takes place in developing nations, opening up new markets</td>
</tr>
<tr>
<td></td>
<td>Ageing</td>
<td>Aging of population in the Western world increases level of more affluent and healthier retirees, opening up extra demand for accessible tourism</td>
</tr>
<tr>
<td></td>
<td>Migration</td>
<td>Migration and ethnic composition of tourist-generating societies sparks an added interest in travelling abroad, especially back to the homelands</td>
</tr>
<tr>
<td></td>
<td>Family size</td>
<td>Smaller average family size and rise in single person households → gives people more freedom to travel more often to more distant places</td>
</tr>
<tr>
<td>Economic</td>
<td>Economic cycle</td>
<td>Travel is a luxury good and correlates positively with economic cycles. In times of recession, demand for travel is lower (e.g. 2007-2011), nowadays we’re in a period of recovery</td>
</tr>
<tr>
<td></td>
<td>Exchange rate</td>
<td>There is a direct correlation between exchange rates and international travel for personal holiday motives</td>
</tr>
<tr>
<td></td>
<td>Rise of new economies</td>
<td>‘New’ economies increasing in worldwide importance, giving rise to a new middle class of travellers</td>
</tr>
<tr>
<td>Political</td>
<td>Conflicts, terrorism</td>
<td>Have a profound impact on tourism demand for an entire region → creates shifts in demand rather than drops as tourists look for substitutes</td>
</tr>
<tr>
<td></td>
<td>Travel restrictions</td>
<td>Other political issues influencing demand relate to possible travel restrictions → e.g. the rise in Chinese tourists partly attributable to less strict travel policies</td>
</tr>
</tbody>
</table>

• Timothy (2011), Vanhove (2005)

a. Quantitative:

1. Trend extrapolation via simple regression:
• Statistically analysing past data under the assumption that a past trend will continue in the future via the basic formula:

\[ Y = a + bX \]

With \( Y \) = number of visitors, number of scheduled flights, etc. 
\( X \) = any variable that influences demand (e.g. price, advertising budget) but in trend extrapolation it will relate specifically to some measure of time

• The formula is solved by simple least-squares estimation of past data, graphically plotting a straight line through a collection of historic data points:

\[
\begin{align*}
  b &= \frac{n \sum (XY) - (\sum X)(\sum Y)}{n \sum X^2 - (\sum X)^2} \\
  a &= \frac{\sum Y - b(\sum X)}{n} \\
  r &= \frac{n \sum (XY) - (\sum X)(\sum Y)}{\sqrt{n \sum X^2 - (\sum X)^2} \times \sqrt{n \sum Y^2 - (\sum Y)^2}}
\end{align*}
\]

• Smith (2014, p.243)
Based on assumption that a variable may be forecast purely with reference to past growth rate. As such, important conditions are: (a) availability of time-series data, (b) future must be similar to past, (c) it must be possible to detect trends, (d) it provides a short-term forecast, (e) environment is stable

Exercise: Forecast air transport passenger arrivals to New Zealand for 2017 and 2018

<table>
<thead>
<tr>
<th>Year (X)</th>
<th>Passengers (Y) in millions</th>
<th>XY</th>
<th>X²</th>
<th>Y²</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>12.55</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008</td>
<td>12.95</td>
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<tr>
<td>2009</td>
<td>12.10</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>13.30</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>13.75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>13.94</td>
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<tr>
<td>2013</td>
<td>14.43</td>
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<tr>
<td>2014</td>
<td>13.62</td>
<td></td>
<td></td>
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<tr>
<td>2015</td>
<td>14.33</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>15.24</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\[ b = ??? \]
\[ a = ??? \]
\[ 2017 = ??? \]
\[ 2018 = ??? \]

The World Bank (2017)

2. Causal models:
   - In order to identify trends and turning points (which cannot be detected via ordinary extrapolation), regression analysis is based on modelling causal factors for visitor numbers/arrivals
   - Analysis can take the form of a simple multiple regression, vector autoregression models that combine independent variables with past data on the dependent variable, or more complicated structural models
   - Choice of causal factors is important here, and a distinction can be made between push factors, pull factors, and resistance factors (e.g. war, unfavourable exchange rates). Some of the most frequently used variables are:
     - Household income in origin countries
     - Commercial ties
     - Price/relative price
     - Price substitutes
     - Access cost (transport price)
     - Distance
     - Travel time
     - Exchange rate
     - Promotion efforts
     - Population growth
     - Competing destinations
     - Dummy variables (war, natural disaster, terrorism, etc.)

