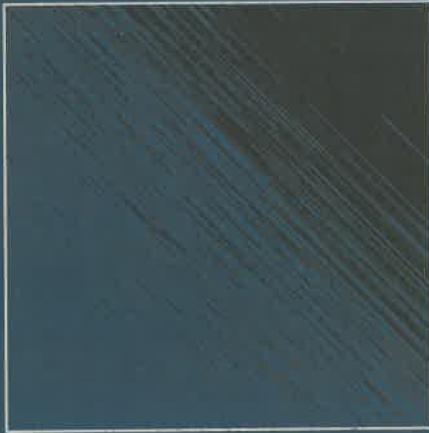


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Editor's Dais



Tourism and Hospitality is coming up as a major energy in economic growth in developing countries with a source of cultural interaction. In the present issue in very first article Social Inclusion and Access to Heritage: a Study of Museums and Galleries in the UK, Dr. Peter K. Falconer and Dr. David Silbergh, considers the specific question of how museum and galleries, in approaching the challenge of widening access to their collections and exhibits, have responded to the public policy imperatives contained within contemporary social inclusion agendas. Dr. Pascal Tremblay in, Learning and Strategic Innovation in Tourism Management discusses that number of generic learning strategies (non-deterministic by design) based on basic tradeoffs between types of knowhow that firms can be acquired. In The lodging industry moving forward inspite of new challenges: A case study, Maryam Khan, discusses how the lodging industry survived after the attacks of September 11, 2001 in U.S.A. Elwood I. Shafer, Youngsoo Choi, in The Wild Side of Tourism: A Case Study of Economic Values and Impacts of Hunting in Pennsylvania research point out the annual economic value of the Pennsylvania's hunting resources, and the annual economic impacts from the use of those resources? Zhang Zheng-sheng, Zhang Duan-yang in, An Analysis of Regional Disparity on Tourism Development in Guangdong there is regional disparity. In order to disclose in the paper an index System was established and the methods of principle component analysis, hierarchical cluster were also used. It is analysed that tourism resources should be carried out; the investment of tourism infrastructure should also be strengthened to improve the environment and cultivate tourism market. Olivier Dehoorne, Corina Criste, Alexandru Ilies, in Rural Tourism and Territorial Development for Sustainable Development it is discussed that Aubrac Mountain has been the object of major studies since the 1960's. Marked by a long period of rural exodus, it has been a significant example of the rural crisis, which seemed to condemn more enclosed rural spaces. The role of tourism seems to be essential to the understanding of the renewal in Aubrac Mountain. It has paved the way for this new dynamic based on a close-knit and determined local society, supported by its emigrants living in the capital city throughout

the 20th century. The lessons from the Aubrac's case allow wondering about necessary conditions for sustainable development. Omar Moufakkir in Economic Impact of Casino Gaming Development: Assessing The Economic Benefits of Detroit's Casinos, Michigan assess the economic impact of MGM Grand and Motor City Casino on the local economy and to detail how these benefits were being calculated. In last paper, An Evaluation of Factors Influency Customer Loyalty in Restaurant Industry, Hugh Wilkins and Jun-Hee Hwany discuss the customer loyalty in restaurant and motivator for repeat purchase behaviour. Hopefully the research papers included in this Journal will be helpful for the tourism developers, researchers, academic staff and professionals related to Hospitality and Tourism.



(Mukesh Ranga)

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Mukesh Ranga
Culture & Environment
Conservation Society
TH-2, Bundelkhand University Campus
Jhansi, India
Ph: +91 0517 2321082
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Social Inclusion and Access to Heritage: A Study of Museums and Galleries in the UK

Peter K. Falconer

Caledonian Business School
Glasgow Caledonian University, U.K.

David Silbergh

Caledonian Business School
Glasgow Caledonian University, U.K.

Abstract: This article arises from ongoing research into public policy and museums and galleries in the UK. It considers the specific question of how museum and galleries, in approaching the challenge of widening access to their collections and exhibits, have responded to the public policy imperatives contained within contemporary social inclusion agendas. In 1997, the British Government under the leadership of Prime Minister Tony Blair embarked on a major review of public policy, an important element of which focused on the issue of public access to cultural services. As an element of the Government's desire to address challenges of inequality and social exclusion, access became a cornerstone of cultural and heritage policy in the UK and significant attention was given to the role of admission charges as a commonly perceived barrier to access. While museums and galleries have moved toward a policy of free admission to their general collections and publicly embraced social inclusion as an important area of responsibility, views expressed privately suggest that the pressures surrounding the pursuit of social inclusion objectives distort the principal mission of museums which, it is argued, is not to serve social and political ends. The article examines these arguments and offers an evaluation of the present British Government's social inclusion agenda within the context of a particular element of cultural policy, namely the attempt to widen access to museums and galleries.

Keywords: Access, Charges, Heritage, Museums & Galleries, Public Policy, Social Inclusion.

Social Inclusion Policy: The Role of Museums and Galleries

Essentially, social exclusion is a 'condition' that revolves around the existence of poor awareness of, and access to, the economic, social and cultural networks of society. According to the present UK Government, social inclusion is best described as:

A shorthand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crimes environments, bad health, poverty and family breakdown. Social exclusion can take many forms. It can be direct or indirect, and can affect both groups and individuals. Exclusion also has a geographical dimension embracing rural, urban and suburban areas alike (Department of Culture, Media and Sport, 2000: 7).

Tackling the challenges of social exclusion has emerged as one of the present UK Government's highest policy priorities (see Percy-Smith, 2000). Moreover, as stated by Sandell (1998: 403):

Issues of inequality and poverty (now couched in terms of social inclusion) have returned to the political agenda and have assumed a prominent place within political rhetoric. Cultural, as well as social and economic welfare agencies, are increasingly exhorted to tackle these issues. So, alongside its value as an educational institution, the museum must now present its justification in terms which demonstrate its ability to promote social inclusion, tackle issues of deprivation and disadvantage, and reach the widest possible audience.

With specific regard to the sphere of cultural policy, the UK Government's Department of Culture, Media and Sport (DCMS) has identified museums and galleries as having an important role to play in the furtherance of social inclusion objectives. These institutions, according to the DCMS:

are often the focal point for cultural activity in the community, interpreting its history and heritage. This gives people a sense of their own identity, and that of the community. But the evidence is that museums and galleries can do more than this, and act as agents of social change in the community, improving the quality of people's lives through their outreach activities (Department of Culture, Media and Sport, 2000: 3).

As such, museums and galleries have been encouraged to adopt a strategic approach to the pursuit of the Government's wider social inclusion objectives in this particular policy area, namely an increase in participation in cultural activities on the part of those identified as belonging to socially excluded groups by virtue of the area in which they live, their economic status, disability, age or racial or ethnic origin.

In terms of their role in addressing the issue of social exclusion and access, museums and galleries are faced with a series of important and interesting questions:

- Why do some people not make use of their services?
- How can museums reach out more inclusively to potential audiences?
- What place should museums occupy in the context of social inclusion policy?

In addressing these questions, museums and galleries have been required to confront a series of factors which are conventionally viewed as constituting barriers to access:

- *Institutional barriers*: those factors which museums and galleries themselves may create and which may discourage or restrict access.
- *Personal and social barriers*: those factors pertaining to members of the public that arise from their personal, cultural or societal circumstances.
- *Environmental barriers*: factors pertaining to the physical environment and location of the museum.

An overview of these institutional, personal, social and environmental factors is provided in Table 1 below.

Table 1
Barriers to Access to Museums and Galleries

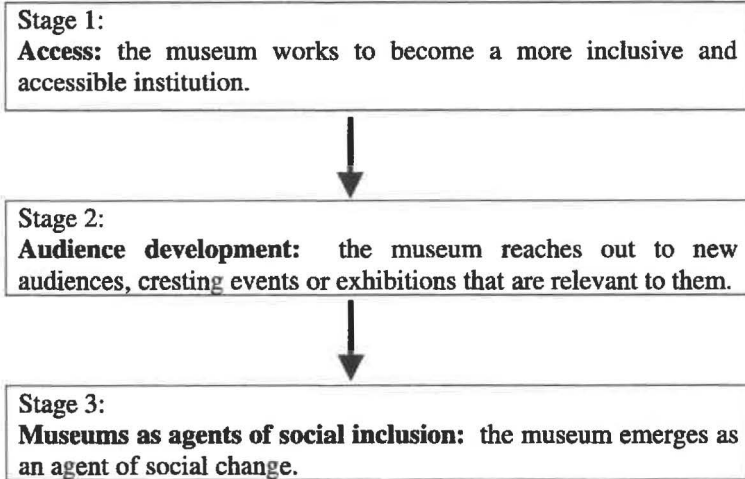
Institutional barriers	Personal and social barriers	Environmental barriers
<ul style="list-style-type: none"> ▪ Restrictive opening hours ▪ Staff attitudes and behaviour ▪ Direct and indirect discrimination ▪ Inappropriate rules and regulations ▪ Acquisition policies that do not reflect the needs or interests of potential audiences ▪ Lack of adequate provision of services or facilities for people with disabilities ▪ Admission charges 	<ul style="list-style-type: none"> ▪ Educational disadvantage ▪ Low income and poverty ▪ Social Isolation from the wider society ▪ Low self-esteem ▪ Lack of a permanent fixed address ▪ Lack of knowledge of the services provided by museums and galleries ▪ The belief that museums and galleries are irrelevant ('not for us') 	<ul style="list-style-type: none"> ▪ Difficult physical access to, and within, buildings ▪ Poor transport links ▪ Isolation of people living in rural communities

Source: Department of Culture, Media and Sport, 2000: 10-11.

In approaching the task of addressing the difficulties presented by the range of 'problems' listed in Table 1, museums and galleries are faced with a complex process of development that will move them towards a more socially inclusive posture. Essentially, this process comprises three main strategic stages:

Across the UK, there is clear evidence to demonstrate that museums and galleries have embarked on this 'journey' toward social inclusion. Significant financial resources have been devoted to various 'social inclusion' initiatives, such as outreach programmes and, as a consequence of financial subsidies provided in 2001 by Government, general admission charges have been removed at 28 of the UK's 36 National Museums and Galleries – all 25 in England and Wales, two in Scotland and one in Northern Ireland. Beyond the national level, local museums and galleries have also introduced a range of strategic developments in the pursuit of social inclusion policy objectives (see, for example, Hooper-Greenhill et al, 2000; Re-source, 2001; Parker et al, 2002).

SOCIAL INCLUSION AND ACCESS TO HERITAGE



Museums, Galleries and the Pursuit of Social Inclusion: Evidence

The current research, through a detailed analysis of key museum and gallery documentation – web sites, corporate plans, strategic plans, mission statements and annual reports – supported by a series of elite interviews with senior museum and gallery managers, has gathered a strong body of evidence which provides details of the significant levels of attention devoted by museums and galleries across the UK to the social inclusion agenda. The parameters of this article do not allow for a full and comprehensive exposition of these findings. However, the following brief case-study examples of social inclusion strategies implemented at a select sample of national museums and galleries serve to illustrate the commitment to combatting social exclusion within this important area of cultural policy.

The National Maritime Museum:

The National Maritime Museum has an explicit Social Inclusion Policy, published in May 2002. Its key stated objectives are as follows:

- To be proactive in ensuring equal access to the Museum's collections and in using them to enhance the lives of the widest possible audience.
- To share knowledge and expertise with all members of the community.
- To strive to be a place of learning for all members of the community.
- To develop and promote a sustainable programme for social inclusion.
- To work in partnership with other agencies on projects and programmes to promote social inclusion (National Maritime Museum, 2002).

In the pursuit of these objectives, the museum is actively engaged in a wide range of outreach activities designed to encourage 'all members of the community' to use the collections and expertise held by the museum, and is committed to the removal of barriers to access to the museum, including 'physical, sensory, intellectual, cultural, financial and attitudinal barriers' (National Maritime Museum, 2002). According to the museum, the responsibility for the implementation of its Social Inclusion Policy lies with all its stakeholders.

The Victoria and Albert Museum:

In 2001, the Victoria and Albert Museum (V&A) commenced work on a museum-wide strategy for 'Access, Inclusion and Diversity'. This policy, implemented during 2002/03, provides the museum an explicit framework for the development of a range of outreach activities aimed at attracting audiences that had been 'excluded for a whole variety of reasons' (Victoria and Albert Museum, 2002). As part of its outreach effort, the V&A has embarked on a number of programmes, including:

- Developing its long-standing links with ethnic communities and promoting its relationship with 'older learners'.
- Developing its Language and Literacy programme, targeted at students on English for Speakers of Other Languages (ESOL), including refugees and asylum seekers.
- Increasing the number of museum publications designed to increase interest in, access to, and understanding of its collections and exhibits.

In addition, at its satellite sites, the V&A is pursuing a range of interesting social inclusion-related activities. Examples of these include:

- The Museum of Childhood launched its Community Development Strategy in October 2001. This was designed to develop the relationship between the museums and the local community in order to address the needs of the community and alert the community to the learning potential of the museum.
- The Wellington Museum, in partnership with the Royal National Institute for the Deaf (RNID), provided in-house training to a deaf guide in order to offer tours for deaf visitors using British Sign Language. Furthermore, the museum has a work experience programme for high school students as part of its Social Inclusion strategy.

The Imperial War Museum:

The Imperial War Museum (IWM) offers an interesting example in regard to the promotion of social inclusion, given the very nature of its subject and the difficulties associated with promoting 'imperialism' and 'war' as objects of attraction. In terms of its commitment to combatting exclusion, the IWM's strategic objectives include:

- Access: to address a larger and broader audience through visits, access to collections, resources and services, physically and intellectually.
- Education:
 - to develop formal and informal educational provision for the widest possible constituency and through remote learning and outreach services;
 - to interpret the collections imaginatively, to address all levels of interest, provide the fullest range of learning opportunities and maximise lifelong learning opportunities (Imperial War Museum, 2002).

In working toward these objectives, the IWM views the widening of access a 'crucial goal' and is committed to increasing the range and variety of its services in order to serve educational and non-educational audiences and to reach out further to local communities and people with disabilities, in conjunction with 'access initiatives' (Imperial War Museum, 2002).

The Science Museum:

The Science Museum also has an explicit policy on 'Access and Outreach':

Outreach work is primarily targeted at audiences defined as socially excluded (those with disabilities/special educational needs, minority ethnic groups and financially disadvantaged). The Museum encourages physical access to the whole of the collections and continues to optimise physical and electronic access within the constraints imposed by financial and human resource availability (Science Museum, 2002).

As part of its outreach commitment, the museum has created the post of Community Liaison Officer, responsible for improving links with the local community and local community groups. Among the museum's social inclusion-related activities are the following:

- Partnerships with local initiatives, such as Adult Learners' and Family Learning programmes.

- A project which involves the museum in working with 'gifted and talented' children in schools in socially excluded areas.
- A 'Notinschool.Net' Internet project, which looks at ways in which young people who have been out of school for lengthy periods can be reintegrated into the learning process.
- Annually, the museum organises and runs events for families with fostered or adopted children.
- Outreach activities which enable families from ethnic communities to experience the services that the museum offers.
- A series of 'special needs' events for schools.

These short illustrations offer a small, but generally representative snapshot of the way in which the museums sector in the UK is publicly embracing the Government's social inclusion policy agenda, devoting financial and other resources to the furtherance of social inclusion and access objectives. The paper now turns to two important questions which have informed the debate on these matters in the UK's national museum sector: first, has the removal of admission charges, as conventionally argued, facilitated a widening of access to museums and galleries; and second, to what extent can museums and galleries serve as agents of social inclusion?

Museums, Galleries and Admission Charges: Removing a Barrier to Access?

Undoubtedly, notwithstanding the efforts made by individual museums to develop outreach and other activities designed to attract a wider social audience, the most comprehensive policy aimed at removing barriers to access to museums and galleries has been the perceptible shift toward free general admission. To date, research on this subject has focused mainly on the national museums and galleries – NMGs (see Bailey and Falconer *et al*, 1998; Bailey and Falconer, 1998; Falconer and Blair, 2003). In encouraging the NMGs to remove general admission charges, The British Government acted on the basis of the strong belief that free admission would remove a significant barrier to access and so would be consistent with the Government's 'access and social inclusion' objectives. Following the withdrawal of charges in December 2001, the DCMS was quick to point to the immediate impact that free admission had in respect of visitor numbers. For example, in a 30th April 2002 Press Release, the DCMS pointed to attendance figures at a selection of London NMGs which showed the way in which visitor numbers were expanding in the wake of the removal of charges (see Table 2 below).

SOCIAL INCLUSION AND ACCESS TO HERITAGE

Table 2

Admissions at Select London NMGs, December 2000-March 2001 and December 2001-March 2002 Compared

	Dec. 2000- March 2001	Dec. 2001- March 2002	% Increase
Victoria & Albert Museum	245,131	727,535	197
Natural History Museum	521,727	987,916	89
Science Museum	414,160	754,948	82
Museum of London	123,442	131,264	6
Total	1,736,099	3,137,453	81

Source: DCMS Press Release 87/02, 30th April 2002

Responding to initial increases in attendance figures, the Secretary of State for Culture, Media and Sport, Tessa Jowell, had stated as early as 7th January 2002 that:

Figures show what a spectacular success the scraping of admission charges at our great national collections has been. Clearly, charges were acting as a restraint to many people, particularly families. Now everyone has the chance to visit as and when they choose be it for the better part of a day, a lunchtime or just to pop in and see a favourite object or painting. Visiting a national museum, like going to a park or taking a stroll, can once again be one of life's free pleasures....Free admission has democratised the nation's treasures, making them accessible to all (Department of Culture, Media and Sport, 2002).

Table 3 below provide a further comparison between NMG attendance figures for the years 2001 and 2002, providing further evidence of the increased attendance enjoyed by museums and galleries in the wake of the removal of general admission charges from December 2001.

