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This resource was actually a short-course on Community Tourism Diversification presented a part of a training for communities in Texas. This course was offered through the Texas Engineering Extension Service as part of their community program.

## **A New pair of glasses**

**Presented by:** Dr. Andrew Skadberg, May 13, 2010

Tourism and economic development

Topics

- Tourism Trends
- Tourism is Huge! – and still growing
- The Recreation (Tourism) Experience Model
- A New Pair of Glasses – Group activities
- Making Tourism Happen
- Seven Steps to Tourism Success
- Summary

## **Objectives**

### **Terminal Objective**

By the end of this module, participants will be able to discuss the basics of “experiential tourism” and the scope of opportunities in this area.

### **Enabling Objectives**

Identify four experiential tourism opportunities

Identify key elements of tourism development

Describe why tourism is a strong contributor to community well-being and quality of life

## **Background Information**

Tourism doesn't always fit into the traditional model of economic development, even though tourism (or attracting visitors) is often one of the primary economic engines in most successful communities. Being able to attract people from other places demonstrates that a community has a quality of life that is vibrant and, typically, interesting. The benefits that travelers seek are also the same characteristics that will

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enhance a community's traditional economic development efforts. Businesses, whether they are manufacturing, technology, or services are typically interested in locating in communities that have a good "quality of life". One economic development director in a small Texas town says that he must always be cognizant of the "wife factor", as he actively pursues attracting quality businesses. Often times the decision for a company's relocation (while considering their employees needs) will be highly influenced by the concerns of a wife or mother and whether the community offers an attractive quality of life for the family.

**Tourism Trends**

The course was presented in 2006, but tourism, especially in "niche" markets tourism is still growing globally. People are seeking unique experiences.

There are significant opportunities for communities to attract travelers. Some significant changes have occurred in the travel industry in the last decade. In some respects it may have been further catalyzed by Sept. 11, 2001. Our good friend Stan Hodge, the past Texas State tourism statistician, spoke of the three most important things to describe the new trends in tourism – Experience! Experience! Experience! Diverse, creative, authentic, "out-of-the-box" ideas are increasingly welcome in this new realm of tourism which professionals are calling "experiential tourism".

People of all ages are seeking unique experiences. Most often these should be based on the authentic stories of places, and be enhanced by quality services such as dining and accommodations. These are the ingredients for a robust, blended tourism and service based economy. It is the small entrepreneurial businesses that grow from within communities that make them wonderful places to live, and for people to visit.

**Tourism is Huge! – and still growing.**

Many people are not aware that tourism is a tremendous economic engine in the U.S and the world. Always, tourism is vying for the one of the top three economic contributors to the world's and all fifty states' economies. The following chart shows the economic impact of travel to the Texas economy.

These statistics are often used to inspire economic development leaders about the scale of opportunity that tourism can provide, but the question usually arises "what does this mean to my community, or our businesses?"

The answer lies in an examination of the "trends" of travel behavior, and the

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characteristics and desires of the travelers. Contrary to the traditional view of successful tourism destination communities being just “tourist traps”, the new trend is towards the traveling public seeking diverse, authentic destinations that provide them interesting experiences.

Often the experiences that families are seeking involve some level of learning as well as being combined with quality services (e.g. tasty food, clean accommodations, quality in each of these areas, etc.). Communities and businesses do not have to provide 5-star dining and accommodations. Today, what people are seeking more than anything as they travel are interesting and authentic experiences provided that the traveler’s concerns for healthy, clean and safe environments are addressed.

In other words, as a community looks to diversify into this new area of “experiential tourism” they will do well to “be real”. The pragmatic and sustainable approach will be to create the tourist’s experience from the unique qualities, culture, history or natural assets of the place – of your community and its citizens.

As one ventures into this area of “niche” tourism it will easy to get confused by the vast terminology that is emerging. There is a plethora of specializations, or niche terms, including, but not limited to: ecotourism, nature tourism, heritage tourism, agritourism, agritainment, shopping tourism, adventure tourism, culinary tourism, etc. etc. One would do well to avoid this labeling trap and look more from the consumers’ perspective. That is why the term experiential tourism is an effective moniker because it describes the essence of what people seek when they go somewhere.