Vanhove (2005)
3. Gravity models:

- Based on an analogy to Newton’s law of gravitation. Focus in a tourism context is primarily on the effect of distance or travel-time constraints on tourism demand.
- The most simplified models use a function of population and distance. In practice, however, population is often replaced by more appropriate explanatory variables:

\[
T_{ij} = \frac{GPAI}{D_{ij}}
\]

With \(T_{ij} = \) a measure of tourist travel between origin \(i\) and destination \(j\)

\(P_i = \) a measure of population size, disposable income, travel propensity, etc. in origin \(i\)

\(A_j = \) a measure of attractiveness of destination \(j\)

\(D_{ij} = \) distance between origin \(i\) and destination \(j\)

\(a\) and \(G = \) statistically estimated coefficients

- After calculating \(a\), \(G\), and constant \(D_{ij}\), forecasts can be made by estimating future values of \(P_i\) and \(A_j\).

- While one weakness of gravity models lies in the fact that it leads to unconstrained estimates (i.e. the idea that trips from origin markets can grow continuously without an upper limit), a main advantage lies in the fact that the models can be refined and modified extensively while remaining relatively computationally simple.

- Vanhove (2005), Smith (2014)

Example: Forecasting visitors to Taroko National Park

<table>
<thead>
<tr>
<th>Zone Name</th>
<th>ZONE POPULATION</th>
<th>DISTANCE</th>
<th>X1</th>
<th>X2</th>
<th>Y VISITS</th>
<th>LN(VISITS)</th>
<th>LN(DIST)</th>
<th>LN(POP)</th>
<th>LN(VISITS)</th>
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<tbody>
<tr>
<td>CHANGHWA</td>
<td>1226200.00</td>
<td>285.70</td>
<td>3.05</td>
<td>14.02</td>
<td>10.58</td>
<td></td>
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<tr>
<td>PINIANG</td>
<td>2543900.00</td>
<td>216.40</td>
<td>19.31</td>
<td>13.34</td>
<td>9.86</td>
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<tr>
<td>CHIAYI C.</td>
<td>2540000.00</td>
<td>229.80</td>
<td>5.44</td>
<td>12.45</td>
<td>9.27</td>
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<tr>
<td>HSINCHU</td>
<td>3676200.00</td>
<td>386.50</td>
<td>5.29</td>
<td>12.81</td>
<td>8.76</td>
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<tr>
<td>HSINCHU C.</td>
<td>3098000.00</td>
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<td>5.09</td>
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<td>5.76</td>
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<tr>
<td>KAUSIEN</td>
<td>2593800.00</td>
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<td>KAOHSUNG</td>
<td>1039300.00</td>
<td>117.80</td>
<td>4.77</td>
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<tr>
<td>KAOHSUNG M.</td>
<td>1125552.00</td>
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<td>4.75</td>
<td>14.09</td>
<td>11.55</td>
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<tr>
<td>KEELING C.</td>
<td>3496500.00</td>
<td>461.30</td>
<td>6.18</td>
<td>12.76</td>
<td>9.61</td>
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<tr>
<td>MAO</td>
<td>3461870.00</td>
<td>349.10</td>
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<tr>
<td>NANTOU</td>
<td>13259100.00</td>
<td>285.80</td>
<td>5.66</td>
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<tr>
<td>PENGHU</td>
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<td>394.60</td>
<td>5.27</td>
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<tr>
<td>TAIWAN C.</td>
<td>11510200.00</td>
<td>312.90</td>
<td>5.75</td>
<td>13.95</td>
<td>10.00</td>
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<tr>
<td>TAIWAN E.</td>
<td>6955620.00</td>
<td>385.10</td>
<td>5.72</td>
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<td>TAIWAN N.</td>
<td>2010769.00</td>
<td>396.30</td>
<td>5.30</td>
<td>13.82</td>
<td>10.90</td>
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<tr>
<td>TAIWAN S.</td>
<td>10642908.00</td>
<td>164.30</td>
<td>5.10</td>
<td>13.38</td>
<td>10.52</td>
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<td>TAIW</td>
<td>2725750.00</td>
<td>65.50</td>
<td>6.61</td>
<td>14.82</td>
<td>13.00</td>
<td></td>
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</tr>
<tr>
<td>TAIPEI M.</td>
<td>2071378.00</td>
<td>407.50</td>
<td>6.13</td>
<td>14.79</td>
<td>10.06</td>
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<tr>
<td>TAIWAN W.</td>
<td>2772477.00</td>
<td>154.90</td>
<td>5.04</td>
<td>12.52</td>
<td>6.91</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>TAIWAN N.</td>
<td>12132390.00</td>
<td>413.90</td>
<td>6.07</td>
<td>14.02</td>
<td>11.13</td>
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<tr>
<td>YUNLIN</td>
<td>2815250.00</td>
<td>247.00</td>
<td>5.51</td>
<td>14.57</td>
<td>5.17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The basic formula in the model is:

\[
VISITS = \frac{aPOP^{b1}}{DIST^{b2}}
\]