Table 3

Admissions at Select NMGs, December 2000-November 2001 and December 2001-November 2002 Compared

	Dec. 2000- November 2001	Dec. 2001- November 2002	% Increase
Imperial War Museum	633,498	702,385	11
Victoria & Albert Museum	1,117,336	2,363,010	111
Natural History Museum	1,657,124	2,993,581	81
Science Museum	1,308,763	2,630,079	103
Nat. Maritime Museum	907,337	1,215,277	34
Museum of London	303,305	389,277	28
NMGs on Merseyside	694,197	1,239,392	79
Total	8,357,659	11,533,001	38

Source: DCMS Press Release 1st January 2003

However, while it is undeniable on the basis of attendance figures that visitor numbers have increased substantially since the withdrawal of general admission charges, it is less clear that this increase in visitor numbers can be explained simply in terms of the removal of charges. Interviews conducted with senior NMG managers as part of the current research found that, for museums and gallery managers, the link between the removal of charges and increased visitor numbers is more complex. One NMG director stated that 'the Government were right in saying that visitor numbers had increased, but they were wrong in saying that free admission was the only influence'. Museums pointed to a number of factors which, they maintained, help explain the increase in attendance:

- The opening of new exhibitions
- Improvements to museum buildings and exhibits
- Improvements in public transportation links, making the museum more accessible
- A series of attractive events held within museums during the time period covered by the DCMS comparisons.

Moreover, as argued by Falconer and Blair (2003: 85), there is a clear body of evidence that casts some doubt on the assertion that the decision whether or not to visit a museum is based upon the existence or non-existence of an admission charge. Public opinion surveys, for example, suggest that, of those people who had not visited a museum or gallery in the previous 12 months, only between four and ten per cent cite the existence of an admission charge as a deterrent (see Bailey, Falconer *et al*, 1998; MORI, 2001). More important reasons for not visiting were that 'there was nothing I wanted to see (41 per cent – MORI, 2001) or that 'museums are boring places' (12 per cent – MORI, 2001). It is possible, therefore, that decisions not to visit museums are, in fact, functions of lifestyle choice and not driven by the presence of a charge. In this regard, it is important to distinguish between relative and absolute barriers to access, with absolute barriers, such as a lack of interest, impacting much more strongly on attendance than relative factors, such as the existence of an admission charge. As stated by one senior museum official:

I never thought, and don't think, that charges were an obstruction to access or in any way an obstruction to the development of the relationship with the audience. I wouldn't have included charges in my list of what influences people to go to a museum. I think it would be about if the displays are relevant, the quality in terms of architecture, design, the staff, and communicating what we do.

Perhaps more important from a social inclusion perspective is the view emerging from the current research that the NMGs themselves are unconvinced by the argument that the removal of admission charges will, in itself, result in an increase in the number of previously socially-excluded people visiting museums and galleries:

While the Government is understandably keen to assert that museums are now being visited by those in society who were previously barred from doing so because of their inability to afford to pay an admission charge, it is perhaps more likely that increases in visitor numbers can be explained more in terms of the incidence of repeat visits that are made easier through free admission (Falconer and Blair, 2003: 86).

An acknowledgement of the distinction between the number of visitors and the number of visits is an essential prerequisite to any meaningful understanding of museum attendance and its social composition. Unfortunately, at this time, there is a lack of strong empirical evidence on the impact of changes in charging policy on the social composition of museum visitors. In the absence of such quantitative evidence, we can not be sure that increases in the number of museum visitors correlate positively with the access objectives of the social inclusion agenda. If, as public opinion surveys suggest, a 'failure' to visit museums and galleries can be explained in terms of the fact that museums are 'not for us', then it is clear that a crucially important element of NMG access policy must be the educational aspects of outreach programmes, designed to encourage those who currently demonstrate no interest in museums that they are, in fact, relevant to their lives. More fundamentally, perhaps, is the fact that museums and galleries, in offering free general admission, 'lose' the income which would accrue from admission charges and which could be used to further their social inclusion strategies. Indeed, in utilising income from admission charges to further social inclusion ends, museums would also be serving redistributive goals. As present public policy stands, in providing financial incentives to museums and galleries to offer free admission, the Government is in fact subsidising the great majority of visitors (many of whom are tourists) who are both able and willing to pay a general admission charge.

Museums and Galleries: Agents of Social Inclusion?

As public institutions which rely heavily on state funding, it is not surprising that museums and galleries should increasingly be expected to focus more on their educational mission and assume a more social inclusion-oriented posture:

At the present time, in many areas where decisions are made about the funding and maintenance of museums, hard questions are now being asked

about the justification of museums, about their role in the community, and their functions and potentials. Where the answers are not forthcoming, or where perceptions of the value of museums are low in relation to other priorities, collections are sold, staff dismissed, and buildings closed. In most cases, the answers that are given are that museums are educational institutions (Hooper-Greenhill, 1997: 1).

Within a climate of accountability and competition for scarce public resources, museums have faced (increasing) pressure to present a convincing case for their role and value to society. ... Within this context, many museums have found that their preservation and conservation roles curry little political and public favour but that their potential as a vehicle for learning is more likely to win support (Sandell, 1998: 403).

Interestingly, the current research found evidence among museums and galleries of strong opposition to the view that museums have an important role to play in the public policy war against social exclusion. As stated in the introduction to the paper, a number of museums and galleries expressed the view that the pressures being placed on museums to embrace the social inclusion agenda carry with them the danger of distorting the principal purpose of museums. David Barrie, a board member of *Re-source* (the institution that has replaced the Museums and Galleries Commission in the UK) has argued strongly that the proper priorities of museums are being lost in the face of social and political priorities:

By concentrating all their resources on trying to become successful visitor attractions, some museums have betrayed the collections that alone justify their existence.... Politicians, having failed to grasp that museums are valuable in themselves, have insisted that in return for state funding they must help deliver political goals like social inclusion.... Divided and uncertain, and so lacking the unity and strength to stand up to this threat, many museums have rushed to embrace the government's agenda (Barrie, 2001: 51).

One senior museum official involved in the current research stated strongly that 'I don't think it (social inclusion) is relevant. I think we are just cow-towing to the latest political trend'. Another referred to the fact that museums are required to publish access targets and demonstrate through explicit performance measures that they are widening access, and commented that this is not and should not be the primary role of museums. Among other respondents, there was a clear level of concern regarding what was perceived as increasing Government intervention in the day-to-day delivery of museum

services. For example, one Scottish respondent complained that 'the Scottish Executive is becoming much more hands-on and we've even got one Minister saying we expect you to do what we want'.

Appleton (2001) provides a strong attack on the notion of museums and galleries as agents of social inclusion, and challenges the view that museums should be driven by social and political objectives. For Appleton, the focus on tackling social exclusion distracts the museum from other centrally important activities and responsibilities:

Once a museum puts the perceived needs of the people at the heart of its work, the collection will quite naturally lose its importance and value. A collection is no longer seen as valuable in itself....Instead, its value is embodied in something external to itself: the immediate relationship it is able to establish to the public, how it will help the museum and its officials connect with the public, or how it will lead to observable changes in the lives of visitors.

In the people-centred museum...social ends tend to take over. Much of the activity of museum staff is now indistinguishable from that of a host of social, health or educational services. The collection and the specialist knowledge required to understand it are pushed to the margins. In its effort to provide every sort of service...the people-centred museum tends to undermine the distinctive character and eventually the very rationale of the museum as such. This is compounded by efforts to dissolve the museum into its community, to break down any barriers with the world around. Outreach programmes, attempts to involve local communities in the museum's activities, and the outright dispersal of the collection into community centres; all these blur the museum out of existence (Appleton, 2001: 18, 22).

Moreover, given that the development of access and outreach programmes requires significant financial resources, there is a danger that museum and gallery funds are being diverted away from other important areas of expenditure, particularly the conservation of collections and the purchasing of new exhibits. At present, museums and galleries are being pulled in a number of different directions in response to a wide array of social, political and financial pressures. They are increasingly required to expand their services, bringing into the museum more visitors of all ages, and all socio-economic and ethnic backgrounds. There is a growing body of evidence to suggest that the pursuit of social inclusion objectives has a direct impact on purchasing power. For example, the National Galleries of Scotland in mid-2003 reported a cash crisis

which has forced the abandonment, for the foreseeable future, of plans to buy new works of art. A sum of £1.25 million, that had been set aside for this purpose, was reallocated to cover the costs involved in meeting the Scottish Executive's demands that the galleries take their collections 'on tour' and other access-related policies. The loss of this capacity to buy has significant implications. Sir Timothy Clifford, Director General of Scotland's National Galleries, states that:

The purchase grant (the £1.25 million) gives us leverage. It means that other sources of funding will commit themselves to giving us money, so the £1 million we have gets turned into £15 million. By us sacrificing our purchase grant, we are making a huge sacrifice for the national galleries. I've got a stack of different things right now that I'd like to buy, but I can't at the moment because there's no money. I feel acutely embarrassed that there are things of great historical importance for Scotland out there but I can't do anything about them (quoted in *The Herald on Sunday*, 3rd August 2003: 3).

This illustration of conflict in financial priorities takes us right to the heart of a crucial question in this debate: for what should public money pay? Should public money be spent on acquiring art works, and preserving and expanding the great national collections for the benefit of the few, or should it be utilised in the furtherance of widening access to museums and galleries for the many? It is clear that museums and galleries are investing considerable time and resources to an increasing number of access and social inclusion-related programmes such as those described earlier in this paper. However, if they are to continue to be pressured by the government of the day to support its social and political priorities, politicians should be aware that 'there are limits to what collections of objects and museum techniques can accomplish for social uplift' (Alexander, 1979: 229). Moreover, as Sandell (1998: 416) concludes:

Museums have other purposes which might conflict with their social purpose. It would be prudent to recognise the many limitations of the museum and accept that their role in directly tackling the social problems associated with exclusion is likely to be marginal.

Conclusion

When we consider the implementation of cultural policy and access to heritage in the UK, with particular reference to the role played by museums and galleries, we might reasonably argue that these institutions are unsuitable vehicles for the promotion of social inclusion. Yet, conversely, museums and galleries across the UK have increasingly recognised that they have a role to

play in this respect in return for continued state funding and have consistently advanced the notion of the museum as an agent for positive social change. Today, museums and galleries are viewed, in public policy terms, as important instruments in the delivery of social inclusion objectives, particularly in relation to the widening of access to their exhibits and collections. Within the UK, as argued in this article, a number of interesting developments have occurred in this regard, alongside the continuation of intense debates over, on the one hand, the role of admission charges as a potential barrier to access and, on the other, the central normative question of whether or not tackling problems of social exclusion should be a principal concern of museums and galleries. There is a clear need for further empirical research into the complex causal relationships between attempts made by either Governments or museums and galleries themselves to widen access to exhibits and general collections and changes in the social composition of visitors resulting result from such actions.

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About the Author

Dr. Peter Falconer is a Senior Lecturer in Public Management and a Director of the Centre for Public Policy and Management at Glasgow Caledonian University, United Kingdom.

Dr. David Silbergh is a Lecturer in the Division of Management at Glasgow Caledonian University and a Director of the Sustainability Centre in Glasgow.

Learning and Strategic Innovation in Tourism Management

Pascal Tremblay

School of Hospitality and Tourism
Charles Darwin University, Australia

Abstract: Conventional approaches to strategic management propose simple product and price tactics that managers can follow after undertaking a sophisticated analysis of a firm's competitive position. The present paper argues that firms operating within volatile and unpredictable systems ought to review the positioning landscape. They should conceive strategic choice as alternative options for learning about a firm's environment and about how to transform it. It is possible to establish a number of generic learning strategies (non-deterministic by design) based on basic tradeoffs between types of knowhow that firms can choose to create or acquire. This is especially important, as volatility and diversity seem to constitute inherent and enduring attributes of tourism industrial systems. Then, business strategy in tourism ultimately involves the ability to develop or acquire competencies to experiment with alternative learning methods. Consequently the positioning of tourism firms takes place at the innovation level rather than in terms of pricing or market segmentation.

Keywords: Tourism Management, Strategic Planning, Innovation

Introduction

Tourism management has in the last few years sufficiently evolved to make it possible to contrast emerging theoretical difficulties and link them to previous, already identified concerns in the general business strategy literature. While many such problems have already been identified elsewhere, they present a special interest when applied to tourism. This is partly related to the long-standing contention that the services sector is considered distinct and used as a justification for the development of specific management methods adapted to services supply (Thomas 1978). The fact that tourism has become, for better or worse, a symbol of globalization and of a new age in trade and socio-cultural relationships constitute supplementary reasons to explore the theoretical foundations of traditional models of business strategy applied to tourism. From the viewpoint of tourism industry participants it is clear that the study of managerial approaches capable of enhancing competitiveness, of determinants of competitive advantages of firms, industries and destinations ought to constitute a subject of critical importance (Ritchie and Crouch 1993).

The Evolution of Strategic Perspectives

For the sake of evaluating strategic business models associated with tourism, it is useful to attempt a summary categorization of existing generic approaches

to strategy. This serves to demonstrate not only that existing strategy models associated with tourism are hardly specific or unique to the field but also that the complexity of the tourism phenomenon and the diversity of situations and behaviors which characterize it have allowed an equally diverse range of theoretical interpretations. This situation has promoted the formulation of diverse and often contradictory predictions regarding the development of tourism firms, industrial sectors and broader economic structures. The present paper warns against the premature adoption of standard models of strategic management applied to the tourism context especially when the latter assume the convergence of behaviors and industrial structures and underestimate the central effect of diversity in that system. Its main aim is to argue against models of tourism firms (and destination strategies) which identify sources of competitive advantage against an assumed background of behavioral convergence and institutional stability.

Traditional strategic planning models portray firms as entities capable of charting their market positions, usually defined with respect to a relatively well specified market segment or product range. Pre-Porter types of strategy analysis, such as the Boston Consulting Group grid, the product/market matrix or the PIMS model (see Karlof 1989 or Stern and Stalk 1998), rely on the assumption that competitive forces constrain firms to survive by identifying appropriate market-product choices. While this uncovers more possibilities than neoclassical theories of industrial organization in which firms can only choose their price or output, the underlying postulate is that the technological environment is stable and remains given. Porter (1980) broadened the perspective slightly to portray business strategy as a choice between marketing alternatives in which product substitutability and barriers to entry constitute the environmental context (Porter's "five competitive forces") and in which a number of generic strategies are identified. In a nutshell, competitive positions occupied by actual and potential competitors determine the most appropriate product-market portfolio for a firm. They determine whether it ought to adopt the strategy of a "cost leader", of a differentiated producer or of a specialized niche market exploiter. The technological environment is still exogenously given and firms can modify their strategic positions when change takes place, but not by creating change. Interestingly, Porter emphasizes the need to choose a position (and undertake consistent marketing choices) while prior portfolio approaches aimed at establishing a balanced portfolio. Yet both suggest that their application is sufficiently general to sustain performance for all firms.

In the last few decades, business academics have adopted a broader and more sophisticated approach to strategy based on theoretical foundations proposed

earlier by unorthodox economists. Early insights on the economics of competencies (Penrose 1959) or capabilities (Richardson 1972) have been extended to strategic management. Competitive advantage has become associated with the development and differentiation of technological and market resources and the ability to maintain a coherent mix of technological knowhow and market strategies (Foss and Knudsen 1996, Hamel and Prahalad 1994). In that context, strategic management allows the reconfiguration of capabilities to develop technological paths or market investments ignored by competitors or even to develop radically new mixes of technical and marketing knowhow. This approach is more genuinely “strategic” to the extent that the firm is even less dominated by its environment and has more discretion with respect to a broader spectrum of variables. This necessarily implies that strategy is not deterministic and depends on managerial perceptions regarding the likely developments of technological knowhow and market trends. Moreover, the ability to match developing capabilities with potential market positions is necessarily hazardous as firms need to choose between attempting to create these capabilities themselves or contracting and buying them from other organizations. There is no clearly dominating strategy since business organizations face large numbers of alternative configurations of capabilities and market development choices, even within a given, well-defined industry. When technological change is pervasive and its development even more unpredictable, business firms can be represented as experimenting with various technological and market configurations, and strategy becomes the art of innovative matching between resources and opportunities.

Yet, the ability to undertake such successful matches does not depend purely on chance and is enhanced by a superior understanding of (and ability to implement) the development of both market and technological knowhow. Penrose (1959) and Richardson (1972) provided valuable clues regarding the “organization of knowledge” and the principles that would affect the ability of business organizations to transfer, absorb or develop themselves bundles of technological knowhow. A useful starting point is to note that it is possible to map these bundles with respect to the degree of “similarity” between them; the implication being that it is easier for a firm to develop knowhow similar to that on which it already depends in its core activities. For instance, an hotel is likely to consider developing new activities connected with hospitality (say the development of a restaurant or meetings and conventions) because the acquisition of the latter does not involve too great a stretch of its existing skills or technological base. In contrast, it is also possible to connect various bundles of knowhow from the point of view of their “relatedness”, the extent

to which they need to be assembled when consumption bundles -or products- are marketed. The production of air transportation services for instance requires fairly dissimilar capabilities (sometimes separated and contracted out) ranging from complex logistics and route design knowhow, highly efficient human resources development ability to the provision of sophisticated marketing competencies depending partly on the development of computer technologies and the promotion of Frequent Flyer Programs. This often extends to the ability to train ground and flying staff to offer (or contract) a number of hospitality-like services at the customer interface. According to the more recent competency-based approach, business strategy involves therefore contrasting and choosing between alternative technological directions, possibly combining the development of both production and consumption technological knowledge. An expanding national air carrier could consider alternative strategies such as entering other transportation markets (say the regional air transport market or rail transportation) if it believed that it could hold a competitive advantage from developing capabilities similar to those it already holds or providing an innovative array of services. The latter could arise from its logistical capabilities, with scale economies linked to computer reservation technologies or with its ability to better use database knowhow and access knowledge about regional or national market needs. Alternatively, it might consider investing in hotels, tour developments or retailing, all activities which are less similar but which are worth considering on the basis of scope economies in packaging as well as the transferability of market knowledge across activities. New ways of combining dissimilar services by exploiting such market knowhow would constitute product-market (rather than process) innovations.

Recent thinking on business strategy acknowledges greater discretion of managerial decisions and features centrally the notion of entrepreneurship. Generic strategies can still be described and provide useful insights to practitioners but the technological environment is necessarily depicted as difficult to predict and endogenous to the extent that firms themselves (and other institutions involved in the management and creation of knowledge) can shape it to a certain extent. This suggests a model of the "learning firm" where competitive advantage depends on the ability to learn about one's technological environment, and on one's capability to develop the right sorts of capabilities for appropriately identified market opportunities. Generic strategies do not only recognize the diversity of environments and the unpredictability of the technological context. It reflects choices between types of knowledge, in particular technological and market-based knowhow. It also addresses the decision to produce, contract or purchase these capabilities. As these choices involve experimentation with various learning strategies, it is

clear that actual models can not pretend to determine optimal development paths, but rather they help understand how technological paths, market knowledge and business strategy co-evolve in an volatile environment.