This is not to suggest that a particular community (or business) won’t focus on an “agritourism” product and brand, it’s just that delivering the message to potential visitors needs to be presented in a way that will attract them to the experience and in a way that they understand. The majority of consumers usually do not actively seek an “agritourism” or “heritage tourism” experience. People usually just want to find interesting places to visit where they can shop, experience, learn, and eat. The details regarding the semantic, technical terminology should be the concern of the tourist experience developer or academic researcher when they focus on a particular “niche” product, customer and market.

“Yesterday’s consumer no longer exists - Experience matters, and nothing else”

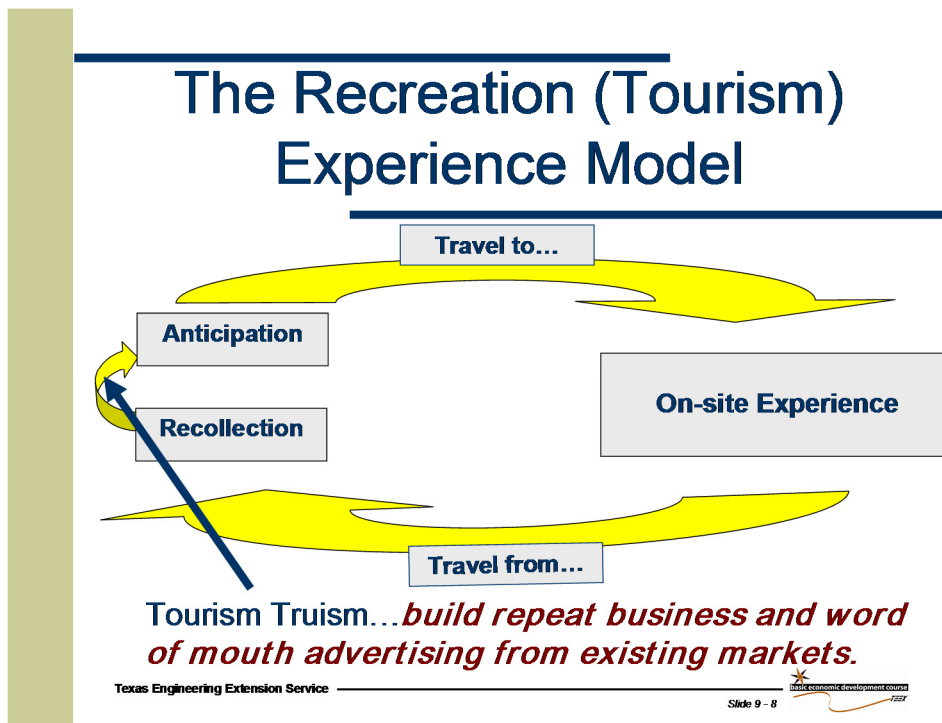
Stan Hodge – Office of the Governor

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## The Recreation (Tourism) Experience Model



An important concept to grasp for understanding how the tourism product is received by the consumer is illustrated in the recreation experience model. Tourism experiences are unique because, when best developed, they usually occur over time, and will potentially be long-lasting and life changing.

Nearly everyone can remember a very memorable travel experience.

In essence there are five points in time that the model describes where the traveler will anticipate, experience or reflect. Here is a cursory overview:

1) Anticipation. This first point is when a person begins to contemplate their travel experience. The tourism product provider can make their first impression here because this is when their customer makes contact to make their travel (or visit) arrangements. They might do it by phone, on the Internet (most common now) or occasionally make a preliminary visit. Careful consideration should be given to quality customer service by the business or community trying to attract a customer, often this is when the sale is made. Typically travel purchases are made "site unseen", unless you have developed a wonderful Website that gives them a sense of the experience.

2) Travel to. As people travel to their destinations they have an abundance of time and they will begin contemplating their future experience. If they have received some

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promotional information from the attraction they will be visiting, this will enhance their anticipation.

3) On-site experience. This is when the traveler actually arrives and participates in their recreational/leisure activity. As with any business, careful consideration to all aspects of their visitor's experience is important to make a positive and lasting impression.

4) Travel from. Because travel often takes a considerable amount of time, this can be a very important stage for a traveler's experience. Based on the culmination of their anticipation, whether or not their expectations were met or exceeded during their "on-site" experience will determine the type of reflection that will occur during this part of the recreation/tourism experience. It is important to note that word-of-mouth is a primary marketing driver for the experiential tourism industry. If the experience was good, then they will likely be thinking of telling their friends and family about their trip. Otherwise, well, we have all heard the saying about at least ten people hearing about it.