Or

\[
LN(VISITS) = a + b1LN(POP) - b2LN(DIST)
\]

Taking the natural logarithm simplifies the gravity model into a multiple regression equation. Solving this equation gives the coefficients:

\[a = -6.12597\]
\[b_1 = 1.465297\]
\[b_2 = (-0.60327)\]

If, for instance, we expect a rising population in Taipei to 3,000,000, this is expected to increase visits to Taroko National Park to:

\[LN(VISITS) = -6.12597 + 1.465297 \times LN(3000000) - 0.60327 \times LN(465.5) = 166323.72\]
• On country-level, most governments already compile forecasts based on one of the previously identified quantitative methods; for regional levels, easiest to use current tourist shares on national forecasts

• Example: New Zealand

Since an estimated 78% of all tourists visit Auckland, applying this on projections would indicate 3,341,520 visitors to Auckland by 2020

• Such forecasts can assist in preventing future constraints on infrastructure:
  • Future demand for beds = No. of tourists * Average length of stay 365 nights * Occupancy factor
  • Future demand for rooms = Future demand for beds Average room occupancy

Question:
Can you make this calculation for Auckland given that:
- By 2020 there would be an estimated 3,341,520 international arrivals in NZ
- About 44% of international visitors stay in hotels
- The average length of stay is about 4.5 nights
The methods described earlier have one thing in common: they estimate demand for existing products/destinations → what to do when we need to estimate market demand for a new product?

The easiest method establishes foreign benchmarks. However, this is only somewhat possible if likewise products have been developed elsewhere. If not, market demand is estimated via market surveys.

Example: Patronage assessment of SkyPath

Identification of 4 major use groups: domestic visitors, international tourists, Auckland resident recreational users, Auckland resident commuters.

Over a 3-week period, target user groups were surveyed on hypothetical use and achievable pricing.

<table>
<thead>
<tr>
<th>International visitors</th>
<th>All domestic target groups</th>
</tr>
</thead>
</table>
| -Interview-guided street intercept survey at i-Sites, Auckland Museum, Kelly Tarltons  
-Sample n=256  
-Random sampling methodology, targeting all available international visitors | -Via an online panel (SmileCity)  
-Sample of n=1300 (stratified by age and region), with 500 Non-Aucklanders, 400 Auckland residents within 10km radius of Harbour bridge and 400 wider Auckland residents |

From these survey results, deductions were made by applying the proportions of the sample to the official datasets (census population estimates and inbound tourism data).

Results:
- International and domestic tourists: 112,811 trips in year one, 222,217 in year 10
- Auckland residents: 668,573 trips in year one, 1,674,157 in year 10
• While forecasting is important for long-term planning and development purposes, particularly for large infrastructure projects, the cost of getting it wrong can be very high

https://www.youtube.com/watch?v=bdZWhd459_A
Copyright: CBS (2015)

3. Choosing target markets/segments

• Finally, by combining a segmentation approach and a forecast by segments, we can make more informed decisions on target markets
• Choosing the right market to focus on in development ought to combine future growth with total market share
• Example: Portfolio analysis for Germany