Entrepreneurship And Learning Strategies

This section furthers the view that firms can be conceptualized as deliberately investing in learning strategies and adds that they might acquire a certain degree of competency in doing so. Such an approach assumes that decision-makers are best portrayed as aware of their limited rationality, of the unpredictability of their environment and of the fact that their own decisions will impact on that environment and shape it to a certain extent (Loasby 1991 as well as Langlois and Robertson 1995 developed these ideas while applications to tourism are explored in Tremblay 1997, 1998). Entrepreneurs do not merely calculate optimal strategies in given environments (in the way neoclassical economic theory represents managerial decisions) nor follow recipes in the way portrayed by earlier strategic planning models. Instead, they attempt to understand, imagine and sometimes shape the evolution of technological capabilities inside and between industrial fields. The ability to invest and take advantage of such knowhow can be described as meta-strategy critical to competitive advantage. The learning competencies entrepreneurs or strategists accumulate with respect to alternative knowhow acquisition methods determine the long-term survival of specific organizations

Traditional economic notions of opportunity costs are still relevant. For one thing, learning -like other economic activities- involves the utilization of scarce resources which could otherwise be invested in alternative uses. More importantly for the present argument, alternative forms of learning can be contrasted and provide useful insights for the sake of analyzing the evolution of the tourism system. In the previous section, it has already been suggested that an interesting tradeoff exists between investments in new technical knowhow (often referred to as process technologies or innovations) and in market knowhow (sometimes referred to as consumption technology or product innovations). The two types of learning are quite different. The first usually involves the concentrated and accelerated development of generic or process-related knowledge in which scale and cumulative time economies play a critical role. Success in the market place is, in this case, associated with the reduction of production costs and/or development of technological standards ahead of rivals (while generating multiple slightly differentiated products or applications). Innovations in the development of market knowhow and the design of more radically different products on the other hand require different organizational architectures and cultures (Dougherty 1990, G.S. Day 1994,

Sanchez 1995 and Mowery, Oxley and Silverman 1996). For instance, organizational modularity and flexibility are deemed necessary for the sake of predicting changing consumer motivations and adjusting to emerging tastes (Langlois and Robertson 1995). One main implication is that some degree of learning specialization is likely to take place within any organizational unit, including the firm level. Within the broad and diverse tourism community, it should be possible to observe divergence and complementarity with respect to learning strategies leading to different mixes of technical and market knowledge among organizations.

There are also opportunity costs associated with investments in specific learning channels. Penrose and Richardson portrayed firms coordinating complex activities and choosing which capabilities they'd rather produce themselves and which to acquire in their environment. The market can provide much of the needed standardized resources while specific business relationships and alliances are needed for dedicated investments involving novel capabilities. Firms need to choose not only between alternative learning channels (along the spectrum internal-alliances-market) but also between collaborating partners. Investing in inter-firm cooperative linkages constitutes a costly activity which has the potential to generate desirable long-run profits if appropriate partners are chosen. The strategic competency of the firm stems from the recognition that a single organization can not dominate all technological fields and therefore must attempt to predict which types of knowhow it ought to master itself, which fields hold the greatest potential for radically new innovations and which channels and partners hold the key to critical complementary knowledge assets.

Inter-firm alliances can also be crucial in maintaining market intelligence and for the sake of evaluating the performance of collaborators and potential competitors. But at a deeper level, inter-firm relationships often constitute the key to both stability and change. The role that inter-firm networks play in stabilizing economic activity at the heart of Richardson's contribution stems simply from the need for firms to plan in a context of genuine uncertainty. Stability is reinforced by firms exchanging information about their production plans and by ongoing negotiations regarding technological expansion. Inter-organizational alliances can then be seen as critical for innovators attempting to diffuse their ideas and convince potential users of their merit (Silver 1984).

In a possibly paradoxical manner, inter-organizational collaboration also plays a critical role in producing revolutionary change by triggering radical innovations. This can be explained by the fact that the mixing of ideas and organizational cultures has the ability to bring together diverging or conflicting

viewpoints which eventually stimulate themselves new ideas. It has been argued that the interaction of diverse agents favors the generation of radically new thoughts as long as these agents have invested in communication channels permitting high-level dialogue (Loasby 1991:56). While the absence of investments in communication channels and exchange networks would prevent the required collision of ideas, excessively rigid linkages (such as those involving traditional top-down hierarchies) are likely to frustrate the flexibility required for experimentation with dissenting viewpoints. Industrial clusters typically bring together networks of firms (and other organizational forms not discussed in this paper) with varying degrees of collaboration and spontaneity, which evolve intermediary levels of structure located between markets and hierarchy. The evolution of both industrial clusters and firms depend on the ability to mix adaptive learning and experimentation. While the modern competency-based approach to strategic choice does not suggest deterministic scenarios for either organizational levels or units, it advances a number of learning meta-strategies holding the potential to explain long-term competitiveness.

Strategic Planning In Tourism Business Firms?

The ideas summarized in the preceding section have had an impact on tourism marketing and management, if not in actual practice at least in academic writings. It is possible to identify authors who have promoted the application of traditional strategic planning in the sectors of tourism and hospitality (Chon and Olsen 1990, Flautre 1986, Reichel 1983, Schwaninger 1986, Tribe 1995, Wyckoff and Sasser 1981). Business strategy has too often been presented as a *panacea* capable of putting an end to repeatedly identified volatility in the environment of the tourism firm. The implicit assumption made in those writings is that planning can overcome such undesirable turbulence and that investments in planning procedures ought to generate economic rents. The tourism sector is indeed portrayed as immature when systematic market positioning does not take place (as promoted by the Boston Consulting Group, the Shell or the PIMS models) and no corresponding price-product differentiation tactics accompany it (as suggested by Porter-like models). In that interpretation, strategic planning allows the firm to isolate itself from the surrounding turbulence, sometimes by imposing stability on its environment and other times by allowing firms to isolate themselves and confront only recognizable and manageable parts of that environment. Maturity always seem to imply stability and convergence.

There is little empirical evidence that the adoption of strategic planning makes much difference on performance in tourism (Athiyaman 1995; Athiyaman and

Robertson 1995; Gilbert and Kapur 1990). Often, adoption and access to superior marketing and management methods has been presented as a source of competitive advantage for large firms operating in international tourism (Lanfant 1980, Simier 1990). If the early adoption of strategic planning methods clearly held such potential for profits, it would be possible to observe and document the development and domination of large industrial groups specialized in tourism capable of exploiting their strategic planning capital. This remains to be shown (Tremblay 1997).

It is interesting to contrast and evaluate the implications of a relatively well known "new tourism" paradigm in terms of its implications for strategic management. Poon (1988, 1993, 1994) and Michaud (1992) identify an obsolete model of tourism development based on old-fashion mass production and product-retail standardization. While these principles might have played a useful role in the establishment of an appropriate institutional context for tourism production and marketing, these authors argue that they are outmoded and can no more constitute sources of competitive advantage in tourism. According to Poon, competitiveness in the new tourism context involves product differentiation, market segmentation, customization and the generation of new products. One must note that the presentation of the argument does not really constitute a rupture with the Porterian approach since it corresponds to his "differentiation" and "niche" generic strategies. In fact it could even be argued to be a regression to the extent that Porter at least presented the possibility that various firms ought to choose different alternatives on the basis of their existing competitive positions. Rather paradoxically, Poon presents the mutation towards new tourism as a mass phenomenon itself applying globally and implying convergent business recipes. She presents a number of new "best practices" presumably holding the key to success in the field of tourism.

Yet the very timely and useful trends observed by Poon can be given a different interpretation. They might be viewed as constituting a partial shift between learning strategies. In the terminology developed in the previous section, new tourism can be viewed as a limited transition towards the acquisition and exploitation of market knowhow and a shift towards product learning, away from process-driven technological development. This is supported by the late recognition that in the services sectors, it is less difficult to appropriate economic rents associated with product innovations than with process knowhow (Lanquar 1976; Michaud 1992). This is believed to be due to the fact that process innovations can be too easily reverse-engineered and replicated

while knowhow based on specific locations and markets can be more easily protected from rivals. The benefits associated with strategic thinking in that context arise more from the broadening of perspectives on relevant learning avenues open to the firm (Moutinho, Rita and Curry, 1996: 109) than from the arguably erroneous suggestion that all firms ought to pursue product differentiation or niche strategies and abandon standardization. Strategic thinking is useful when conceived as a sway to experiment with respect to multiple knowhow acquisition methods.

It is deemed dangerous to interpret the growth of prosperous flexible firms as the result of an all-encompassing philosophy “capable of generating unending profit opportunities” (Poon 1994:92). The notion that firms are in the process of converging towards flexible products and production processes is as doubtful as were earlier suggestions that horizontal and vertical integration would transform the tourism industrial landscape by converting small and fragmented business enterprises into giant tourism corporations (suggested by Baretje 1969 and Lanfant 1980). Beyond the observation that transforming cultural and institutional environments can still make both types of strategies viable, it is worth considering Cazes’ (1989) description of structural dualism reflecting ongoing corporate integration flows leading to increasing industrial concentration in given markets and locations and the simultaneous creation and survival of large numbers of small and medium firms exploiting market niches and often adopting flexible product and market strategies.

Innovation Positioning as Tourism Strategy

Given the importance which has been given to the role of environmental volatility in shaping business strategy for tourism firms, it is necessary to attempt a description of the main sources of diversity in the tourism system. The tourism literature usually describes two sources of turbulence. First, much attention is given to external factors such as changes in information and communication technologies which have developed in large part outside of the tourism system but have generated radical innovations both at the process and product levels. In contrast, internal sources of volatility include the nature of tourism motivation and its shaping by socio-cultural mores and fashions. The role of novelty in the tourist experience and its connection with the production of diverse experiences and products have been documented (Botterill 1986, Goodall, Radburn and Stabler 1988; Parinello 1993; Urry 1990). But its critical role as an internal trigger to product volatility and its ability to disequilibrate tourism demand and supply has not been sufficiently examined (apart from Poon 1993 which establishes a correspondence between the new

consumers, the new technologies and product innovations). The notion that the internal drive for novelty might indeed prevent the standardization of consumption and production technologies appears in Tremblay 1997.

The above arguments show that many areas of knowledge growth need to be screened and interpreted by firms attempting to develop the intelligence capabilities required to understand the changing nature of their business environment (these ideas could well apply to tourism destinations and broader organizational groupings but are here limited to individual firms). For instance, the development of generic information technologies follows a trajectory in large part independent from its applications in the tourism system. Sometimes the applications affect the processes of bundling, logistics or distribution within the tourism production technology and remain invisible to final users and consumers. Other times they generate new products which become critical elements of competitive advantage for tourism businesses. Frequent Flyer Programs constitute a good example of a derived application and product of information technology (in fact they emerged from the possibilities opened by the development of computer reservation systems) which transformed the marketing and branding of air transport services beyond the actual developers' expectations (Mowlana and Smith 1990).

But the most fundamental and critical impact of these generic technologies from the viewpoint of business strategy have been linked with the transformation of functional and corporate boundaries within the tourism system (see Poon 1993: chap.7 and Hjalager 1994). Although highly feared and expected, these adaptations have been difficult to comprehend and almost impossible to predict. Some analysts foresaw a very unequal access to these generic technologies (or at least an unbalanced ability to exploit them) and dreaded their appropriation by larger groups or conglomerates which would come to dominate the tourism system (Lanfant 1980, Simier 1990). Others prophesied the exact opposite arguing that information technologies held the promises of a democratization of access to strategic information for individual travelers and for firms, capable even to break off traditional advantages associated with scale economies. It would be difficult and most probably futile to attempt to identify an aggregate impact dominating unilaterally the development of the tourism system. This would also contradict the view that technological trajectories and institutional environments remain specific to places and cultures. Overall it seems excessively difficult to assess the extent to which information technologies will affect the convergence of tourist-consumer motivations and whether this would lead to standard organizational structures. As yet, very few global trends about industrial structures and

organizational strategies can be identified which apply across national spaces and visitor origins (Houghton and Tremblay 1994, Tremblay 1997).

The lack of guidance available from the simple observation of broad developments within the tourism industrial system does not preempt any role for strategic business management. If it means that firms must be suspicious towards grand predictions of technological convergence and industrial concentration (as in Lanfant 1980, Cazes 1989 and Simier 1990) or generalized product differentiation and market segmentation taking advantage of a democratic infostructure (as in Bressand, Distler and Nicolaidis 1989 and Poon 1993), it does not mean that they are doomed to only react to unforeseen changes. Instead it means that they need to develop local intelligence with respect to technological developments and to invest in learning through experimentation. Rather than attempting to position themselves with respect to existing market segments or products, tourism firms need to identify "innovation positions" in the strategic innovation landscape. This requires that innovation processes within the tourism context be documented and better understood, a requirement stated by Lanquar (1976) and more recently addressed by Hjalager (1994).

Innovation, Learning Strategies and The Tourism Commodity

This section explores the possibility of linking the objective of developing generic strategic positions for tourism firms with the observations made in the previous sections on the forces shaping the division of knowledge in tourism. As should become clear from the portrayal of the system found in the tourism and services management literatures, the focus is directed towards the choices managers and/or entrepreneurs face in unpredictable circumstances. Unpredictability stems from complexity (the fact that there are multiple-simultaneous trends difficult to forecast and interpret with respect to changing tourist behaviors and with respect to the evolution of generic information technologies) and from novelty, the latter reflecting inherent forces destabilizing that system. It was argued earlier that the learning firm must consider and evaluate various methods to acquire or transform capabilities. The internal production of tourism research for instance can be contrasted with contracting out market intelligence or the establishment of collaborative ventures and research partnerships to screen new market tendencies or test new products or technologies.

In theory, various types of tourism knowhow could also be differentiated in terms of belonging more closely to the category of product vs process innovations although it is often difficult to distinguish them in the context of

tourism and to attempt generalizations on that basis. It is more typical when considering innovations in tourism to consider the development of new products because, as was argued in the previous section, processes often seem to be controlled outside the domain of tourism. The realization that information and telecommunication technologies are triggering fundamental transformations in tourism has led to the creation of a research agenda now specialized in exploring the interaction of these two dynamic systems (Tjoa 1997). Only when socio-economic institutions such as reputations, brandnames or organizational cultures are developed is it in general possible for tourism and hospitality firms to appropriate the benefits of firm-specific process innovations (Lanquar 1976, Casson 1982). But this does not make the need to acquire the relevant intelligence about external technological developments and their potential to transform distribution channels and marketing paradigms less urgent.

For any single firm, the choice between the types of knowhow to invest in and the methods of learning remains a gamble based on perceptions about the evolution and control of technological knowledge and one's relative position in the knowledge-creating game. The complexity of the tourism product is often portrayed as the outcome of an insufficient degree of standardization of its services and poor applications of strategic planning and marketing. Such criticisms reflect a desire to apply methods and recipes which have sometimes proven fruitful for other industries with much less diversified and volatile technological environments. It is important to recognize that tourism is more akin to a "proto-commodity" (the term stems from Andersen 1991 and has been applied to emerging commodities associated with high-tech industries) which reflects the lack of specification of both the consumption and the production technology associated with its various products. Diversity in production technologies is more widely acknowledged and itself often associated with the futile complaint that tourism is excessively fragmented. In many ways the lack of production standards reflects both the diversity of needs and motivations as well as the unequal penetration of numerous competing technologies. The absence of a standardized consumption technology on the other end does not refer to the degree of product differentiation but to the variety of ways in which tourist-consumers conceptualize the tourism product, hence the diversity of motivation and behaviour.

When firms and other organizations create or acquire new capabilities embodying technological processes or knowhow about market trends, they can in some cases reinforce the process of standardization or counteract it by challenging existing product specifications. In the first scenario, it is possible

to imagine the formation of a generic tourism product involving a convergence from either of or both the consumption and the production sides of the equation. Convergence from the production side would involve increasingly homogeneous methods of production, technology applications, functional differentiation and quality standards. Consumption-based convergence on the other hand would imply that consumers increasingly adopt similar criteria for evaluating tourism products and recognize a small number of stable motivations for travel. Automobiles can be considered a fairly standardized commodity despite large amounts of product differentiation because most consumers use a fairly small and predictable set of criteria to evaluate products. The motivations and decision-making processes leading to the ownership or purchase of cars are well understood and quite stable over time. Tourism motivations, decisions and product attributes are far from stable in that sense.

If product or technological convergence were to dominate the future of tourism, positioning would mainly be based on the exploitation of scale economies and the generation of economic rents from competitive advantage in the development of process technologies as well as the ability to produce differentiated product-packages or exploit niche markets based on privileged access or production of market knowhow.

But there is little evidence that such convergence is taking place and the strategic domain remains excessively broad. Moreover, the actual production of new capabilities linked with process and product innovations has the power to create further divergence in the system and bring production or distribution technologies and consumer motivations and behaviors even further from any standard tourism product. In the latter case, the major strategic choice of the firm remains that of deciding on the amount of flexibility and experimentation it is willing to invest in, and the manner and direction in which it believes it should develop its learning enterprise.

Conclusion

This paper suggests a framework for the development of strategic thinking in a tourism system depicted as diverse and turbulent. It implies that tourism entrepreneurs ought to conceptualize their strategies in terms of alternative approaches to knowhow- or capabilities- creation with the potential to determine competitive advantage. While volatile internal forces (in the form of unpredictable and excessively diverse tourist motivations and behaviors) and prominently exogenous technological forces (in the form of rapid growth in communications and information technologies) prevent analysts from making reliable and universal predictions concerning the future of tourism

technological environments, it is possible to suggest generic strategies applicable to tourism firms in terms of innovation or learning alternatives. The more turbulent the environment, the more likely tourism entrepreneurs will need to consider the relative costs and benefits of maintaining their own flexibility (so as not to be excessively taken by surprise if their own predictions turned out to be fallacious) with those of attempting to increase the coherence of the system and impose their own technological standards. The more turbulent the environment, the more varied strategic directions these same entrepreneurs will also have to consider.