5) Recollection. Often times some of the "negatives" of a person's travel experience might fade over time, depending on the severity of the situation. As mentioned previously, it seems almost universal that people will reflect on their travel experiences and decide whether or not they would like to participate in it again. Their memories can be enhanced by the purchase of memorabilia or by the tourism destination providing some sort of ongoing communication with their customers. This might come in the form of a newsletter, (printed or electronic), or an occasional postcard to inform the client of a special event or offer. In any case, as a tourism product provider, one needs to be mindful of the process of the "Recreation Experience Model" and give careful consideration to the product development and marketing strategies.

## **A New Pair of Glasses**

**Introduction** - *Converting the ordinary into the extraordinary.*

People who have never been to your community don't know what goes on there, why it started, what its economy is based upon and why you prefer to live there. Answers to these questions are the basis for "telling the story of your place". Every place has a story to tell. These facts or characteristics extracted, developed and told in an interesting, engaging and creative way are the foundation of successful experiential tourism development.

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visit. At this point, don't worry about reasons why the ideas won't work, the key at this stage is to let your imagination go and be creative. Follow the guidelines below for developing your idea.

Spend 12 minutes developing one of those concepts.

Identify target traveler,

Describe unique aspects of the experience – be descriptive and be prepared to guide us through the experience, or a sense of the place.

Table representative present vision to the group.

### **Case Study: Tourism Development Strategies for Strong Economies and Vibrant Communities**

In the early 1980's the community leaders of Van Buren County, Iowa saw that the agricultural economy was taking a serious downturn, and chose tourism as a way to boost their economy and sustain the region. They began the transformation process by identifying what they had to offer and then employed a tourism professional to develop strategies for tourism. Through careful planning and the hard work and dedication of community leaders and residents, tourism in Van Buren County is still going strong today.

Many communities are turning to tourism as a strategy for economic development. Experiential tourism in particular, including natural, historical, cultural and recreational activities, can help diversify a community's economy while enhancing the region's vitality and quality of life. Van Buren County, Iowa is just one tourism success story, exemplifying tourism's potential for bolstering economies even through turbulent economic times. Communities don't just decide to focus on tourism as a development strategy overnight. Achieving and sustaining your full tourism potential requires innovative and effective tourism development strategies, committed leadership and diligence on the part of the entire development team. Here we summarize four keys to a successful tourism development program.

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The Villages of Van Buren, Iowa

"In this historic cluster of a half dozen villages along the Des Moines River, in southeast Iowa, you get a taste of life as it was over 100 years ago. Once the river ran faster and deeper, and people came here from all over the region to make stagecoach, steamboat, and railroad connections. Now the visitors get a "far from the madding crowd" feeling as they stroll an English garden on the river banks, explore a historic church with its needle-like spire rising from a stand of pines, or visit artists and craft persons in out of the way studios. Here, one can experience exuberant small-town festivals or drift slowly down the river in a canoe."

Rural Tourism Development, 1991. Tourism Center, University of Minnesota.

### **Making Tourism Happen – Four Primary Activities**

- **Resource Assessment**
- **Market Research**
- **Product Development**
- **Marketing and Promotion**

#### **Resource Assessment**

- Identify leadership and define community organization
- Profile current and potential visitors
- Survey resident attitudes
- Develop vision and set goals
- Inventory resources, natural amenities, historical events, architectural structures, local culture, etc.

#### **Market Research**

- Gain insights into tourists' behaviors and preferences
- Learn the factors that affect tourists' behavior
- Understand tourists' decision making processes, particularly those effecting destination choices
- Identify customer expectations of products and services

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### **Product Development**

- Interpretation: telling the story of a place to translate your community's resources into valued tourism products
- Based on sound market research, create high quality experiences that tourists will pay to enjoy
- Facilitate collaboration and partnerships between businesses
- Sustain and promote the community's identity
- Fulfill its citizen's visions

### **Marketing and Promotion**

- Assess the community's overall objectives (i.e., raise the number of tourists, increase visitors' length of stay, grow local expenditures, develop/change the community's image)
- Analyze today's experiential tourism market and trends
- Segment and evaluate tourism markets and establish marketing plans for each
- Create an implementation plan and methods to evaluate its effectiveness

### **Seven Steps to Tourism Success**

Embarking on the development of a tourism program as part of your overall economic development strategy can be daunting, particularly for those small communities that typically have the most unique experiences to offer would be visitors. There are a number of state, federal and private foundations that offer financial support as well as technical assistance to entities seeking to develop and implement tourism strategies. TEEX can offer this support or point you in the direction of an abundance of resources. In the meantime, you can get started on your plan by following these seven steps to plan, deploy and maintain a successful tourism strategy.