<table>
<thead>
<tr>
<th>Outgoing tourism</th>
<th>A</th>
<th>B-Lux</th>
<th>CH</th>
<th>D</th>
<th>DK</th>
<th>E</th>
<th>F</th>
<th>GB</th>
<th>I</th>
<th>Japan</th>
<th>NL</th>
<th>USA</th>
<th>S</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>mrkt vol 97</td>
<td>8.96</td>
<td>25.93</td>
<td>12.71</td>
<td>112.57</td>
<td>21.47</td>
<td>15.74</td>
<td>29.89</td>
<td>60.34</td>
<td>31.28</td>
<td>11.53</td>
<td>25.81</td>
<td>46.47</td>
<td>9.51</td>
<td>403.29</td>
</tr>
<tr>
<td>mrkt vol 98</td>
<td>8.26</td>
<td>18.42</td>
<td>12.58</td>
<td>105.76</td>
<td>20.01</td>
<td>15.21</td>
<td>25.21</td>
<td>53.65</td>
<td>33.32</td>
<td>13.85</td>
<td>25.09</td>
<td>51.10</td>
<td>9.17</td>
<td>381.65</td>
</tr>
<tr>
<td>mrkt vol 99</td>
<td>7.86</td>
<td>20.23</td>
<td>13.71</td>
<td>123.01</td>
<td>21.92</td>
<td>14.34</td>
<td>30.70</td>
<td>63.16</td>
<td>34.25</td>
<td>12.62</td>
<td>27.61</td>
<td>50.93</td>
<td>9.44</td>
<td>414.39</td>
</tr>
<tr>
<td>mrkt vol 01</td>
<td>9.26</td>
<td>16.39</td>
<td>13.87</td>
<td>115.46</td>
<td>5.69</td>
<td>14.26</td>
<td>29.32</td>
<td>68.67</td>
<td>31.35</td>
<td>10.18</td>
<td>26.61</td>
<td>48.13</td>
<td>8.47</td>
<td>397.64</td>
</tr>
<tr>
<td>mrkt vol 02</td>
<td>8.57</td>
<td>16.07</td>
<td>14.77</td>
<td>109.89</td>
<td>6.26</td>
<td>15.47</td>
<td>30.62</td>
<td>70.56</td>
<td>32.38</td>
<td>10.57</td>
<td>27.76</td>
<td>48.26</td>
<td>7.59</td>
<td>398.76</td>
</tr>
<tr>
<td>vol increase %</td>
<td>-7.47</td>
<td>-1.94</td>
<td>6.49</td>
<td>-4.82</td>
<td>9.97</td>
<td>8.46</td>
<td>4.42</td>
<td>2.71</td>
<td>3.31</td>
<td>3.90</td>
<td>4.31</td>
<td>0.27</td>
<td>-10.30</td>
<td>0.28</td>
</tr>
</tbody>
</table>

Market growth = (mrkt vol 02/mrkt vol 01) – 1 = (8.57/9.26) – 1

Market share = Arrivals to Germany / mrkt vol 02
Importance of market = Arrivals of origin market / Total arrivals in Germany = 1.20/27.23 = 4.4%

Arrivals per nationality to Germany

<table>
<thead>
<tr>
<th>A</th>
<th>B-Lux</th>
<th>CH</th>
<th>D</th>
<th>DK</th>
<th>E</th>
<th>F</th>
<th>GB</th>
<th>I</th>
<th>Japan</th>
<th>NL</th>
<th>USA</th>
<th>S</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arrivals to Germany (D)</td>
<td>1.66</td>
<td>1.88</td>
<td>2.27</td>
<td>1.24</td>
<td>0.95</td>
<td>1.63</td>
<td>1.38</td>
<td>2.10</td>
<td>1.30</td>
<td>5.65</td>
<td>3.96</td>
<td>1.28</td>
<td>27.23</td>
</tr>
<tr>
<td>Total arrivals (mrkt vol 02)</td>
<td>8.57</td>
<td>16.07</td>
<td>14.77</td>
<td>109.89</td>
<td>6.26</td>
<td>15.47</td>
<td>30.62</td>
<td>70.56</td>
<td>32.38</td>
<td>10.57</td>
<td>27.76</td>
<td>48.26</td>
<td>7.59</td>
</tr>
</tbody>
</table>

Market share = Arrivals to Germany / mrkt vol 02
Importance of market = Arrivals of origin market / Total arrivals in Germany = 1.20/27.23 = 4.4%
Conclusion

• Additional to the supply-side analysis, the demand needs to properly distinguish consumer segments and attempt to forecast their future growth
• For small-scale projects or general visions, broad (qualitative) trend forecasts can suffice, but for large infrastructure forecasts, in-depth, rigorous quantitative forecasts are necessary
• Knowing which segments exist, what the destination’s position is in serving these segments and how they are expected to grow, can lead to better informed choices on supply-demand linkage

References


Multimedia


Exercise

• Based on the development goals of SALK (i.e. creating employment opportunities via tourism projects), analyse the characteristics of the region to identify investment priorities

• Based on the readings given to you, can you answer the following questions...
  1. Given an investment fund of 3 million, which development projects would have your preference and why?
  2. Which are the primary tourist markets you would focus on in the promotional campaign?
  3. Looking specifically into P7 ‘Rentmeesterswoning’, do you see market potential for a new 70-room hotel?
Tourism Planning & Development
Wk 6
Lecture 06-1

Tourism policy and plan formulation: management frameworks

Content

• Tourism policy is an integral part of the planning and development process and provides the framework that guides management decisions.

• Policy is the strategy that is adopted to try to achieve the goals within the constraints and destination possibilities.