It is useful to describe these strategic alternatives as choices between learning methods. Tourism firms can therefore be portrayed as evaluating the relative costs and potential benefits arising from a number of learning channels ranging between internal production of knowhow and its acquisition through market relationships. It is also possible to depict critical choices between areas of knowhow which involve dissimilar learning processes. While tourism business strategy ought not to suggest that one area is preferred to another, it surely can play a critical role in identifying relevant areas of concern and strategic alternatives. It suggests that firms acquiring competencies in specific learning methods and areas of knowledge will also economize resources comparatively to firms which randomly acquire intelligence about their environments. Competencies in learning capabilities is the suggested paradigm for tourism meta-strategy. Firms capable of imagining and contrasting many technological futures will acquire a higher degree of control over the resulting division of knowledge. This means that strategic positioning in the tourism environment ought to emphasize the shift towards proactive knowledge creation and experimentation. Firms limited to positioning themselves with respect to pre-defined market segments or conventional technological processes might be left behind rather than participating in shaping the evolution of the capricious tourism proto-commodity.

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The Lodging Industry Moving Forward Inspite of New Challenges: A Case Study

Maryam Khan

Dept. of Management, School of Business
Howard University, USA

Abstract: This study attempted to summarize how the lodging industry survived after the attacks of September 11, 2001. A variety of lodging properties in the metropolitan Washington, DC area were contacted to assess how they responded to the new challenges faced by the hospitality industry. The information collected by reviewing the published material and conducting interviews gives an insight as to the measures used to address the crisis. The finding shows that the lodging industry suffered economic losses in the year following the attacks and had to implement cost effective measures to achieve economic stability. Now, the emphasis is more on differentiation, security issues, and customer service. A list of techniques/ measures used is provided for reference.

Keywords: lodging industry, post September 11, crisis management, security concerns and cost effective measures.

Introduction

A general overall weakening of the economy and the after-effects of the September 11 attacks tremendously affected the lodging industry as never before. From now onwards, every hospitality issue will be handled as pre-or post- September 11. Airplanes that bring the guests and customers to the hotels and restaurants were used as weapons to bomb buildings in Washington, DC and New York City (major tourist destinations in the USA). This created a great sense of fear and anxiety for travelers and as a result the hospitality industry suffered. The most experienced and respected hospitality managers who usually have crisis management plans in place were not prepared for a crisis of such magnitude. Faced with such an unpredictable dilemma, managers utilized whatever measures they thought would work in order to run their operations.

It has been little over couple of years since the attacks. Has the lodging industry survived, if so how? This study attempted to summarize how the lodging industry survived after the attacks of September 11. Selected lodging properties in the metropolitan Washington, DC area were contacted to assess how they responded to these new challenges. The information collected by reviewing the published material and conducting interviews with selected hotel operators/ managers gives an insight as to what measures were used to address the crisis. It also reveals how the lodging industry is preparing itself against any such future crisis.

To fully understand the status of the lodging industry before and after September 11, a few topics of interest will be discussed. These topics are: the economic analysis of the lodging industry; airlines and airport businesses; the Washington, DC and New York City tourism markets; hospitality employment issues; insurance concerns; sales and marketing; security concerns; and selected case studies.

Economic Analysis of the Lodging Industry

After sustaining one of the worst attacks in the United States history, the hospitality industry was left in disarray after ten years of record-breaking performance. According to the World Tourism Organization (2002), the global tourism industry as a whole shrank 2.6% as a combination of mounting economic slowdown, dipping stock market, and the aftermath of September 11 attacks. Travelers were afraid to fly and the fear of flying remained at an all time high which led to a decline in hotel reservations and cancellations. According to the Lodging Industry Profile (AH & LA 2003), the lodging industry's overall profitability declined in 2001, by grossing \$103.6 billion in total sales and \$16.1 billion in pretax profits - compared to 2000's \$108.5 billion and \$24.0 billion, respectively. Domestic travel spending dropped \$27 billion in 2001, along with a drop in international travel spending according to the Travel Industry Association (2002). The statistical report of the American Hotel and Lodging Association (2002) shows that the overall profitability of the lodging industry declined in 2001. The last couple of years have been the most challenging to the industry operators. Hotel occupancy fell along with average room rates, which lowered the RevPAR. At the same time, telephone revenue decreased to 28%, the largest percentage decline of any hotel source.

Even though interest rates are at an all time low, it is very hard to get funding for lodging properties in the post September 11 era. Underwriting criteria for hotels has significantly tightened. Lenders are being very careful and demanding higher premiums, especially for new loans, renovations and refurbishment (Ernst and Young/Lodging Magazine Index 2002). The lodging industry has experienced significant loan delinquencies and these delinquencies may further decline in the near future (Lodging Trends 2002).

Airlines and Airport Businesses

Within the hospitality industry, the airline sector was more adversely affected because of how planes were used in these attacks. Airline-passenger traffic nationwide remains below 10% or more. Airline security concerns had a noticeable impact on airport hotels. Occupancy and RevPAR at airport locations fell 14 percent and 21 percent, respectively (Lomanno 2002). As operators

discounted room rates to stimulate demand, the average room rate fell from nearly \$84 to less than \$79 in 2002. The discounting of room rates was much more prevalent at airport hotels compared to other locations. Furthermore, corporate travel around the globe is down, which is having an adverse effect on already troubled airlines like United Airlines, USAir, and American Airlines. Due to the sluggish U.S. economy, companies are cutting down on travel expenditures. They are finding alternative methods of communicating with associates and potential clients through email, video teleconferencing, videophones, and online meetings. With business travel on the hold, occupancy remains down for weekdays compared to weekends. The volume of business the convention market experienced in 2000 will not return until 2004 according to the Travel Industry Association (2002). On the other hand, business and vacation trips within few hundred miles have benefited. Restaurants and tourism marketers are directing promotion toward travelers who live within reasonable driving distances. Many drive-to destinations in South Carolina and Las Vegas did well, due to aggressive marketing and lower room rates (Walkup 2002).

In order to cut costs many airlines have been force to reduce the number of flights as well as passenger food service. Cuts in airline foodservice resulted in great losses for companies that supply in-flights meals. Increased security at the airports has created yet another problem for airport restaurants. They have to follow new federal regulations about the use of sharp objects like knives. Metal cutlery has been switched to heavy grade plastics and some menus have had to be altered, such as those that require the use of a steak knife. Restaurants and commissaries that are located pass security gates, are subjected to strict security procedures for food and other deliveries. At some airports, in order to find space for new security handling, restaurant space has been taken away. Under new security procedures, food service management and customers have to get use to doing business in a new environment.

Washington, DC and New York Tourism Markets

Though New York and Washington, DC was the prime target destinations affected by September 11, other major travel destinations across the nation were adversely affected. Destinations like Florida, California, Chicago, and Hawaii, to name a few, have been impacted (Walkup 2002). The tragic events were unlike any other crisis this country has ever faced. They created an atmosphere of fear and anxiety, which had an impact on the emotional and physical well-beings of all citizens. Reports show both Washington, DC and New York have demonstrated remarkable resilience and tourists are slowly but surely coming back. DC and New York had the additional burden of

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counseling employees and guests and convincing tourists that it was safe to come back to their cities (Misek 2002). An estimated 20 million tourists visit DC each year. The tourism industry plays a big role in DC's economy, contributing \$10 billion each year according to the Washington, DC Convention and Tourism Corporation. DC's economy is tied to the hospitality industry, the largest single industry after federal government. The local economists estimate the city lost \$1.25 billion in tourism revenues by the end of 2001. Soon after September 11, 17,000 hotel employees were out of work. The closure of the National Airport, which brings the majority of business travelers to DC, was also a major factor. Occupancy levels at area hotels were well below normal, and the anthrax scare and security concerns kept the visitors away from DC. Local hospitality businesses depend upon business travel, which saw a decline of 17% during 2001.

Lingering fears due to September 11 and the sniper scare has impacted the tour groups to the Nation's capital, especially school groups. In order to stimulate demand the DC Convention and Tourism Corp hosted special programs to lure visitors back to the city by hosting the "Be inspired in your hometown" marketing campaign. The Small Business Administration of DC helped the small business owners by sharing market knowledge and offering loan programs to help them recover (Lohmeyer 2002).

The hotel occupancy at some of the DC area hotels was down to levels below 10% soon after September 11, 2001. Due to sustained efforts like discounting hotel rooms, cutting costs, and increased targeted marketing, tourists are slowly coming back to DC. Hotel occupancy rates have steadily increased and were up to 92% by mid-April 2002. Furthermore, hotel development is going on in the nation's capital. Six new hotels opened since the attacks and three new hotels are under construction (Parets 2002). The reason being, post September 11, more people are doing business with the federal government. In addition, the city opened the country's sixth largest convention center in fall 2003.

The 16-acre hole at ground zero in Manhattan, New York speaks volumes. The tragedy in New York claimed almost 2,800 lives, including 116 foodservice workers and cost more than 90,000 jobs and an estimated \$95 billion in revenues (Frumkin 2002). Many businesses have been relocated out of this area. The restaurants that depended on the World Trade Center have suffered the most. The absence of 50,000 working people in the World Trade Center and 30,000 in the World Financial Center is having an impact on nearby businesses. Like DC, New York City attracts millions of international visitors. This figure fell to 5.7 million in 2001 according to NYC and Co. Visitor spending which hit \$17 billion in 2000 fell to an estimated \$14.9 billion in 2001. The average daily

rate, which was \$237 in 2000, fell to an estimated \$187 in 2002. In restaurants, where seats were hard to find, there now are ample tables available. Customers have become more value conscious and the average-check at a restaurant has also decreased. In order to help hospitality businesses survive, federal grants, government loans and other financial support, have been forthcoming.

Hospitality Employment Issues

Faced with this unpredictable crisis, many hospitality operators, in order to cut cost, laid off several thousand hospitality workers in airlines, hotels, restaurant, recreation, and tour groups. The demand for hospitality workers always exceeded the supply of American workers willing to work in the industry. Therefore, the hospitality industry continues to depend on immigrant workers. Post September 11 America has given more importance to national security and securing the nation's borders. There are new immigration laws, stricter law enforcement, and delays in visa processing for foreign workers. It costs more and takes a longer time to get foreign workers to work in the United States (Bergsman 2002). The workers here on visa can stay in the country for less than a year and only 66,000 visas are available for every industry in the country. In Michigan, the need for foreign workers was so acute that proprietors of 13 hotels and restaurants sued the INS over delays in visa application processing. Hospitality operators that depend on foreign workers for seasonal help are faced with yet another challenge. Some operators have lost some dedicated foreign workers because the workers fail to rectify discrepancies in their social security numbers. Since September 11, the federal government has asked employers to first prove that they could not find Americans to do the job before applying to bring foreign workers on the H2B visas (Berta 2002). However, the reality is that most American workers are not interested in low paying seasonal jobs. Post September 11 security measures, has created a new and challenging environment for hospitality operators to achieve economic security.

Since September 11, the lodging industry has seen an increase in layoffs, job consolidation, reduced work schedules, flexible use of vacation and sick time. In addition, there has been a re-evaluation of amenities and services that can be scaled back or eliminated. Operators have to balance profitability and service. A decrease in the number of employees might have an adverse impact on customer service. Dissatisfied customers do not return. In the present environment, the employees have to work harder and deliver the right type of service. Instead of bathroom amenities, the focus is more on genuine smiles and customer appreciation. Employee training is the key to brand recognition and revenue generation. The employee's role in getting the customer back is

vital. Employee training and cross-training is being implemented at many hospitality properties to equip employees with the necessary skills to perform multiple tasks.

Insurance Concerns

The view of insurance companies regarding lodging industry has undergone a change in the aftermath of September 11. The insurance companies no longer have to sell their policies to hotel operators – it is the other way around. The hotel operators must explain why their properties have lower risks compared to other hotels. They have to prove that they have incorporated new security procedures and plans in event of an attack. The fact that three Manhattan hotels were damaged during the attacks has become a tremendous catalyst for insurance companies to raise the price of insurance premiums (Marla 2002). Insurance companies lost large amounts of funds after these attacks because of insured hotel properties. Now the trend is to write policies with premium increase ranging from 50% to 100%. Not only are the insurance rates increasing but also the coverage is decreasing across the board from workers compensation to building coverage (Cook 2002).

For policy renewals, standards are getting stricter, more information is being required, and properties are being re-evaluated. It might be a little easier for name brand hotels to renew their insurance, and the small property owner might find it harder to get coverage. Hotel owners have to decide what risks they are willing to take with minimum insurance or accept higher deductibles. The properties have to be proactive and should have an effective loss prevention and maintenance plan. They should upgrade the properties and should maintain a standard that shows all possible risks have been taken into consideration. Having extra security personnel may be good but all employees should be trained to check for potential problems. They should be ready to exit safely in case of an emergency and should have a pre-designated outside meeting place. Control of accidents should be part of an overall quality control program. A detailed summary of loss information on each property must be kept. Measures taken to address these losses so they do not happen again should be maintained. If properties are 20 years or older, records of upgrades will help to show preventive measures were taken. On the part of property owners, they should get bids from different insurance companies and ask for references.

Sales and Marketing

In order to address the decline in occupancy, general managers at the local level adapted or adopted marketing strategies depending on their particular environment (Taylor and Enz 2002). The focus is more on regional business,

weekend nights to area residents, discount room rates, close rooms for renovations, etc. September 11 changed sales and marketing forever. With decreased revenues and budget cuts, the first thing most companies do is cut the marketing and sales budget. In the 1990's, it was easy to sell rooms but in these tough times more creativity and innovation is required. It is time to revisit the old clientele list and try to sell on the basis of loyalty. Doing cooperative marketing with airlines, convention and visitor's bureaus, car rental companies, attractions, and restaurants will help promote products jointly. These days the Internet is used more often to provide comparative prices. Post September 11 has shown doing business, the old way can be effective. For example, by using public relations, direct mail, and personal sales calls (Gilbert 2002).

Security Concerns

Prior to September 11, security issues were being cut back due to a sluggish economy. However, since September 11 security has become more important than ever before, especially in places like New York City and Washington, DC. Employees are trained to look out for unusual things and be on the alert. Housekeepers are told to report any clogged drains, excess shaving cream, or suspicious manuals. Guests are being asked to fax photo identification when making a reservation on the phone or show one when checking in. Business travelers believe that a hotel's design can make them feel safe. For example, a hotel that is well lit with open public places, visible from the street and easily assessable. Marriott at the World Trade Center was destroyed on September 11, and two of its hotel associates were lost. Marriott is taking security very seriously and is training its employees to be extra conscious.

The above discussion reveals that the attacks of September 11 had a tremendous impact on the lodging industry in the United States. Due to a slow economy and budget cuts, business and corporate travel is down, which is having an adverse effect on the occupancy level of the hotels. In order to stimulate demand many lodging properties had to lower the room rate, which in turn is affecting the ADR and RevPAR. In order to cut costs, hotel properties had to lay off hotel workers both salaried and part time. To evaluate how the hotel property managers in the DC area addressed these new challenges, a variety of hotels both limited service and full service were contacted. They were asked for example, what specifically changed that day, what administrative/operational measures were implemented, what happened to revenues, what about security challenges, what about employee issues, what new strategies were implemented to bring the guests back, are the guests coming back, etc. Information obtained

as a result of interviews with these hotel managers in DC area is discussed below in the form of case studies.

Case Studies: Selected hotels in Metropolitan Washington, DC Area.

The Westin Embassy Row located in Georgetown, is a 206-room full service hotel. On September 11, the hotel had 100% occupancy and by September 14, occupancy was down to 30%. In addition, 98% of the remaining 30% were individuals who were stuck due to flight cancellations. Airports were closed and car rental companies had no cars available and the guests had no way to get out of the city. With the occupancy levels down, food and beverage revenue also decreased. Two managers and line staff positions were terminated. Since September 11, the hotel has increased security. Guests have to show a state or government issued identification upon check in or entry into the building. Security has become more visible with security guards on duty. A year after the tragic events business is back to normal and profits are down less than 3% compared to previous year.

Marriott Wardman Park Hotel located eight miles from the Washington National airport is a 1,334 rooms and 163 suites hotel. It is one of the largest convention hotels in the DC area catering to business travelers. Guests were stranded at the hotel due to the airport closure, and since the guests who were planning to come on that day could not come, the stranded guests were accommodated. This hotel has three "towers," two towers were closed to save costs and in the main tower only six floors were open. Before September 11, average daily rate was \$249 and after September 11, it dropped to \$99. Since it is a convention hotel, all events following September 11 were cancelled and occupancy dropped to 8%. No hotel employees were fired but hours were reduced based on seniority. Some employees went weeks without being put on schedule and others worked one day a week. In order to recover business, special deals were used to target previous guests. After a year since September 11 tragic attacks, business is picking up but not to previous levels. To satisfy guests' concerns, security guards have been placed and guests are required to show identification for check-ins.

St. Gregory Hotel located in the Northwest side of city, is a 154-suite full service hotel. Soon after September 11, room occupancy fell to 20%. No employees were fired though hours were drastically reduced. Managers who usually put in more than 40 hours of work a week were working 20-30 hours a week. Since then the property has rebounded due to customer loyalty and repeat business. Lower rates as a marketing strategy to compete with the industry trend also helped to bring back the customer. Hotels have become

more security conscious and have added new security features. The evacuation plans have been revised and security for check-in and entry into the property has become stricter. Bomb threat call procedures have also been put in place informing employees on how to deal with telephone calls. A year after September 11, occupancy has rebounded and business is almost back to normal.

Motel 6 located in the Northwest side of the city, is a 163 room limited service hotel. Perhaps because of its location and type of service this hotel was not as badly hurt as the other hotels. The clientele consists of variety of locals, tour groups, and military persons (since it is close to a military base). Though occupancy was down up to two months after the events, no employees were laid off. Nevertheless, some employees working hours were decreased. Since the hotel does not require a down payment with a credit card as room guarantee, revenue was lost due to cancellations. To convey a sense of security to the guests, a security guard has been placed on the hotel premise.

Marriott at Metro Center is a 456-room full service hotel located near Washington, DC Convention Center. It attracts mostly business travelers. Many guests were unable to leave the hotel due to airport closure. The guests were offered rooms at discount rates as a goodwill gesture. The occupancy level following September 11 was down to thirty percent. All banquet events were cancelled and no cancellation fee was charged. All restaurants in the hotel were closed for two months, and when they were re-opened, menu items were reduced. The average daily rate was between \$259 to \$289 before September 11 and was down to \$99 in months following September 11. Managers were laid off and hourly employee working hours were reduced. Most employees were working only 24 hours a week. The fired managers had to wait one year before reapplying. In order to attract the guests back incentives were used, which seems to be working. New security measures were implemented. Front doors were closed twenty-four hours a day for five months following September 11. Guests had to say their last names and show their key cards to enter the hotel. Some guests were a little annoyed especially when they had just left the building and had to show their key cards again.