1. Conduct a resource assessment, including human, institutional, recreational, natural and physical resources.
2. Hold a workshop to articulate tourism objectives, and identify stakeholders, leaders and opposition.
3. Identify potential pitfalls, including concerns of businesses and interest groups, and develop management strategies.

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4. Create and execute a detailed action plan, including outcome-oriented tasks with measurable objectives.
5. Provide ongoing support for tourism operations via web resources, access to technical assistance and performance support tools.
6. Develop methods to monitor success, and evaluate and minimize negative impacts through contingency planning.
7. Continually evaluate the process and outcomes; modify plan as needed to ensure success.

**Tourism is Complimentary to Traditional Economic Development Strategies**

As mentioned earlier, when people hear the word tourism they often imagine “tourist traps”. Even though we have all experienced these places, in the main, the prevalence of communities that fall into this category of tourism destination are in the minority. Across the landscape, an abundance of attractive, historic and architecturally interesting enclaves in rural and urban communities are drawing a diversity of businesses and tourists. What creates these destinations are a combination of entities that create the tourism appeal. Often times a combination of public and private resources provides a backdrop for the historic or cultural character of the place. For example, the most recognizable feature in smaller towns is the historic downtown square or “main street”. Almost universally, smaller communities that are in a progressive economic development posture are actively improving the heart of their communities.

This phenomenon is not just restricted to smaller cities or rural places, but can be found in most major metropolitan areas. Often, in large urban centers, an area that encompasses a few (or several) city blocks is designated for renovation following a campaign (or brand) for stimulating a “complimentary” set of businesses to reside. Two examples here in Texas would be the 4<sup>th</sup> Street District in Austin, and the Museum District in Houston.

One benefit of this type of economic revitalization strategy is that business development is spread broader across the community. As a result, the community’s economic risk is reduced. Traditional economic development aims at attracting new business from outside the community, while this form of smaller entrepreneurial development will often grow from “local talent”. One can see these small boutique shops (coffee shops, small restaurants, antiques, etc.) and service businesses springing up everywhere.

The best fit for these experiential tourism attractions and “boutique” service businesses

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are entrepreneurs (new or seasoned) who are “doing what they love”. Having businesses that are complimentary to a person’s interests and lifestyle have a much higher potential for success.

The significant boost to a community’s economy is that its existing citizens already appreciate what is special about the place. The likelihood of all of these small businesses to close up their shops at the same time is much less than a single industrial or manufacturing company that was “enticed” to the community to go out of business or move their operation away. This is not to suggest that economic development organizations stop actively pursuing new companies to their community. In fact, the smaller “boutique” and tourism businesses become an important asset because they often contribute to the community’s quality of life. A diverse and robust economy can be an important attractor for new businesses, which have become more selective in choosing new locations.

In the end, developing this “non-tourist-trap” type of business in a community is quite familiar to an economic development professional. Stimulating the local entrepreneurial talent pool requires similar support and technical assistance as traditional small business development. The following module “Entrepreneurship”, presented by Dr. Greg Clarey goes into much greater detail of some of the most important issues small business owners should consider and how economic development professionals should support them.

**Summary**

- Tourism is a diverse, exciting opportunity for communities.
- Capitalizing on these opportunities must be driven by an understanding that people are seeking interesting, memorable, quality experiences.
- Tourism is a collaborative process that requires the community to understand the associated challenges and benefits.
- Like any other economic development process, research, planning, implementation and evaluation are important for success.