• A variety of management frameworks can be adopted to manage growth and resources, usually distinguished between ‘blueprint’ and ‘process’ approaches.
1. Tourism plan and policy

- Tourism policy = set of regulations/guidelines and development objectives and strategies adopted by government that provide a framework within which collective and individual decisions are taken and arising from contests between different ideas, values, and interests

A general tourism policy encompasses:

- The philosophy: Indicates beliefs and values about how tourism can serve destination
- A vision: More functional and more inspirational portrait of the ideal future
- Objectives/constraints:
  - Operational statements of specific results sought by the tourism system within a given timeframe and the way to reach such aims
  - Achievements of objectives should contribute to fulfilment of vision and be reasonably defined and measurable
  - Objectives can also be formulated in negative sense (e.g., maximum level of undesirable outcome that can be tolerated)
  - They involve mediating values and interests of stakeholders

Goeldner & Ritchie (2009, p.426)
• Some of the main policy considerations are:
  • Role of the government: passive, active, intermediate
  • Level of environmental protection/cultural conservation
  • Reasons for developing tourism: e.g. economic, providing recreational opportunities for citizens, achieve environmental and cultural conservation
  • Type of tourism to be developed: e.g. general interest sightseeing, large-scale beach resort-oriented tourism, quality tourism, etc.
  • Extent of tourism development and growth rate
  • Location and staging of development

• Example: Tourism policy of Flanders
  • Three main lines of tourism policy:

<table>
<thead>
<tr>
<th>1. Strengthening image of Flanders</th>
<th>2. Supporting entrepreneurship and developing level playing field</th>
<th>3. Inclusive tourism for all Flemish people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increasing economic benefits via:</td>
<td>Supporting industry development and growth via:</td>
<td>Increasing social capital via:</td>
</tr>
<tr>
<td>• Primary investment in USPs: Flemish Masters, cycling heritage, gastronomy</td>
<td>• Creation of level playing field in accommodation</td>
<td>• Stimulation of family-friendly investments throughout the sector</td>
</tr>
<tr>
<td>• Great War commemoration in specific markets</td>
<td>• Quality rating system for accommodation sector</td>
<td>• Investment in qualitative accommodation for vulnerable market segments</td>
</tr>
<tr>
<td>• Business and conference tourism, specifically in special venues</td>
<td>• Using cycling and walking routes as leverage for regional economic development</td>
<td>• Subsidizing centre for holiday participation for people living in poverty</td>
</tr>
<tr>
<td>➔ Mainly via direct investment</td>
<td>➔ Mainly via legislation and subsidies</td>
<td>➔ Mainly via legislation and subsidies</td>
</tr>
</tbody>
</table>

• Inskeep (1991)
• Vlaamse Regering (2014)
• How does our case (SALK) fit in with these policy lines?
  • Mainly focuses on line 1 of national policy: goal is to increase regional economic growth
  • The role of the government is more active here, due to the urgency of the matter → direct investments or targeted subsidies
  • Type of tourism to be developed in line with USP’s of region:

  ![Mining heritage](Image)
  ![Child-friendly attractions](Image)
  ![Cycling Landscape](Image)

2. Management frameworks

• A policy thus ultimately sets out the vision and strategy to manage available resources and develop new opportunities
• The management framework adopted to manage destinations in a more direct sense will depend on resource base and goal, but also political vision

<table>
<thead>
<tr>
<th>'Blueprint' approaches</th>
<th>'Process' approaches</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hierarchy</td>
<td>Link top-down management with bottom-up beneficiary needs</td>
</tr>
<tr>
<td>Outcomes</td>
<td>Are a work in progress, developed in a cooperative, evolutionary, learning fashion</td>
</tr>
<tr>
<td>Planning versus</td>
<td>Pilot projects, experiments, and incremental developments with feedback loops are essential</td>
</tr>
<tr>
<td>implementation</td>
<td>Planning and implementation</td>
</tr>
</tbody>
</table>

Examples:
- EC, Zoning, ROS, CC
- LAC, VIM, VERP

* Brinkerhoff & Ingle (1989)
• **Example: DOC**
  
  • Destination management framework inspired by higher-level policy and visions for growth, conservation, and recreation
  
  • Takes into account visions of different public sector stakeholders

  ![Destination management framework](https://www.youtube.com/watch?v=Npx9EFCxZzY)
  
  Copyright: Al Jazeera (2013)

• Effective management of resources also takes place in an economic reality → frameworks and policy are not fixed in time
3. Examples of ‘Blueprint’ approaches

a. The Entrepreneurial City (EC):
   • Overview:
     - Philosophy came from need to change from a manufacturing city to a spectacular city. Government becomes active participant in urban development, competing with others via:
       - Advertising and promotion
       - Cultural regeneration
       - Public art and civic statuary
       - Mega-events
       - Physical redevelopment
       - Often via PPP’s!