Hilton Hotel is located within one mile of the National airport and two miles from the Pentagon. The hotel was able to accommodate the stranded guests on the morning of September 11, since the scheduled guests did not arrive. The National Airport was the longest-closed airport in the United States after the attacks and the closing of the airport had a direct impact on the hotel's occupancy. Until the airport was reopened, arrangements were made to transport guests from other airports. Because of fewer flights the rooms reserved

usually for airline crew were impacted. In order to compete with other hotels, room rates were reduced from \$72 to \$55 to entice airline crews. Events at the hotel were cancelled following the attacks of September 11 but government meetings saw an increase. Employees were laid off and working hours were reduced for the remaining employees. The entire salaried staff took a 10 percent payroll deduction for eight weeks. Some managers took volunteer time off. After a year, almost all employees have been hired back. Revenue was down for months following September 11, and did not rebound until March of 2002. With business travel down, weddings and government business kept the guests coming. The management has become more security conscious and requires employees to be aware of changing times and undergo security training.

Four Seasons Hotel at Georgetown experienced the same scenario that other hotels went through on September 11 morning, guests after checking out came back due to airport closure. The majority of guests came through National airport, which was closed for several weeks following the attacks. Due to low occupancy and cancellations, occupancy was down to 20% in weeks following the attacks. The management, although reluctant to do so, did open up lower tiered rates to keep "heads in beds." Some staff positions were eliminated and open positions were not filled. The employees working hours were reduced and they were encouraged to use flexible vacation and sick times. Cross-training efforts were adapted throughout all departments. The hotel has become very security conscious, therefore one of the entrance has been closed and now all cars must pass through the main entrance. New group packages have been promoted with the help of WCTC to stimulate demand and occupancy is increasing but still not up to last year levels. It has been a year since the room rates were lowered and still they have not rebounded. Most of the laid off employees have been called back to work.

Woodley Guest House is a 12-room bed and breakfast place near Woodley Park Zoo. There was 100% occupancy on September 11 because of a conference. News of the attack made guests leave, but due to transportation problems, they came back. Guests were accommodated until other travel arrangements were made. No employees were fired but employee hours were reduced. Some room rates had to be reduced in order to stimulate business. A surprised travel market kept the Bed and Breakfast place busy, when concerned parents came to make sure their kids were okay (DC is home to over 13 colleges and universities). For six months following the attacks, the occupancy was down about 35% to 40%. This place still uses metal keys and maintains strict controls over lost keys by posting a \$250 penalty for keys that are lost.

The Hay Adams Hotel located close to the White House is a full service hotel with 145 guestrooms, including 20 suites, food and beverage services. Soon after September 11, the occupancy levels dropped to 45%. In order to maintain profits and minimize loss several line employees were laid off. Luckily, the property managers had made prior arrangements to close the hotel for renovations. Increasing security and safety features were implemented into renovation plans. A year after the tragic events and since the re-opening of the hotel, occupancy is almost back to normal.

Hotel Monticello of Georgetown, Hotel Lombardy, The Henley Park Hotel, and Capital Hill Suite are a variety of boutique hotels located in DC area close to the political, business, educational, and tourist areas. These hotels are unique in nature and cater mostly to business and vacation travelers. Like other hotels in the area, these hotels also experienced a challenging morning on September 11, 2001. They accommodated stranded guests and provided goodwill gestures to make them feel at ease. Occupancy levels at these hotels were down to 30% in the months following the attacks, but within six months, the occupancy was back to 85%. The most common strategy to bring the guests back was lower room rates and promotion of different cuisine and meal packages in restaurants to attract local patronage.

The Washington Convention and Tourism Corporation (WCTC) business booking correlates to when congress is in session. Soon after the September attacks, The Capital and White House were closed for public viewing, which gave the perception that DC was closed and turned away many visitors. Most groups did cancel their trips to the DC area. Hardly any groups were charged the cancellation fees outlined in their attrition clause. Many of the cancelled groups did reschedule for the same time next year. The WCTC demonstrated more staying power when it came to room negotiation with area hotels. The sniper attacks in DC area in fall of 2002 led to more cancellation. Fall is the season when school groups come to DC area for educational trips. In order to stimulate demand, Government per diem rates were raised from \$119 to \$150, which helped local hotels that host government clients. The WCTC plans to air new commercials, update web sites, place advertisements in major city newspapers, promote DC at trade shows, and involve the DC mayor in personalized letter and television commercials. Although conference attendance was down from the previous year, the WCTC did not experience much loss. According to WCTC, not all the lodging segments were impacted the same way.

Conclusion

The above discussion shows that the lodging industry in the DC area has survived. Because of tight security measures at airports and discounted room rates people have started to travel. Management has made a variety of changes in operational procedures to manage economic stability. More emphasis is on cost effectiveness, differentiation, security issues, and customer service. There is a heightened sense of security consciousness. Several security measures have been implemented to convey a sense of security to the traveling public. According to the Travel Industry Association of America (2002), the American Traveler Sentiment Index is showing a sign of recovery. The recovery in hotel occupancy rate might depend from market to market and city to city. The destinations that depend upon a driving market segment are seeing an earlier recovery compared to destinations that depend upon air traffic. Limited service hotels are experiencing pre September 11 occupancy levels much faster compared to luxury full service hotels. Airport hotels are having more problems in filling up rooms compared to other markets. Hotels are having busier weekends compared to weekdays due to a decline in corporate travel.

Today hoteliers have to reposition themselves to meet changed customer attitudes and travel patterns. Customers in general have become more value-conscious than ever before, and they're taking advantage of rates that are discounted. Reduced hotel rates might stimulate demand, and occupancy may recover, but room rates might take some time to recover. Management is looking at all possible ways to cut overheads and there is increasing evidence of hoteliers seeking brand standard leniency. The primary area of cost containment is in payroll, although other measures include closing floors/wings and food/beverage outlets, and reducing hours of operation for businesses such as health clubs, gift shops and even room service. There are efforts to cutting costs by consolidating job positions and cross training the employees. Employees are being challenged to do more to provide superior customer service.

The lodging industry in the Washington, DC area suffered a tremendous economic loss in the aftermath of September 11. Since then the DC area has demonstrated great resiliency in getting guests back in the hotel rooms. The occupancy levels in area hotels are improving. The recovery in limited service hotels has been much more positive compared to luxury hotels. Several factors are responsible for "moving forward" after September 11. One of the main reasons people were avoiding travel was because of airline security concerns. The National airport, after prolonged closure, is again open for flights. A variety of preventive measures have been implemented to convey a sense of security to the customers. There has been an added effort to lure the guests to the hotel

rooms by discounting room rates and offering other incentives. More emphasis is being placed on loyal repeat customers. With corporate travel down, other markets like wedding, family, government, etc. has been targeted. Marketing done in partnership with other businesses has been used. Instead of room amenities, more focus seems to be on customer service.

As for the overall U.S. lodging industry, history has demonstrated the U.S. economy and the lodging sector do recover from major disruptions, whether they are conflict, terrorist incursions, or natural disasters. No doubt, there has been no similar assault and as such full recovery might take longer. According to PricewaterhouseCoopers (2003), lodging demand will expand by 4.0 percent in 2004 and 2.8 percent in 2005 and average daily rate is expected to rise by 2.9 percent. Other positive factors in favor of the U.S. hotel sector include a potential increase in domestic tourism stimulated by a weakening U.S. dollar and fear of longer-haul travel, particularly over water. The rescheduling of conferences and the lifting of corporate travel bans will also release pent-up demand and help hotel occupancies. In addition, the \$15 billion bailout package for the airline industry should help prevent systemic damage to the travel market. There is also a possibility for the government to assist the hotel sector via tax incentives and benefits for displaced workers.

Washington, DC, is regarded as one of the major tourist destination in the U.S. The challenges faced by the lodging properties and lessons learnt can be used or implemented in other destinations. Based on the information discussed in this study, some measures/techniques used by various lodging managers/operators in the aftermath of economic/market loses are listed (not ranked) below:

1. Target new markets like wedding, family and government
2. Promote to travelers who live within driving distance
3. Provide weekend nights to area residents
4. Provide discounted rental cars to regional markets
5. Offer lower room rates or other incentives to attract guests
6. Go back to basic marketing strategies
7. Close for renovation
8. Focus on repeat loyal customers
9. Emphasis on customer service rather than amenities
10. Increase employee skill level by providing cross training

THE LODGING INDUSTRY MOVING FORWARD INSPITE OF NEW CHALLENGES

11. Involve in marketing partnership with other businesses
12. Be security conscious
13. Convince guests that it is okay to travel
14. Implement security measures that are more visible
15. Place security guards on duty
16. Require valid identification when checking-in
17. Provide security training for employees
18. Put in place bomb threat call procedure
19. Revisit evacuation plans
20. Reduce employee working hours instead of laying off
21. Encourage employees to take flex time and vacation time
22. Consolidate job positions
23. Be proactive when it comes to insurance
24. Maintain a detailed accident and recovery list
25. Let your guest know that you appreciate their business

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About the Author

Maryam Khan is Assistant Professor and Director of Hospitality Management Program in the Department of Management at Howard University, Washington, DC. Her area of specialization include globalization, technology, ecotourism, minority issues, service quality, and environmentally friendly practices. She has published and presented research papers at national and international level.

The Wild Side of Tourism: A Case Study of Economic Values and Impacts of Hunting in Pennsylvania

Elwood I. Shafer

School of Hospitality Management
The Pennsylvania State University, USA

Youngsoo Choi

School of Hospitality Management
The Pennsylvania State University, USA

Arun Upneja

School of Hospitality Management
The Pennsylvania State University, USA

Abstract: This research answers two questions: (1) what is the annual economic value of the Pennsylvania's hunting resources, and (2) what are the annual economic impacts from the use of those resources? A mail survey was used to collect data on hunters' annual trip and equipment expenditures for hunting, and on wildlife-watching activities away from home within the state. Results of the travel cost method (TCM) showed that the annual values of the hunting resources and the wildlife watching resources were \$6.39 and \$0.49 billion, respectively. Results of the Impact Analysis for Planning (IMPLAN) model indicated that the annual economic impact of hunting on the state's economy was \$2.39 billion. This information can be used with biological data, results of public opinion, and surveys about game management to formulate policy decisions that help match availability of hunting and wildlife watching resources with future demand.

Keywords: Hunting, wildlife watching, economic value, economic impacts

The Commonwealth of Pennsylvania ranks third nationally in the number of resident hunters (U.S. Department of the Interior 1993, 1997). Although it is the home of three large metropolitan areas, the Commonwealth is largely a rural state, with a population of approximately 11 million. At the time of this study, Pennsylvania had approximately 1.1 million licensed hunters. Consumptive and non-consumptive use of wildlife by licensed Pennsylvania hunters is traditional leisure-time activities that produce economic impacts for many individuals and businesses. The wildlife "industry", comprised of small and large businesses, is not often thought of as an industry in the traditional sense. Unlike steel or textile industries which are easily identified by large factories and transportation systems, the hunting and wildlife watching industry is comprised of widely scattered manufacturers, wholesalers, and retailers, that when considered together, form a network industry.

Credible economic data are essential if policy makers and resource managers are to fully discharge their responsibilities to sustain hunting and wildlife watching resources for future generations. The purpose of this study was to determine: (1) the economic value of Pennsylvania's hunting resources and (2) the impact of the use of those resources on the state's economy for a 12-month period in 1995-96. Economic value is a non-business-oriented measure that estimates the value hunters receive from the use of the hunting resources and therefore is a surrogate measure of the value of the resource. Economic impact of hunting addresses the business and financial dollars generated within the Commonwealth as a result of hunters' equipment purchases.

Economic Values of the Resource

The Travel Cost Method (TCM) can be used to estimate the economic value of hunting resources and the nonconsumptive value hunters place on the state's wildlife-viewing resources, based on money spent on trips to hunt and view those resources (Loomis and Walsh 1997).

In its most typical form the demand curve estimated by the zonal TCM is:

$$V_{ij} = f(C_{ij}, P_i, S_{ij}, A_j, D_i) \quad (1)$$

- where
- V_{ij} = number of trips from origin i to site j
 - C_{ij} = cost of traveling from origin i to site j
 - P_i = population of origin i
 - S_{ij} = a measure(s) of the substitutes to site j for origin i
 - A_j = a measure(s) of characteristics of site j
 - D_i = a measure(s) of characteristics of origin i , including income and education

The expanded expression of the site demand curve does not affect the underlying concepts in the value calculation, but it increases the amount of calculations required in order to obtain a site demand curve for each origin zone (Rosenthal et al. 1984, Walsh et al. 1988).

A basic assumption of the TCM is that each hunter trip is taken to a single destination. For example, if a hunter leaves home and drives directly to one location and then returns directly home, we could assume the transportation costs (and therefore travel time) occurred exclusively to go to one hunting location.

In our study, a hunter trip was defined as any Pennsylvania resident licensed hunter, or out-of-state hunter with a Pennsylvania hunting license, spending part or all of one or more consecutive days hunting for one or more types of game in Pennsylvania before returning to the location where the trip began.

In an ordinary demand function for overall hunting activity within a state, the dependent variable to be explained is always the quantity (Q) demanded. In this study, Q was the total number of hunter trips per year. The list of independent variables that influence demand for hunting always includes a proxy for direct cost or price (P) (Loomis and Walsh 1997). Price in this study was a hunter's direct out-of-pocket expenses for a hunter trip. In the case of an out-of-state residence with a Pennsylvania hunting license (8 percent of all respondents), P only involved money spent in Pennsylvania during the hunter trip.

The objective of the TCM is to estimate consumers' surplus as the area below the demand curve and above average price, or the willingness to pay above-average payment. Consumer surplus represents the real saving to hunters because state agencies usually manage hunting resources at a cost that is less than it would be in a free market situation. Average consumer's surplus represents the real income retained by a hunter in his or her wallet or purse, in other words, the money he or she would have spent rather than not use the hunting resource of the Commonwealth (Figure 1).

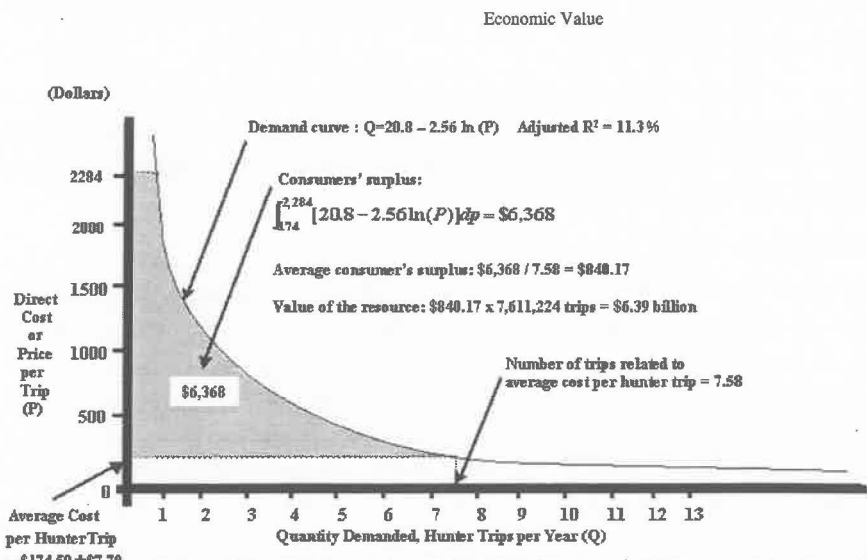


FIGURE 1. ANNUAL DEMAND CURVE FOR HUNTING RESOURCES IN THE COMMONWEALTH OF PENNSYLVANIA (1996 DOLLARS)

Economic Impact

When hunters purchase equipment, three types of economic impacts occur: direct, indirect, and induced (Alward et al. 1985, Alward et al. 1993, Brookshire et al. 1982). A direct impact is the initial purchase made by a hunter. For example, when a hunter buys a rifle in the state for \$500, there is a direct impact for the retailer, and the economy, of \$500. An indirect impact is the secondary effect from the purchase of that equipment. Indirect impacts imply that a business's sales benefit not only that business but also many industries that sell supplies and services to that business. An induced impact results from the wages and salaries paid by the directly and indirectly impacted industries to its employees. The employees of these industries, in turn, spend their income. These expenditures are termed induced impacts. They, in turn, create a continual cycle of indirect and induced effects (Minnesota IMPLAN Group 1997, Southwick Associates nd). The fact that specific types of hunting equipment may be purchased in a given year, and then used for several years is not relevant in IMPLAN calculations. The economic impacts of the purchase(s) as measured by IMPLAN occur in the year in which the purchase was made.

IMPLAN was used in this study to measure the economic impacts (in 1996 dollars). IMPLAN was originally developed by the USDA Forest Service in cooperation with the Federal Emergency Management Agency and the USDI Bureau of Land Management to assist the Forest Service in land and resource management planning (Alward et al. 1985), and is especially useful in depicting the economic impacts of outdoor recreation activities in an overall economy (Johnson and Moore 1993).

Economic impacts (direct, indirect, and induced) can be computed for each of seven economic categories: total economic effect (output), personal income, employment, employee compensation, proprietary income, other property type income, and indirect business taxes.

Collection of Data

Because a given hunter trip may involve visits to one or more geographically dispersed hunting resources over a period of one or more days, the probability of obtaining a reliable sample via on-site personal interviews throughout an entire state over a year's time is reduced considerably. Therefore, to obtain a representative sample of hunter trip and equipment costs in Pennsylvania over a 12-month period, a mail survey was used to obtain the data required for the TCM and IMPLAN analyses.

A return postage-paid mail survey questionnaire that contained seven questions designed to provide essential data for TCM and IMPLAN analyses was used

for the study. However, at the request of the Center for Rural Pennsylvania (the funding agency) and other cooperators, nine additional questions were added after the study was funded.