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## **Developing the Tourism Product**

### *Creating Engaging Experiences—The “Keys to Success”*

Experience as Your Product: Traditionally most tourism businesses practice “activity based management” where the provision of activity opportunities are viewed as end products. Recent research has found the end product of tourism and recreation management is the experiences people have. Solomon Source has developed its own “benefits based management” approach, which focuses on creating experiences that the participants perceive as beneficial. In other words, the positive impact of the experience should be the main goal of the tourism provider. This approach involves the linking of activities, settings, experiences and benefits. The stronger people feel about their experience the more likely they are to perceive its benefits. Perceived benefits translate into satisfied customers. Satisfied customers will become repeat customers and very likely then become advocates or ambassadors for you and provide “word of mouth” advertising that is crucial to the success of most experiential tourism attractions and destinations.

In simple terms, the experience that you create and provide is the product you are selling. It is not just an accommodation, a tour, or a hike, it is a combination of activities, settings, and services that all produce an experience that can affect your customer in profound ways. In broader terms, experiential products for recreation and tourism are a combination of two complimentary components:

- 1) primary activities, settings, and their support facilities: things that are directly related to the experience (e.g. activities, programming, content/materials, events), and
- 2) hospitality support services: these serve an important supporting role, or a potential detractor from a quality product. They are most often tied to ensuring the comfort of your customers.

**Identify your core product(s):** The tourism industry is plagued with confusion about what the products are—too many names for a broad array of activities and experiences. Misnomers, improper labeling, and general confusion throughout the industry have created problems for both tourists and providers. Travelers have difficulty understanding what term is being used for a particular product or experience. Providers are similarly confused about where they should position themselves. Our principle aim to minimize this

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confusion is to help our customers refine their offerings and to help them create the experiences that will attract the customers they want to serve. For travelers, the ultimate goal will be to help the industry become less fragmented and to help travelers and experience seekers to find the quality, authentic “experiences” that fit their interests.

**The Art of Creating Experiences:** Experiences can be created through a complimentary process that blends physical facilities, natural amenities, culture, hospitality, services, staff personalities, marketing, programming, printed and spoken information. We advocate creating quality experiences through diligent and thoughtful planning giving the utmost attention to detail. This is not rocket science; it is more of an art form—the ability to give consideration to the whole of the product that creates the character of your business and the experiences that you offer to your guests. The “Travel Experience Model” depicts the travelers’ experience. As you can see the traveler’s experience doesn’t just occur at one point in time. Opportunities to make a good, or a bad, impression can occur at different stages of the tourist’s travel experience. The key to success is to make a profound impact through the entire cycle: from your customer’s first visit to your Web site, to the follow-up customer satisfaction survey.



*Creating Engaging Experiences—A quick summary of critical issues for creating quality experiences*

1) **Know your audience/customers:** Never forget to look at your business through your customer’s eyes. Remember that your customers are people that bring with them their own special characteristics. Each of your customers has his or her own:

Needs	Backgrounds	Expectations	Capabilities
Desires	Likes/dislikes	Limitations	and much more. . .

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**2) Providing Quality Services:** Make sure your customer's needs are taken care of. Conduct quality assurance evaluations regularly.

Hospitality (staff friendliness, knowledge) Risk Management

Facilities (good repair, cleanliness) Food safety and quality

**3) Capitalizing on Your Resources:** Most experiential tourism types (nature, ecotourism, adventure, physical, rural, heritage, cultural, agritourism, etc.) are in some way based on the natural environment, or the history of people living on the land. Creating enjoyable experiences that are derived from these entails two primary steps:

1) a thorough resource assessment of the physical, human, cultural, and natural amenities that you have available to you, and

2) creating the story and blending these various resources to create your experiential product. Capitalize on your opportunities! Be creative and imaginative.

**4) Quality Programming:** *This includes activities that people will participate in whether it is guided, or self-guided, individual or group activities. This could be any combination of recreational activities, shows, events, or educational activities.*

**5) Informational/Educational content:** This refers to interpretive content. In more common terms it is the "story of the place". These stories can be derived from many different things whether it is the natural environment (plants, animals, geology), or the historical/cultural aspects of the place. Creating these stories is a systematic process but it also requires a very creative touch to produce *ENGAGING EXPERIENCES*.

**6) Authenticity:** People are becoming more selective and demanding for what they do and where they go for their leisure pursuits. They are seeking meaningful and learning oriented experiences when they travel. Additionally, more and more people are seeking spiritual connections or opportunities for renewal, recovering from stress in their everyday lives. Tourism destinations, attractions and businesses need to be attuned to the fact that they need to provide *authentic experiences* for their customers in order to attract visitors, and have them want to return.

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