<table>
<thead>
<tr>
<th>Destination type</th>
<th>Primary goal</th>
<th>Type of tourism development</th>
<th>Main constraint for growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>Economic growth</td>
<td>Quality tourists, high spenders</td>
<td>Environmental and social protection limited. Main inhibitor to growth is amount of government budget</td>
</tr>
</tbody>
</table>

   • Neuts et al. (2014)

   • One of the main ‘hard’ approaches, is the creation of dedicated zones in the city

https://www.youtube.com/watch?v=AqqrOupMwXE
Copyright: DW English (2015)
b. Zoning:
• Overview:

<table>
<thead>
<tr>
<th>Destination type</th>
<th>Primary goal</th>
<th>Type of tourism development</th>
<th>Main constraint for growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban and rural</td>
<td>Controlled/uneven growth</td>
<td>Can be different per zone</td>
<td>Depends on basis for zoning (e.g. site characteristics, usage/activities (see ROS), need for protection). Constraints either social or environmental</td>
</tr>
</tbody>
</table>

• Zoning is one of the best-known and prevalent ways to manage development; it is the control by authority over land use, dividing areas into zones with various approved uses
• Urban zoning: often based on activity → coincides with creation of attraction clusters and can help in lowering negative effects of tourist behaviour on locals
• Rural zoning: often based on need for protection
  - Peripheral zone: numerous and mass facilities
  - Natural environment: accommodation facilities of non-permanent nature (i.e. camping and caravan sites) and light sport facilities
  - Special nature reserve: no roads, circuits of nature interpretation, trails for cycling, walking, horse riding, etc. No facilities other than rudimentary camping sites and shelters for mountaineering
  - Natural sanctuaries: no access, no facilities

---

c. Recreational Opportunity Spectrum (ROS):
• Overview:

<table>
<thead>
<tr>
<th>Destination type</th>
<th>Primary goal</th>
<th>Type of tourism development</th>
<th>Main constraint for growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban, rural, natural</td>
<td>Maximizing visitor experience for different groups</td>
<td>Different per zone, from mass-tourism to special interest tourism</td>
<td>Constraints both social and environmental</td>
</tr>
</tbody>
</table>

• Idea: Experience is the result of: qualities provided by nature + qualities provided by management + qualities associated with recreational use
• Originally, 6 main ROS classes were defined (although this is adaptable):

<table>
<thead>
<tr>
<th>Primitive</th>
<th>Semi-primitive</th>
<th>Semi-primitive</th>
<th>Roaded natural</th>
<th>Rural</th>
<th>Urban</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-motorized</td>
<td>Non-motorized</td>
<td>Motorized</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minimal</td>
<td>High</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High</td>
<td>Minimal</td>
<td>Level of access, management facilities, social encounters</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Remoteness, Naturalness</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
• Key attributes that define the six classes are:

<table>
<thead>
<tr>
<th>Attributes</th>
<th>Involves:</th>
</tr>
</thead>
</table>
| Physical   | - Type of access  
            | - Remoteness: distance from nearest road, points of access |
| Social     | - User density: number of people encountered |
| Managerial | - Visitor management: regulations, information, interpretation  
            | - Level of development, facilities  
            | - Naturalness: evidence of visitor impacts and/or management activities (e.g. roads, timber harvest) |

• By changing one or more setting conditions, the type of setting is changed and ultimately the type of recreation experience

• Key is to understand what the current settings are and what the desired settings are so that actions either maintain what is there or narrow the gap between existing and desired

• Example: Mt. Aspiring National Park

Department of Conservation (2011b, p.3)
- 4 Main zones, each with specific objectives, functions and developments

<table>
<thead>
<tr>
<th>Zones</th>
<th>Objectives</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilderness zone</td>
<td>Primary purpose is to provide recreational opportunities and experiences for people seeking solitude and challenges in a natural environment free from facilities</td>
<td>- No facilities such as tracks or huts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No motorized access</td>
</tr>
<tr>
<td>Remote zone</td>
<td>Priority is protection of natural quiet and remote experiences and form a buffer around the wilderness area. Visitors should be predominantly self-reliant</td>
<td>- Some tracks and huts provided</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Motorized access limited</td>
</tr>
<tr>
<td>Back country zone</td>
<td>Some areas suited for the less experiences, even though with a degree of risk and reasonable self-reliance. Interaction with other parties more regular in areas more easily reached from Queenstown et al.</td>
<td>- Facilities include basic huts, well-marked tracks and bridges</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Hardening of sites to cope with demand</td>
</tr>
<tr>
<td>Front country zone</td>
<td>Generally accessible by vehicle or within easy reach. Readily available access for people of most ages and abilities. The majority of park visitation occurs here</td>
<td>- Good quality facilities and services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Easy 2WD vehicle access</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- No limits places on guided party sizes or total number of guided visitors</td>
</tr>
</tbody>
</table>