A total of 15,299 names and addresses of Pennsylvania licensed hunters were systematically sampled (approximately every 70th name) from the total of 1,130,000 hunters in a 1994 – 95 Game Take Survey of the Pennsylvania Game Commission. These files provided the most recent licensed hunter information available at the time the survey was planned. Sample size was proportional to each county's contribution to the total number of hunter licenses sold throughout the state. Large sample sizes were used to increase the likelihood that hunters would receive a questionnaire shortly after their most recent trip.

Based on the Pennsylvania Game Commission's estimates of annual hunting intensity in 1994, approximately 78% of all questionnaires were mailed between November 4 and December 4, 1995. A postcard reminder was sent to nonrespondents 2 weeks after the initial mailing and a second mailing of questionnaires was sent to nonrespondents 1 month later. These efforts had a marginal influence on overall total response rate. There were no significant differences between the results of the first and second mailing in terms of: average cost per trip, average total number of trips, percentage of hunters who actually hunted, and percentage of 6 types of special licenses purchased versus the total number of each licenses actually purchased by all hunters.

Several factors may have influenced the total 17.1% response from 2,627 hunters: amount of detailed information that hunters were asked to recall regarding expenditures for their past (most recent) trip; amount of detailed information that they were asked to recall about expenditures for hunting equipment during the previous 12 months; likelihood that the hunters would receive a questionnaire shortly after their most recent trip and thus be able to recall and estimate accurately the information requested; and time required to complete the questionnaire.

Analysis of Data and Results

Hunting

Approximately 95% of all respondents hunted during the sampling period, which amounted to a total of 7.6 million trips (Table 1). Because the sample was drawn from records of licensed hunters in 1994, part of the 5% who indicated they did not hunt may have included an unknown number of hunters who did not buy a license for the 1995 and/or the 1996 hunting season. The median number of hunter trips was 5, and the median number of days per trip was 3.

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Table 1. Annual Total Values of Hunting and Nonresidential Wildlife-Viewing Resources (199 dollars)

	(1) Total	(2) Average	(3) Total annual	(4) Average	(5) Annual Total
Types of	numbers of	expenditure	expenditures	consumer surplus	Resource Value
trips	trips	per trip ^a	(billions)	computed by TCM ^b	(1)x(4)(billions)
Hunting	7,611,224 ^c	\$174.50 ± \$7.70	\$ 1.33	\$840.17 ^c	\$6.39
Wildlife					
Watching	3,397,760 ^d	\$33.57 ± \$4.30	\$ 0.11	\$143.27	\$0.49

- a. Expenditures were total out-of-pocket costs for transportation, lodging, food and beverage, and miscellaneous items.
- b. Net economic value per trip, or the additional amount the typical hunter would have been willing to pay per trip over and above the actual experiences per trip. TCM = travel cost method.
- c. 17,654 trips for the sample x 1,130,000 total hunters/2621 hunters in the sample = 7,611,224 total hunter trips.
- d. 7,881 trips for the sample x 1,130,000 total hunters/2621 hunters in the sample = 3,397,760 wildlife watching trips.

About 75% of all trips occurred during big game seasons in November and December. In addition to a regular hunting license, 36% of hunters also had an antlerless-deer licenses, 21% had an archery licenses, and 16% had a bonus license.

Many hunters (60%) visited two or more different kinds of destinations on any one trip. Each destination had different land ownerships/site characteristics and therefore different travel times (and costs) were involved among destinations. About 38% of all trips included state game land, 34% private non-posted land, 21% private posted land, 19% state forest land, 15% state park land, 15% Allegheny National Forest land, and 10% others.

There are two assumptions one makes when using TCM: (1) trips are single-destination trips, and often the key to meeting this assumption is in choosing the geographic boundary of the relevant market of the recreational activity;

and (2) the cost of travel and travel time are incurred to gain access to the recreation site and that no benefits are received from the travel itself. However, these assumptions can be relaxed if the researcher assumes, as we did in our study and as recommended by Loomis and Walsh (1997), that: (1) the characteristics of the population are the same from one distant zone to the other; and (2) trips are of uniform duration and for the single purpose of visiting the recreation site. As a result, all hunter trips were assumed to be related to all hunting resources throughout one geographic region ... the Commonwealth of Pennsylvania. Consequently most of the variables in Equation 1 were not applicable for purposes of this study.

A similar approach was used by Upneja, Shafer, Seo, and Yoon (2001) and Shafer and Upneja (2002), in which they measured the economic value of sport fishing and angler wildlife watching in Pennsylvania. Many angler trips involved multiple destinations. The median number of days per trip was 2, and 76% of all trips were concentrated within 5 months of the year. At least two factors may have contributed to the large number of multiple destination trips: the large size of the aquatic resource and the wide array of different kinds of sport fishing opportunities within that resource. In addition, there were 11 types of sport fishing regulations in effect on a variety of water bodies at the time of the study. As a result the average cost per angler trip, regardless of the specific type(s) of fishing that was involved on any one trip, was used to develop an annual demand curve for sport fishing resources throughout the state.

Hunters spent a total of approximately \$1.20 billion on trip-related expenditures. Miscellaneous was the largest expenditure category involving 33% of the total. Food and beverage, and transportation costs accounted for 28% and 20%, respectively.

The TCM used to determine the value of the hunting resource involved two stages. In the first stage, ordinary least squares regression techniques (Ott 1988) were used on the sample data to estimate the relationship of a hunter's number of trips per year (Q) to a hunter's travel cost for the past trip (P). The equation obtained was

$$Q = 20.8 - 2.56 (\ln P) \quad (2)$$

with an adjusted $R^2 = 11.3\%$

This equation indicated that total annual trips per hunter (Q) would decrease as total expenditures per trip (P) increased by 2.56 ($\ln P$).

The average total out-of-pocket expenditures per hunter's trip was $\$174 \pm$ a standard error of $\$7.70$, and the average number of trips corresponding to that average expenditure per trip was $20.8 - 2.56 (\ln 174) = 7.58$ trips per year.

In the second stage of the TCM analysis, the first stage equation was used to estimate the number of hunter trips, with incremental prices starting from the current expenditure of each individual hunter and continuing until the estimated number of trips approached zero. The average consumer's surplus value was $\$840.17$. The annual total value of the hunting resource was $\$6.39$ billion. This was 4.8 times the total $\$1.31$ billion out-of-pocket travel expenses hunters spent to use that resource (Table 1).

An annual demand curve for hunting resources summarizes the results of the above procedures (Figure 1).

Wildlife-Watching

About 43% of hunter households contained one or more members who took one or more trips during a 12-month period to watch, photograph wildlife, or observe evidence of wildlife activity in Pennsylvania, for a total of 3.4 million trips (Table 1). The median number of trips per year was four: 62% occurred throughout September, October, and November. The median number of wildlife watching trips was 4, and the median number of days per trip was 2. Large mammals, birds of field and forest, birds of prey, waterfowl, carnivores, and songbirds were the types of wildlife sought most often.

The TCM was also used to determine the value of hunter household nonresidential wildlife-watching resources. The first stage equation was

$$Q = 17.3 - 2.86(\ln P) \quad (3)$$

with an adjusted R^2 of 14.6%

With otherwise identical conditions, wildlife-watching trips would decrease as expenditures (P) increased by 2.86 ($\ln P$).

The average total out-of-pocket expenditure for the 50 percent of all hunter households that took wildlife-watching trips was $\$33.57 \pm$ a standard error of $\$4.30$, and the average number of trips that corresponded to the average trip cost was $17.3 - 2.86 (\ln 33.57) = 7.25$ trips per year. Procedures used in the second stage of the TCM analysis paralleled those used above for determining the average consumer's surplus value for hunting resources. The average consumer's surplus value for hunter household nonresidential wildlife-watching resources was $\$143.27$. The annual total value of nonresidential wildlife-viewing resource was $\$0.49$ billion, 4.45 times the $\$0.11$ billion that

hunter households spent to enjoy the amenity values of wildlife for a 12-month period (Table 1).

An annual demand curve for wildlife summarizes the results of the above procedure (Figure 2).

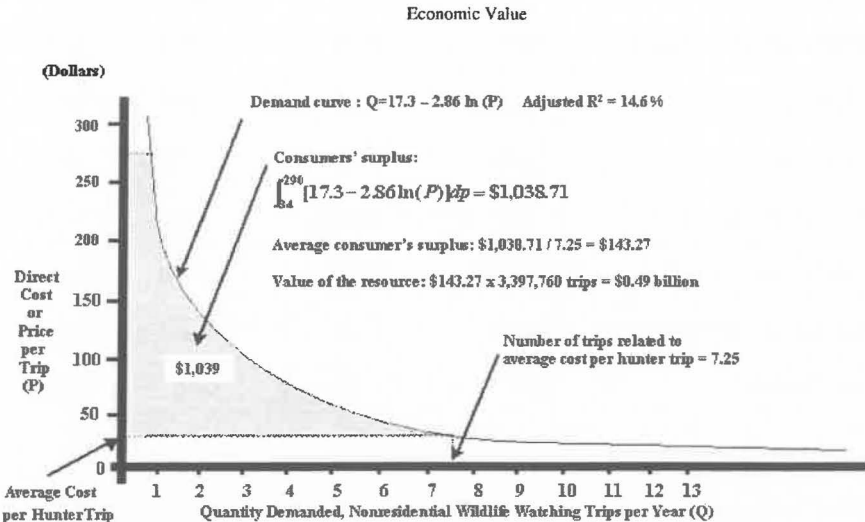


FIGURE 2. ANNUAL DEMAND CURVE FOR WILDLIFE-WATCHING RESOURCES USED BY HUNTER HOUSEHOLDS IN THE COMMONWEALTH OF PENNSYLVANIA (1996 DOLLARS)

Economic Impacts

Hunters spent a total of \$421,314,960 for hunting equipment and miscellaneous related items. Considering the fact that there were 1.1 million licensed hunters, the average investment in equipment per year was approximately \$420/hunter.

IMPLAN was used to measure the annual economic impact of hunting equipment purchases. The overall economic impact of all equipment expenditures was approximately \$2.39 billion, 54% of which had a direct economic effect (Table 2).

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Table 2. Economic Impacts of Hunting-related Equipment Purchases: millions (1996 dollars)

Economic Category	Direct Effect	Indirect Effect	Induced Effect	Total
Personal Income	\$536	\$154	\$271	\$961
Employee Compensation	\$458	\$129	\$233	\$820
Proprietary Income	\$78	\$25	\$38	\$141
Other Property Type Income	\$130	\$73	\$126	\$329
Induced Business Taxes	\$77	\$19	\$40	\$136
Total Economic Benefit (output)	\$1,279	\$400	\$708	\$2,387
Employment (jobs)	24,492	5,154	10,443	40,089
% of Dollars	54	16	30	100

Summary and Conclusion

Rosenberger and Loomis (2001) document 163 outdoor recreation studies for evaluating the reliability of consumer surplus values. Their consumer surplus values are reported in fourth quarter 1996 dollars, and expressed in terms of consumer surplus per activity day per person. An activity day is defined as the typical amount of time a person pursues a recreation activity within a 24-hour period.

In Appendix C, Table C of Rosenberger and Loomis (2001), there are ten big game hunting studies referenced for USDA Forest Service Region 9, which encompasses Pennsylvania and 19 other states in the northeastern US. Only two of those 10 studies reported TCM consumer surplus values for big game hunting in Region 9 (Fisher 1982, McCollum et al. 1988). Fisher (1982) provided broad regional zonal TCM models that had a consumer surplus value of \$209.08 for big game hunting throughout Region 9, while McCollum, Bishop, and Walsh (1988) determined that the consumer surplus for big game hunting throughout Region 9 was as high as \$100.99. Assuming that one day of hunting in our study was equivalent to one visitor day, our study's consumer surplus per visitor day would be \$840/median of 3 days per trip = \$280. This result seems reasonable since Pennsylvania, which ranks among the top three states in the nation in terms of number of license sales, would tend to be a statistical deviate and have a higher TCM consumer surplus value for big game hunting than most or any of the other 19 states in Region 9.

Rosenberger and Loomis (2001) did not report any TCM consumer surplus values for small game hunting or wildlife watching for Region 9. However, they did report the range of estimates throughout the nation for consumer surplus values of wildlife viewing to be \$2.36 – \$161.59. Assuming that one day of wildlife in our study was equivalent to one visitor day, our study's consumer surplus per visitor day is \$143.22/median value of 2 days per trip = \$71.63; or approximately the national median value for wildlife watching.

Some of the reported wildlife-watching activity may have involved preseason scouting of hunting sites. Such activity might be more appropriately classified as hunting activity, rather than nonconsumptive wildlife watching. However, respondents were not instructed on this distinction when reporting their activities.

Results of this research can help the Commonwealth's General Assembly and resource managers craft better policies and programs that relate to hunting and hunter household wildlife-watching activities. More specifically, research results can help link those activities to rural economic development strategies, including tourism, and help policy makers and resource managers make sure that the availability of wildlife resources and adjoining lands match the demand for those resources.

Study results are relevant to rural and natural environments throughout Pennsylvania, where resource managers are challenged continually with pressures from a wide range of different interest groups to allocate wildlife-related recreational opportunities for diverse and, at times, conflicting purposes.

Groups that will use the results of this research include government leaders, wildlife resource managers, industry, media, and others interested and active in wildlife resource management.

Economic data alone will never justify hunting or be the sole reason behind wildlife management issues and decisions (Westman 1985, Decker and Goff 1987). Instead, economic data generated by this research can be used with biological, public opinion, and cultural data to produce policy decisions that are sound and well informed.

Information from this research provides several basic benefits to the five types of information user groups described above. Study results help to provide insights on the importance of hunting and wildlife watching to the people who participate in these activities. This is fairly straightforward; hunters do not spend money on something they dislike and call it recreation (U.S. Department of Interior 1993). However, the results of the TCM and IMPLAN

models convey the value of the hunting resource and hunting's economic impacts for all members of society, not just those who hunt. Hunters' expenditures created many jobs and have financial impacts on the economy. More importantly, these impacts accrue not only to those in sporting goods stores but also to employees of the hotels and restaurants that cater to hunters, in the factories that produce the metals and plastics for hunters' equipment, and in the thousands of businesses that support these industries, including urban-based accounting and insurance firms, utilities, trucking, and so on (Maharaj and Carpenter 1996).

The study documents and helps to communicate the value of hunting resources and wildlife watching resources to those who normally are not concerned about those activities. Future decisions regarding hunting resources need to be made by people well informed about all of its aspects: biological, economic, social, and cultural. Economic information may be a key factor motivating their decisions. Not providing economic data to this type of person and everyone else involved in wildlife management may reduce the quality and support for hunting (Westman 1985).

Results provide natural resource management agencies with an understanding of the displacements that could be caused or benefits produced by changes in hunting seasons or related laws and regulations.

Survey information establishes an accurate database for wildlife management agencies to formulate strategic plans and programs that will result in optimum use and economic returns from the use of the natural resource involved.

However, the economic information about wildlife-associated recreation described in this study need to be viewed as only part of the total information package required in hunting and wildlife policy formulation and management (Decker and Goff 1987). Future research efforts need to examine how hunting's economic resource values and hunting's economic impacts can be integrated with estimates of the biological carrying capacity of wildlife habitats. The overriding factors in decisions aimed at long-term sustainable wildlife management are the limitations imposed by the ecosystem involved (Leopold 1933, Peck 1986, Russell 1987).

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About the Author

Dr. Elwood L. (Dick) Shafer is professor of tourism and environmental management, plus a Fulbright Scholar on the topic of environmental and economic analysis of the Caribbean hospitality industry. Dr. Shafer is the author of over 100 technical articles in referred journals and 35 articles in books on environmental management, landscape analysis, tourism planning and development, ecotourism, conservation, and research methods.

Mr. Youngsoo Choi is a Ph.D candidate of Hotel, Restaurant, and Institutional Management at Pennsylvania State University. Mr. Choi's research interests are focused on Nature-based tourism policy issues, Identification/estimation of economic models of global tourism demand and supply, Comparative analysis of tourism characteristics among heterogeneous international destinations, and Turnover/Exit Interview in hospitality industry. Mr. Choi is currently teaching Human Resource Management.

Arun Upneja is an Associate Professor of Hotel, Restaurant, and Recreation Management. He has a Ph.D in Business Administration specializing in Accounting, an MBA and BS in Hotel and Restaurant Management, all from University of Houston. He also has a BA in Economics from the University of Jammu (India). In addition, Dr. Upneja has passed all parts of the CPA exam. Dr. Upneja is also very active on non-profit boards, having served as the President of State College Suzuki Program and also currently serves as the treasurer of I-CHRIE, the association of hospitality educators worldwide.

An Analysis of Regional Disparity on Tourism Development in Guangdong

Zhang Zheng-sheng

College of Geography

Zhongshan University, China

Zhang Duan-yang

School of Humanities and law

Northeastern University, China

Abstract: Guangdong is one of the most developed tourism provinces in China. But the development level varies from city to city. In order to disclose the regional disparity, an index System was established, and the methods of principle component analysis, hierarchical cluster were also used. It revealed that the scale of development and ability of organizing were the major factors of tourism development in Guangdong. Based on regional disparities, 21 cities of Guangdong province were divided into four groups, which were matured, market-styled, destination-styled and undeveloped region. Some suggestions were put forward accordingly.

Keywords: Guangdong province; tourism; principle component analysis; hierarchical cluster; regional disparities.

Introduction

The tourism in Guangdong is not only the major industry of local economy; it also plays a very important role in the tourism economy of China. In 2001, all the index of annual tourist arrivals, domestic tourists, international tourism receipts and total tourism receipts took the first place in the whole country. Total tourism receipts amounted to 126,083 million yuan and international tourism receipts reached \$4,480 million, which weighed 25.2% of that of China^[1]. In order to meet the challenges of economic globalization and the entering of World Trade Organization of China, a target of national travel plan and great tourism province was put forward in Guangdong. It's important to disclose the regional disparities of tourism development and make development strategy to local conditions to promote regional coordinated development.

Overview of Tourism Research in Guangdong

Some researches on tourism of Guangdong have been carried out^[3,4,5]. But the research of regional disparities of tourism in Guangdong is seldom involved. In 1996, Professor Li Jiangfan compared tourism of Guangdong with that of some other provinces and countries, cities within the province were also included. He divided the province into three groups by considering the proportion of tourism increase in local GDP, regions of higher level, which are

mainly in the Pearl River Delta, medium level, which refers to North Guangdong, and lower level, both the west and east part of Guangdong are included [6]. Based on tourism statistics of Guangdong in 2001, using the methods of multiple statistic analysis, we tried to carry out a further study on the problem of regional disparities of tourism development in Guangdong province.

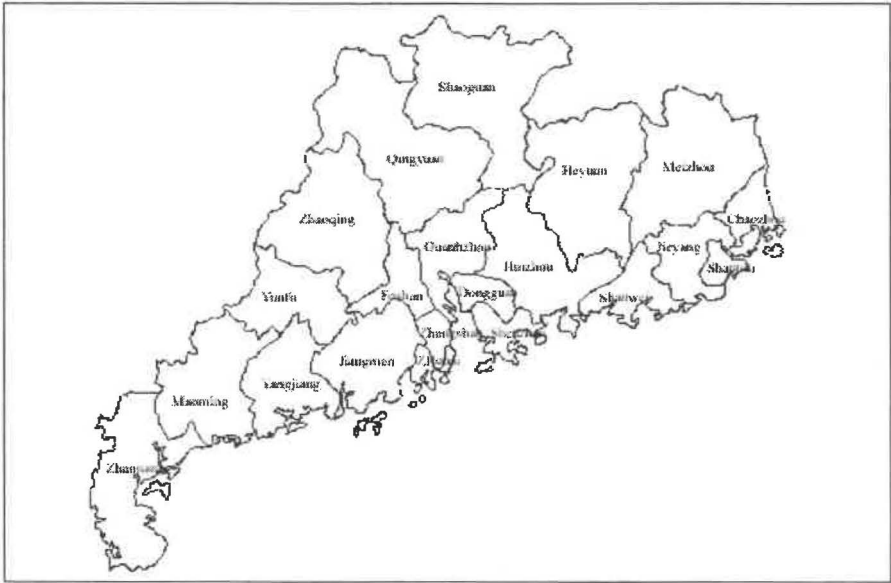


Fig. 1 Regions in Guangdong Province

Index System

As regional travel activity is synthetic, the index of regional tourism development should also be comprehensive enough to reflect the development status. Using Professor Michael E. Porter's four aspects of competitive advantage as a reference [8] and considering the statistics acquired, we chose 4 species, 15 indexes to build the index system, which include the scale of development, ability of traveling, organizing and receiving.

Methods of Analysis

Methods of Principle Component and Hierarchical Cluster were used to analysis the level of synthetic tourism development and regional disparities.

Synthetic Evaluation On Tourism Development

After standardize original data, we calculated with SPSS10.0, extracting components when cumulative sums of Squared Loadings excess 85%.

Tab.1 Index System of the Analysis of Tourism development

Index species	Indexes
Scale of Development	Domestic Tourism Receipts (10 million yuan) x_1
	Commodity Income (USD 10000) x_2
	Service Income (USD 10000) x_3
	Domestic Tourists (Person) x_4
	Compatriots from Hongkong, Macao and Taiwan (Person) x_5
	Foreigners (Person) x_6
Ability of Traveling	Tourists to the mainland (Person) x_7
	Tourists to Hongkong and Macao (Person) x_8
	Tourists to Abroad (Person) x_9
Ability of Organizing	Domestic Travel Agencies (Number) x_{10}
	International Travel Agencies (Number) x_{11}
	Employees of Travel Agencies (Person) x_{12}
Ability of Receiving	Star Class Hotels (Number) x_{13}
	Number of Room x_{14}
	Number of Bed x_{15}

We can see from Tab. 2 that component 1 explained 91.893% of total variance. It extracted most information of original data. The factor load of index x_1 , x_2 , x_4 , x_{12} and x_{10} were all over 0.98, which indicates that the scale of development and ability of organizing have greater influence on tourism development of

Tab.2 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	13.784	91.893	91.893	13.784	91.893	91.893
2	.658	4.389	96.283			
3	.224	1.492	97.774			

Tab.3 RGER Factor Score of Tourism Development

City	Score	Place	City	Score	Place
Guangzhou	3.63598	1	Shanwei	-0.48238	12
Shenzhen	2.05087	2	Heyuan	-0.52176	13
Foshan	0.18905	3	Yangjiang	-0.52192	14
Zhuhai	0.17741	4	Jieyang	-0.55334	15
Shantou	-0.06511	5	Shaoguan	-0.56344	16
Jiangmen	-0.1378	6	Yunfu	-0.58307	17
Dongguan	-0.14458	7	Meizhou	-0.60511	18
Zhongshan	-0.16056	8	Zhanjiang	-0.61911	19
Zhaoqing	-0.26268	9	Maoming	-0.62717	20
Huizhou	-0.29209	10	Qingyuan	-0.63407	21
Chaozhou	-0.37572	11			

Guangdong Province. Domestic tourism is the most important factor. We choose the method of varimax and regression to get factor score of component 1, and get synthetic score of tourism development in each cities.

Tab. 3 reveals that:

- Four cities have scores over 0, including Guangzhou, Shenzhen, Foshan and zhuhai. This indicates the tourisms of these cities are much developed than other cities in Guangdong province. They are all located in the Pearl River Delta.
- The scores of seventeen cities are less than 0, five from the Pearl River Delta, including Jiangmen, Dongguan, Zhongshan, huizhou and Zhaoqing. The tourisms of these cities are below average level of the province. The tourism development of Guangdong has a characteristic of uneven.
- If we calculate the average, the score of Pearl River Delta is 0.5617, East Guangdong -0.3590, North Guangdong -0.4426, West Guangdong -0.4688. The most developed part of Guangdong is the Pearl River Delta, East Guangdong next. The disparity of North Guangdong and West Guangdong is quite little, which are all undeveloped.

Regional Styles of Tourism Development in Guangdong

Then we chose Euclidean distance to standardize original data, and merged the samples by between-groups linkage. After some adjustment according to original data, we classified 21 cities of Guangdong province into 4 different groups as follow.

Matured Regions

Four cities of Guangzhou, Shenzhen, Zhuhai and Foshan are included. The tourism of these regions is comparatively developed. They not only can attract large numbers of tourists from both domestic and abroad, but also have a lot of tourism receipts and strong ability of traveling. In 2001, they received 57.6% of tourists staying overnight, and had 72.6% of tourism receipts and 66.3% of outbound tourists. The number of tourists staying overnight received in Guangzhou amounted to 25.12 million, which weighed 29.6%, and tourism receipts was 45,525 million yuan, weighed 36.0%. Tourists outgoing took 25.0% of local residence in Zhuhai, 19.4% in Guangzhou and 18.3% in Shenzhen. They have also abundant tourism infrastructure of high quality, many travel agencies and employees. From long term, they should present ingenious tourism products, improve service quality; develop international tourism market to realize sustainable development.

Market Styled Regions

These regions include Zhongshan, Jiangmen, Shantou and Dongguan. Their tourism development level is not as high as the matured regions. But as the economy of these regions is relatively developed and with a lot of affiliations overseas, the volume of tourism development and infrastructure attain a certain degree, and the ability of travel is especially strong. In 2001, they occupied 17.3% of total tourists staying overnight with 12.6% of tourism receipts and 22.7% of outbound tourists. The rate of outbound tourists was 17.8% in Zhongshan, higher than that of Foshan. Tourists staying overnight received in Jiangmen amounted to 5.45 million, only next to Guangzhou and Shenzhen. There are 6 5-star rated hotels in Dongguan, less than Shenzhen. In order to acquire reasonable development, the chief task is to develop enough tourism products to attract more tourists, making good use of advantages of economic environment and locations.

Destination Styled Regions

Five cities are included, which are Shaoguan, Zhaoqing, Huizhou, Yangjiang, and Zhanjiang. They are rich in tourism resources and famous good tourism products, and have a large amount of tourists. They paid much attention to the construction of tourism infrastructure, but have low ability of travel

outgoing owing to their backward economy. In 2001, they received 14.1% of tourists staying overnight, and had only 8.4% of tourism receipts and 5.4% of outbound tourists. Tourists staying overnight received in Zhaoqing amounted to 4.27 million, taking the sixth place in the whole province. It has 41 5-star rated hotels, coming the seventh. It's urgent to improve the tourism infrastructure, train tourism staff, increase tourism consume projects based on resources and develop tourism market to advance tourism receipts.

Undeveloped Regions

There are 8 cities in this group, Shanwei, Chaozhou, Heyuan, Meizhou, Maoming, Jieyang, Qingyuan and Yunfu. As a result of deficient use of tourism resources, Visitor arrivals were quite few, the ability of travel outgoing and organizing were not so strong. The volume and benefit of tourism await improvement. In 2001, they had 16.7% of total star class hotels, 16.1% of tourism employees, only 10.9% of visitor arrivals and 5.7% of tourists outgoing. Qingyuan(623 million yuan), Jieyang(642 million yuan), Maoming(780 million yuan), Heyang(940 million yuan), Meizhou (953 million yuan), took the last five places of tourism receipts. Qingyuan had the fewest visitor arrivals and Jieyang had the fewest star rated hotels. These regions have much potential in tourism development. The exploitation of tourism resources should be carried out, the investment of tourism infrastructure should also be strengthened to improve the environment and cultivate tourism market.

Conclusions

We tried to analysis regional disparity of tourism development of Guangdong, using the methods of principle component analysis and hierarchical cluster. The index system is quite comprehensive and the conclusions are objective. If we analysis the problem on sequential years of data, the result may be more accurate.

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About the Author

Zhang Zhengsheng is a lecture in the Department of Geography, South China Normal University. He is now a doctor candidate in the College of Geography /Institute of Environmental Geology & Geo-Resources, Zhongshan University. His research expertise includes regional geography, regional planning, and tourism planning.

Zhang Duanyang is a postgraduate in the School of Humanities and law, Northeastern University. His major interest is in public administration.

Rural Tourism and Territorial Development for Sustainable Development

The Example of Aubrac (in the South of the Massif Central, France)

Olivier Dehoorne

GEODE - University Antilles-Guyane
Faculte des Lettres et Sciences Humaines.
French, West Indies

Corina Criste & Alexandru Ilies

Dept. of Geography, Tourism and Territorial Planning
University of Oradea, Roumania

Abstract: From the example of Aubrac Mountain, we set a discussion paper about the conditions and the issues of tourism development in Europeans rural areas, and especially mid-mountains.

Aubrac Mountain has been the object of major studies since the 1960's. Marked by a long period of rural exodus, it has been a significant example of the rural crisis, which seemed to condemn more enclosed rural spaces. Three decades later, this region is making a comeback in the media. Yesterday's attitudes have been forgotten and the region's remarkable strengths are being widely praised, making it a model for other rural sectors in difficulty.

The reasons for the area's success stem from the combination of three elements: tourism, migration of French citizens (with a reversal of the flow) and local development. The current dynamism seems to be carried by tourism. Aubrac, with its countryside of broad summer pastures and its excellent environment is benefiting from the popularity of green tourism and the search for "authenticity" in rural areas with strong identities. Tourism development is accompanied by resurgence in locally made products, such as flatware and cheese. Gastronomy and the restaurant industry in general are solidifying the region's reputation. Beyond satisfying tourism consumption, production in these industries is intensifying in order to reach urban clientele as well.

The role of tourism seems therefore to be essential to the understanding of the renewal in Aubrac Mountain. It has paved the way for this new dynamic based on a close-knit and determined local society, supported by its emigrants living in the capital city throughout the 20th century.

The lessons from the Aubrac's case allow wondering about necessary conditions for sustainable development.

Keywords: Rural tourism, sustainable development, Aubrac mountain, local development.

Introduction

The subject of this treatise is tourism and its insertion into rural spaces in developed countries. Today, rural tourism, or green tourism, is receiving much more attention. In addition to the increasing number of tourist activities, the countryside offers specific advantages sought after by urban clienteles. While unable to compete with major vacation destinations, the countryside is

increasingly acting as a complement to such places, particularly with an increase in brief trips.

Of course, all parts of the countryside do not share the same assets. We must distinguish between three different categories of rural spaces. Firstly, intensive agricultural regions (with mono-cultural landscape of agribusiness), which are not affected by the renewed interest in, green tourism. Secondly, "rural-urban fringe" where urban settlement and agricultural products are getting muddled up in the landscapes. And thirdly peripheral region characterized by enclosing situation (of course relative inclosing with regard to the past time). Here no advantage of the proximity effect and agricultural incomes stay modest in this kind of rural areas often symbolic of the "rural crisis" (Beteille 1996). Our present interest concerns peripheral rural areas, more poor, often forgotten by agro-business issues because of their numerous handicaps (far from urban centers, major trunk roads, with mountainous obstacles) like the case of the French mountain of Aubrac. The difficulties currently being encountered in the development and remuneration of agriculture mean that close attention is being paid to tourism, but the deterioration of natural resources and the environment is a serious handicap. This situation can be offset by a good amount of sunshine in southern regions; however, in general, it creates problems, which will considerably slow the progress of tourism in these sectors.

Conversely, areas of the countryside marginalized by the modernization of agriculture and the rush towards productivism now have the chance to become interesting sites for the development of recreation in the country. The quality of the scenery and the environment will also constitute new assets.

In this context, a tourism sector that is closer to nature and to local communities is being progressively implemented, creating the potential for sustainable development.

I. A New Context for Rural Tourism

A. Challenges

Tourism is a vital activity in France. The nation occupies a privileged position with more than 70 million foreign tourists - that is equal to 10.5% of worldwide tourist arrivals. And the current economic situation is favorable for tourism. And during the international instabilities, old European destinations, like France, with more safety, are at an advantage compared with new destinations more unstable -for example in the context of international war, the German tourists choose more easily the French country, less reputable, rather than Turkish stations.

Even if influx of tourists is important in France, the distribution of the tourists is very unequal. Globally, the countryside is not a destination chosen by many tourists. Far from Paris, Mediterranean coast, receives only 28% of overnight stays (i.e., a total of almost 400 million overnight stays out of 1 450 billion) and 22% of spending (for total sales of 320 billion), in a space that occupies 80% of the national territory. But new opportunities are very essential for the countryside. Tourism is a vital activity in France. The country occupies a privileged position with more

The countryside presents a variety of situation. The rural areas are far from being homogenous. Several criteria must be taken into account like uneven distribution of natural, cultural and heritage assets, various degrees of intensity in agriculture and the resulting impact on the environment, location in relation to issuing centers, quality of service roads. Without forget the specific policies in the various communities (regions, departments, other groups on a local level) and the quality and originality of local initiatives. All rural spaces are in direct competition; their main common interest is the attention being brought to tourism today. Faced with agricultural and demographic crises, rural areas are searching for new activities. Everyone believes that tourism will be the easy solution.

B. The Young History of Rural Tourism in France

The chaotic evolution of rural tourism can be divided into four successive stages (Dehoorne 1998). Prior to 1960, rural tourism was spontaneous and disorganized. Recreation and tourism mostly consisted of returning former residents and their children. They would spend their summer vacations in the areas where they grew up. Visits were therefore very widely scattered. Some larger tourist flows occurred at the most well-known sites, such as Conques, the Gorges du Tarn and the Roquefort cellars. At the time, tourism was an *informal activity*, characterized by gathering.

As of the 1960s, the first investments began in green tourism. Local initiatives led to interesting innovations, such as "*unusual vacations*," during which vacationers stayed in the country while learning a manual activity. A young man from Aveyron with a passion for sculpting has been credited with this initiative; he received his first vacationer-apprentices in his village of Peyrusse-le-Roc in the summer of 1965. In 1968, people began to go "*camping on the farm*," where a farmer would provide visitors with some fairly rudimentary facilities. These were also the first networks of bed-and-breakfasts, with varying terms according to the regions. During this period, the main goals were to *restore rural heritage*, which was being abandoned (due to a particularly large rural exodus), and the desire to *create summer activities*.

Receiving vacationers filled a need for contact and exchanges. Families and visitors became friends and guests. Tourism therefore met a *humanist and social need*; this activity was almost never perceived from an economic point of view.

Rural tourism was declining from 1970 to the end of the 1980s. Various experiences began to move forward. *The new priorities were exclusively related to agriculture*. Agriculture was intensifying and productivism took precedence over everything else. Farmers experienced a sharp increase in their standard of living and they had heavy loans to pay back. Therefore, in these economic conditions, the necessary investments for the development of tourism as a new economic activity were never made. Tourism was not a priority; it was not even considered to be useful: one could live without it.

The rural economy was limited to agricultural production and the revenue generated by agriculture. Investing in tourism and vacations was badly viewed. At times, cohabitation between agriculture and tourism, country residents and vacationers was not possible or even desirable. Also, during this period, city dwellers experiencing a substantial increase in their standard of living had a *tendency to denigrate the countryside* as a destination “chosen” by default, due to a lack of money. From then on, vacationers’ interest was centered on coastal areas. However, some rural areas were exceptions. The best example was the Tyrol region; in French territory certain mid-mountains areas like in the south of the French Alps, few Pyrenees parts. Based on the quality of their heritage, the high amount of sunshine they receive and the development of their aquatic resources for recreational activities, they began to seriously invest in tourism and, as a result, to get a head start on the green tourism market throughout the 1980s.

Since the beginning of the 1990s, rural tourism knows a new momentum. After having experienced a certain plateau in the number of visits until the middle of the 1980s, the tourism sector began to take on *a new dimension*. Rural tourism became organized, new clienteles began to arrive and certain areas of the countryside became tourist destinations in their own right. *The year 1991* announced the revival of green tourism, even though, taken as a whole, progress in the number of visits remained moderate in the countryside, with 721 million overnight stays or 27.4% overall. The new situation corresponds to the analysis of William and Montanari about modifications of the regional distribution of tourism frequentation “in consequence of the shift from mass tourism to post-modernist tourism” (William & Montanari 1996, p.5). “Post-modernist tourist is much more evenly spread spatially, and touches almost all urban and rural areas.” With less geographic polarization, with specialized holidays or “very nature-emphasizing individualistic”. Some rural areas –with “traditional”

landscapes like in hedged farmland- take advantage of this new *nouvelle deal*: new opportunities appear on the horizon with alternative conceptions of tourism far from the classic dominant mode of production: mass tourism which represented a form of mass consumption.

C. Favorable Economic Conditions

Rural space has become desirable to well-informed, discriminating tourists, and has been credited with good values. It is now a choice vacation destination for new creditworthy clientele, no longer a vacation site for people with less disposable income. However, for these new clients, the countryside remains a destination that is secondary, or rather complementary to other main destinations, particularly for short stays.