- Zoning at Mt. Aspire specifically aimed at managing recreation and tourism activities, managed to provide different experiences for visitors and limit pressure on sensitive areas

- Department of Conservation (2011b)

d. Carrying Capacity (CC):
- Overview:

<table>
<thead>
<tr>
<th>Destination type</th>
<th>Primary goal</th>
<th>Type of tourism development</th>
<th>Main constraint for growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural</td>
<td>Setting limits to growth in order to safeguard resource</td>
<td>Depends on instrument used to set limits ⇒ if financial, then tourists with a higher WTP</td>
<td>Depends on carrying capacity dimension (economic, social, environmental). Carrying capacity mostly in an environmental context, but social carrying capacity also possible</td>
</tr>
</tbody>
</table>

- Originally a technical description = maximum load before breakdown occurs
- Difference in meaning depending on context:
  - In an environmental context: the maximum number of visitors to be allowed before negative effects on environment are being felt
  - In a social context: the maximum number of visitors to be allowed before negative effects of social pressure (crowding) are being felt
    → More difficult to estimate than technical carrying capacity: in essence we’re looking for a tipping point

Mayeenul Islam
Example: Rwanda Gorilla trekking permits

- Only 10 habituated gorilla families available for visiting, with a limit of 8 visitors per group per day, leading to a total availability of 80 gorilla permits on a single day
- Recently, prices per permit have doubled from US$750 to US$1,500. Rwandan citizens who previously paid US$36 per permit now also have to pay the US$1,500 fee

Conclusion

- Policy essentially sets out the vision and strategy to manage resources in order to achieve a given outcome
- A large range of different management frameworks can be used in various circumstances and adhering to different policy objectives. They differ in main goal, tourist market targeted, and recognized constraints that need to be dealt with
References


Multimedia


While ‘blueprint’ management frameworks have been discussed earlier, today we identify three ‘process’ approaches.

Finally, we look back at our SALK case study and the framework applied there.
1. ‘Process’ approaches

a. Limits of Acceptable Change (LAC):

- **Overview:**
  - Arose out of dissatisfaction with the concept of carrying capacity which was considered unrealistic (impact and use not perfectly correlated)
  - Attempts to develop realistic standards based on people’s use, understanding, and valuation of natural areas → often works together with ROS zones
  - Main difference to previous ‘Blueprint’ approaches; LAC is non-technical and outcome is consensual

<table>
<thead>
<tr>
<th>Destination type</th>
<th>Primary goal</th>
<th>Type of tourism development</th>
<th>Main constraint for growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primarily natural</td>
<td>Setting community-defined limits to growth</td>
<td>Evolving towards the average tourist</td>
<td>Society-wide accepted levels of economic growth and environmental/social degradation</td>
</tr>
</tbody>
</table>


- 4 basic components:
  - Identifying acceptable and achievable resource standards
  - Documenting gaps between desired and existing circumstances
  - Identifying management actions to close these gaps
  - Monitoring and evaluating management effectiveness

- Most important (and also most difficult) part of LAC are: choice of indicators and choice of standards
  - Indicators: things we can measure that tell us if desired conditions are changing because of human use (e.g. exotic plants, damaged vegetation, litter and waste)
  - Standards: the point at which the indicator tells us whether a change is acceptable or not → exceeding standard should trigger management action

- **Example: Hells Canyon white water rafting**
  - Most conflict started at take-off/launch ramp
  - Indicator of interest: time people spend waiting for their launch
  - Standards: 80% of boating parties should not wait longer than 15 minutes → if standard is not reached, management action should be triggered

- Stankey et al. (1984)
• Application of LAC can lead to a regression towards the mean though
• Special interest tourists often have lower LAC’s and might lose interest in the destination

Bentz et al. (2016, p.101)

b. Visitor Impact Management (VIM):

• Overview:

<table>
<thead>
<tr>
<th>Destination type</th>
<th>Primary goal</th>
<th>Type of tourism development</th>
<th>Main constraint for growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban, rural, natural</td>
<td>Allowing for growth while managing impacts</td>
<td>Segments that cause minimal negative impacts</td>
<td>Accepted social and economic standards, in as far as they are correlated with visitor numbers</td>
</tr>
</tbody>
</table>

• Goes beyond simply setting levels or capacities → impact assessment of causal factors (not just use levels)
• Designed to deal with 3 main issues:
  • Identification of problem conditions (unacceptable impacts)
  • Determination of potential causal factors affecting the occurrence and severity of the unacceptable impacts
  • Selecting potential management strategies for ameliorating the unacceptable impacts

• Coccossis & Mexa (2004)
Example: Modifying tourist behaviour in Rome

Rome Bans Food and Drinks in Bid to Preserve Ancient Landmarks
Next time you visit the Eternal City, don’t be tempted to stop for a panino.

By Patrick Bowler  |  Oct. 09, 2012  |  Add a Comment

For a people stereotyped by headless passion and a healthy disregard for rules, the Italians have been getting pretty crazy with their laws recently. Last week the mayor of Rome instituted an executive order that makes stopping to eat or drink along anywhere in the city center — including the area around the first century A.D. Colosseum, the Roman Pantheon, the Baroque Trevi fountain and the 18th century Spanish Steps — an offense punishable by fines of up to 360 euros. Mayor Giovanni Alemanno has had enough of “episodes in contrast with the most elementary norms of urban decorum,” the ordinance read. Rogue elements have “damaged monuments and artistic fountains (...) by dangerously dripping liquids” on them.

c. Visitor Experience and Resource Protection (VERP):

- Overview:

<table>
<thead>
<tr>
<th>Destination type</th>
<th>Primary goal</th>
<th>Type of tourism development</th>
<th>Main constraint for growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban, rural, natural</td>
<td>Maximizing visitor experience within acceptable limits</td>
<td>Different per zone, from mass-tourism to special interest tourism</td>
<td>Effects on visitor experience and social/environmental impacts</td>
</tr>
</tbody>
</table>

- Recognizes and combines both social and biophysical considerations in planning and management
- Comparable to LAC and VIM, but with the addition of visitor experience as measure of impact

- Includes nine systematic steps:
  1. Assemble an interdisciplinary project team
  2. Develop a public involvement strategy
  3. Develop statements of primary park/area purpose, significance, and primary interpretive themes
  4. Analyse resources and existing visitor use
  5. Describe a potential range of visitor experiences and resource conditions
  6. Allocate potential zones to specific locations
  7. Select indicators and specify stands for each zone; develop a monitoring plan
  8. Monitor resource and social indicators
  9. Take management action
2. Management in action: Tiritiri Matangi

• Community-based restoration programme since 1984, including:
  • Planting of 283,000 trees
  • Translocation of endangered fauna
  • Establishment of recreation facilities (tracks, visitor centre, interpretation)

• Joint partnership persists between DOC and NGO (Supporters of Tiritiri Matangi Inc.)

• Soft/indirect visitor management strategies:
  • Introductory biosecurity talk by DOC representative when visitors arrive at Tiritiri Matangi
  • Operational guided tours run by NGO

• Intermediate visitor management strategies:
  • Influential spatial and temporal elements of visitation by arrival and departure times, limited accommodation facilities, trails

• Hard visitor management strategies:
  • Visitors by designated transport (360 Discovery Cruises) restricted to 170 per day, 35,000 per year. But Tiritiri Matangi is an Open Sanctuary and people are free to visit by private boat

• Lück & Spring (2014)
3. Back to the case: SALK

- This project used a very top-down approach to planning: local governments involved, but no larger communities
- Planning did not take into account any carrying capacity issues, since:
  - ‘Wild’ environment is not a key characteristic → environment is rural at best
  - Visitor numbers are not of the level that would suggest crowding-related issues

<table>
<thead>
<tr>
<th>Arrivals in Limburg</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreigners</td>
<td>394,494</td>
<td>422,039</td>
<td>422,497</td>
<td>342,673</td>
<td>319,281</td>
</tr>
<tr>
<td>Locals</td>
<td>594,523</td>
<td>586,130</td>
<td>609,213</td>
<td>616,855</td>
<td>601,227</td>
</tr>
</tbody>
</table>

- Zoning based on ROS was applied to identify different areas with different use characteristics, user interests, and development needs

- In the future, some measure of VERP might need to be considered, specifically for attractiveness of cycling routes (crowding could become an issue here)
Conclusion

- ‘Process’ approaches allow for more flexibility but are ultimately close linked to the carrying capacity idea
- Ultimately, the many different models are ‘much ado about nothing’ and often differ little in outcome. Even when outcomes are considered somewhat flexible, all of LAC, VIM, and VERP approaches still require management action when certain standards are breached

References