These tourists are looking for:

- *Large spaces, greenery;*
- *Quality:* quality of the air, the environment, nature, but also food quality, with products from local farmers and, of course, an increasing demand for organic food.
- *"Authenticity" and friendliness.* The importance of human relationships, encounters, and the sharing of culture and know-how are increasingly critical aspects. This forms what are now being called "high touch" products. The concepts of food production don't dominate the present rurality representation in the industrialised countries.

In the same time, rural populations are showing a real interest in tourism. And this time, their expectations are clearer. More is being asked of this activity, which must become truly marketable. There are a wide variety of expectations:

1. First of all, tourism should be capable of *generating economic benefits*, both direct and indirect, fostering *job creation* and *maintaining* local trade for rural communities in difficulty.
2. Next, tourism should also become *a tool for planning land use* and *managing rural spaces*. Tourism is an activity that should participate in the revitalization and diversification of rural spaces.
3. On a local level, *the concerted effort of residents on these projects* could give rise to new dynamics. Tourism can become a *catalyst* likely to stimulate the creation of policies for local development based on territorial realities.
4. Tourism can also contribute to *improving the living environment*. For example, it allows for wider circulation of *cultural, artistic, sports-related and recreational*

practices by encouraging the undertaking of events and the setting up of facilities aimed equally at vacationers and residents.

5. Tourism is a way to contribute to better information on natural and developed heritage and better *awareness of this heritage on the part of vacationers and the local population.*
6. Finally, it is important to remember that tourism allows the *promotion and growth of the image and public awareness of an entire region.*

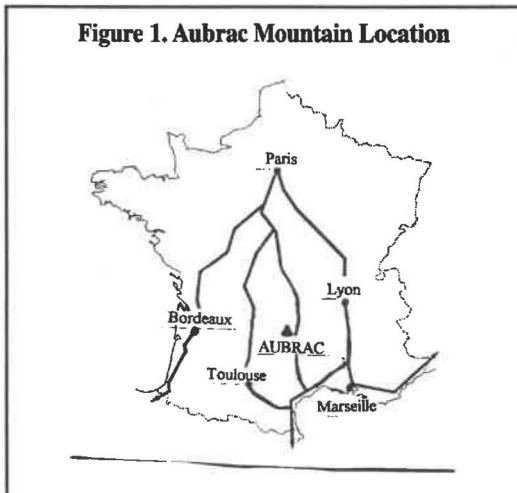
Therefore, the *economic situation* for rural tourism is *extremely positive*, with the existence of potential clientele (demand, consumer in holidays) (“positive public opinion in favor of the countryside”) and, locally, populations with expectations. So, in theory, the economic situation is favorable and all the elements are in place for the launching of a veritable tourism sector in the countryside.

II. The Example of the Aubrac Mountain

Aubrac is a symbolic region: in the 1960s, everyone predicted the worst and today its initiatives are a source of inspiration, with the region considered to be a development model.

Located in the southern part of the Massif Central, Aubrac is a volcanic highland, covering a distance of forty kilometers. This high plateau built on volcanic flow is situated between 1 000 meters and 1 400 meters at its highest points.

It is bordered by the Margeride to the east, the Truyère valley to the north and the west, and the Lot valley and the Olt region to the south.



A. Aubrac Yesterday

Our societies' perspectives on territory's potential have continued to change and evolve over time. This highland mountain is marked by poverty and a harsh climate. Up to end of the 19th century, people lost on the mountain would die from the cold. Living conditions are particularly difficult. Since between 1830 and 1850, the region has been experiencing large migrations to the capital city of Paris. These migrations are still continuing today (Beteille 1974).

However, these emigrants have always maintained ties with their home regions through associations and community networks. They worked delivering coal; they specialized in running drinking establishments, and then managed cafes and invested in the hotel industry. These hard workers have a reputation for spending nothing to invest everything. Children born in Paris would grow up on the Aubrac Mountain and at around the age of 20, they would leave to work in the capital. When they retired, they would usually divide their time between Aubrac and Paris. This region therefore experienced large population losses, between the combined effects of the rural exodus and World War I (1914-1918). The remaining populations are aging and the percentage of unmarried residents is high.

Faced with the difficult modernization of activities and growing productivism, the rural and agricultural economy had weakened (Durand 1946). In a context of intensification and the rush for production, an isolated highland region like Aubrac could not stay competitive. The local stock of Aubrac cattle was being progressively abandoned. It produced both meat and milk and its work strength was invaluable. This rustic race seemed not to have adapted to the new context. It was the basis of this economy (Marre 1904). Cheese production, which takes place in burons (small temporary houses in mountain pastures), was dropping off quickly; there were no more than 3 burons in use compared to 300 at the beginning of the century (for a total of 1200 active burons). Finally, the small handicraft cutlery business that used cattle horns had almost completely disappeared, due to a lack of modernization.

It was in this context that, in 1963, the C.N.R.S. (National Scientific Research Centre) began an in-depth study on Aubrac, the set for a "crumbling society". While "the forms of social organization [were regressing] and the entire community was threatened with death, which enabled us to foresee the dramatic demographic loss, the aging of the population, the increasing number of isolated people," Michel Roux was pondering the "chances of the success of individual initiatives within the framework of a society which is crumbling amid general resignation" (C.N.R.S. 1970).

These external perspectives brought to study the native populations with archaic methods on the way to disappearing are still in the memories of many residents who fought to prove them wrong.

B. *Aubrac's Current Revival*

Today's perspective on these spaces is no longer the same. Travel is easier; the perception of enclosed spaces is relative. Cold and snow, perceived yesterday as harsh and paralyzing to local activities, are today assets for developing a winter tourist season. But now, the complaint is a lack of snow; the amount of snow is insufficient to allow the operation of recreational facilities. Small family businesses on the highland mountain need to use artificial snow. This environment, rugged and restricting in the past, is becoming attractive for populations coming from very urbanized spaces. City dwellers look for these spaces and they are going in greater numbers, even if their presence there is limited to short stays.

Visiting city dwellers appreciate the countryside, the quality of the environment and the particular characteristics of the country.

Despite the zone's continuous depopulation, the Aubrac region has a close-knit, organized and determined community. And let's not forget the close ties with emigrants living in Paris who continue to participate in local decisions and act as links with political powers.

- *The return of the cutlery business.* Local cutlery experienced a boom between 1880 and 1930, while nonetheless remaining at the handicraft stage. It disappeared altogether in 1930. Laguiole knives were then made in the rival town of Thiers, which had semi-industrialized production. In 1981, a group of people with a passionate interest in local cutlery created an association. At that time, only one family continued to make knives in Laguiole. In 1985, a business was created with the support of the Aveyron Department and capital from former Aveyron residents (Crozes 1990, Laurens 1999). As of 1990, seventy people were working in cutlery in the borough of Laguiole; today there are approximately 150 people, with more than 20 sales points in Laguiole.
- *Within the new dynamic, the birth of a tourism sector.* Since 1985, tourist activities have been taking shape around large spaces, scenery and the quality of nature in the area (Dehoorne 1998). Aubrac is also experiencing rural tourism, based on the vernacular riches maintained by local culture. The summer pasture scenery with the herds of Aubrac cattle (Bordessoule 1994), gastronomy and Laguiole knives are all elements that make up Aubrac's tourist image. The tourism sector is supported by local people carrying out

interesting initiatives that highlight local potential and widen the range of available points of interest. In particular, they are projects developed by farmers who are increasing their exploitation, contributing to a better understanding of the agricultural world in general and in Aubrac in particular.

So, in the space of twenty years, one farmer transformed his land into a tourist destination in the country, with a hotel and restaurant, a pool, tennis courts and a golf course. A neighbour transformed part of his farm into a veritable living museum, inviting tourists to come work with him. All these people benefit directly from tourism and contribute to enriching the activity.

- *Transhumance, a media event.* Transhumance, which draws more than 30 000 visitors per day, is the culmination of the Aubrac promotion strategy. This event attracts the interest of the media, which transmit images on all the major national television stations. Local participants carry out the organization and animation. Transhumance had disappeared; herds were transported to the summer pastures in trucks, to make the process easier. The communities, concerned with maintaining their traditions and culture, revived this event without ever considering it as a tourist attraction. Very quickly, however, their celebration attracted the media and a crowd of visitors. No tourism product has been organized around this event. Visitors do not hesitate to contact the organizers so that they can accompany the farmers when the herds are brought up to the summer pastures; they leave at dawn and can easily cover 10 kilometres in a day. Knowing that they are getting closer to the pastures, the animals speed up, while the people with them are getting out of breath. These day-tripping visitors come from Bordeaux, Toulouse and sometimes Marseille. Motor homes gather around the clearings; as they go by, the cattle, decorated with flags and cowbells, are in such a hurry that they brush against the vehicles parked among the amazed visitors.

Work that was restricting and disheartening in the past has become a cultural and tourist event, which acts as a draw to bring visitors to Aubrac.

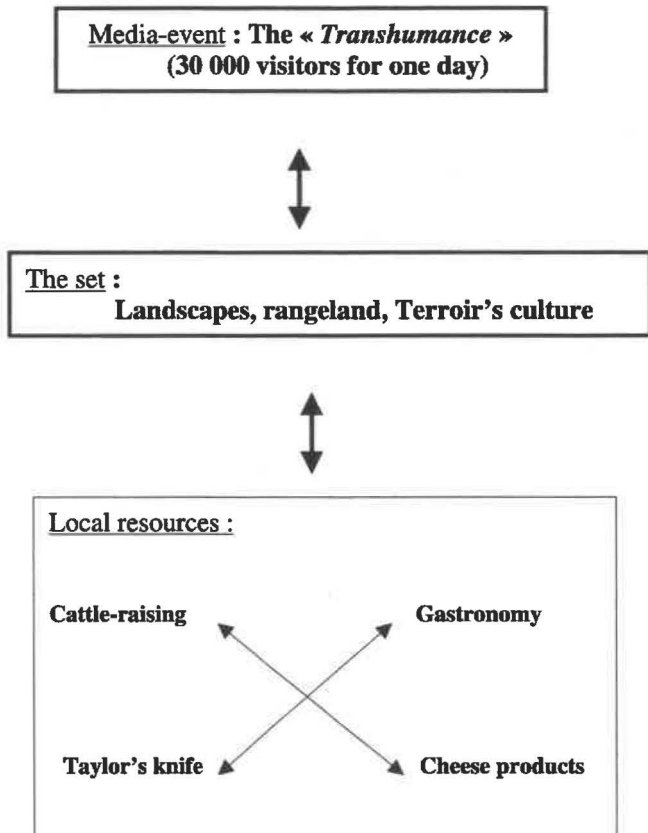
C. The Foundations of The Renewal

Tourism and recreation are new challenge for Aubrac Mountain and most of rural areas. Tourism development hinges on the valorization of environmental resources and vernacular riches. It is no doubt benefiting from the current trend involving the search for authenticity and roots (fig.2). Tourism is the region's trademark. This valuable image acts as a driving force for the rest of the local economy: cutlery, gastronomy and agriculture.

In a general sense, tourism development' strategy is based on an environmental market. The wide, open spaces and the beautiful scenery are innately linked to the Aubrac culture. This culture stems from its history, but the aspects emphasized by tourism are not based on static folklore. Tourists discover living culture through updated local know-how.

Tourism is therefore the opportunity for discovery, for awareness of the environment. It facilitates understanding of places visited, the countryside, flora and fauna, but also the pastoral aspect of Aubrac's summer pastures, the country's skills and knowledge. From a tourism-based point of view, an environmental market definitely exists, including demand related to the environment, the understanding of societies and contact with people. This kind of tourism allows us to contemplate visits in harmony with natural and human environments.

Figure 2: the Tourism Strategies of Aubrac mountains



Aubrac Mountain is an example of open and global territorial development. It is based on:

- A specific territory: a highland mountain
- Human resource: a community with a small population, but close-knit and determined, and, most importantly, with strong ties with its emigrants living in the capital city. They promote exchanges with Paris and support local action, both political and financial.
- Original activities, related to the territory and the local culture.

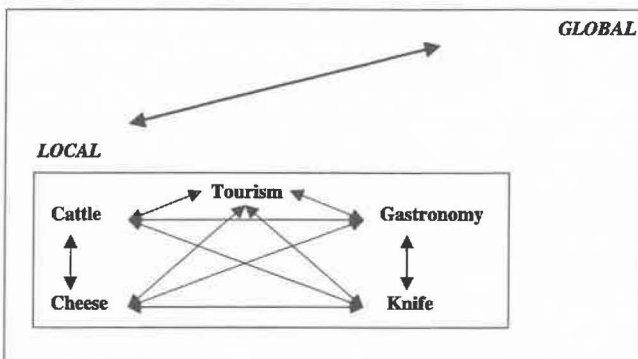
Therefore, there is a consistent local system where the various activities support and stimulate each other. Tourism, which has become an economic sector in its own right, is at the heart of this dynamic. It has a notable status-enhancing effect, as much for the local society as for external perspectives.

At the same time, the local system is open to the outside world. Each of these activities is in direct competition with identical productions from other regions. However, the complementary nature of activities within the local system is helpful to them. There is no dependence on one single activity. They can therefore take a step back in relation to market requirements, which enables communities to maintain local control and consider original ideas.

III. Aubrac's Experience: Teachings For Sustainable Tourism

From economic stagnation, according to dominant economic and cultural models of the sixties and eighties, the Mountain lives again nowadays. Thanks to will of the local community, his attachment to values, local resources, quality of life. Even if at this time local actors plan future with equanimity, they know that conjuncture will not be always favourable. They must know find new adaptations with reasonable choice of development.

Figure 3. Aubrac mountain : Global and Open Interscalar Development



Often, too easily, public institutions en private actors consider tourism the key: “an easy path to economic development and restructuring». Like consider Hall and Jenkins “it is not easy to plan high quality and sustainable tourist development that balance the economic and social needs of local residents with tourist’s needs and expectations, and tourism with environmental (namely, conservation and preservation) concerns” (p.38). Of course “sustainable tourism is not an easily achieved goal”, the planning board stays often “ a wishful thinking”. Solution is not unique, way of development for rural areas are multiple like illustrate the older example of the Tyrol Mountain, the Spanish Montaña palentina (Gil de Arriba 1998) or the other Spanish case of Taramundi (province of Asturias, WTO 1997). Considering Aubrac case and some other European examples, five general lessons can be emphasized:

1. Tourism within a territorialized development system. Sustainable tourism is adapted to a local context, the area’s resources and rural potential. It is integrated into a territorial strategy, consistent with other activities (fig.3).
2. {At the community scale, sustainable tourism requires local control of resources} (Hall & Lew 1998). The local community largely supports sustainable, well-thought-out, planned tourism. The involvement of local participants is essential, so that they can benefit financially from tourism, but, at the same time, control its development. Too often, territories that receive tourist infrastructures are perceived simply as available support, waiting for any kind of recreational development. Neither is the idea to privatize a space by separating it from the local environment, forbidding the native people access. Local participants must therefore control these developments and have the means to control the direction of tourism in their area. Choices of development need to be in harmony with the rural communities needs, demands and use of the lands.
3. A development strategy in line with the times. The results of this kind of tourism are more progressive. It does not have the economic impact generated by mass tourism. However, all proportions, any financial consequences that directly benefit the local fabric are larger.
4. Developing complementary activities, compatible with tourism, in order to avoid dependence on a single activity In order that local communities do not depend solely on tourism revenues, the emergence of new activities must be encouraged, in conjunction with tourism. The tourism sector must be integrated into the pattern of complete local activities. Don’t treat tourism industry “in isolation from the other factors, which constitute the social, environmental, and economic fabric of the region,” (Butler & Hall 1997, p. 254)

5. Local development, open on the world, within a global context. This tourism cannot only be conceived within a narrow, local context. It must be in line with a global system, be open to external expectations, give elements of response and promote exchanges.

Conclusion

Sustainable tourism aims to maintain the integrity of the host territory's ecological, cultural and social resources. All economic activities must be taken into account. They can enrich tourist attractions (such as in the example of Aubrac) or sometimes harm tourism initiatives.

Tourism "needs to be appropriately embedded within the particular set of linkages and relationships which comprise the essence of rurality". The development of sustainable tourism requires three aspects to be taken into consideration:

- The environment (natural and human);
- The expectations of the native population and their participation; and
- The expectations of potential clientele.

Too often, it has only been the markets, more or less close to imprecise and changing consumer demands, which have prevailed. Tourism must now better consider the interests of local populations, encourage exchanges and encounters, without forgetting to take into account how much the natural environment can handle. Tourism today is consumption, while enjoying oneself and respecting others, without forgetting to plan for tomorrow.

But beyond the lessons of the Aubrac' case, and the other western European models which can be observed, we have doubts about the application of these conditions outside this regional area. The way is radically different in less developed countries. Rural and mountain areas of Western Europe use subventions of Brussels and respective national economies. Without forgetting urban consumers vigilant about countryside preservation.

Further to East, new mountain regions, like the Carpathians (in Poland, Slovakia, Romania) also receive financial supports from European Union. Local communities miss money to achieve their projects. Even with benevolence, attribution of Brussels subventions is specified according to external criterion. Local project must be adapted. Opening-up means progressive loss of the best resource in favour of private and/or foreign actors who invest their capital. Local communities are dispossessed gradually to the benefit of foreigners – from exterior urban centres or non-national people. They lost control of their

territory, their fragile cohesion split in front of the individual interests. Economic advantages first. The different conceptions of sustainable development are in conflict between temporary residents (from western states) who own second home (like in Carpathians) and local actors who want to develop tourist resorts. Also protected areas, according sustainable programs, sometimes with ecotourism programs, rule out local communities.

One of the main keys stays the economic inequalities between way of life of tourist and local's communities. Specific power relationships become established to the benefits of the more privileged. But the own views of the world are variable like their own comprehension of the local interests. Splitting up of the territories –with appropriation process in relation of external actors, closure of more interested places-, break-up locales societies less disadvantaged in front of financial issue, and complex relationship of power between public and/or private actors, individual and/or collective, constitute the fundamental elements for analyze that we call “governance” of this territories – easily qualified good or poor, forgetting a large part of person involved and responsible- and perspectives of sustainable developments for our territories.

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About The Author

Olivier Dehoorne is Assistant Professor at the University of Antilles and Guyana (French West Indies) and Associate Professor at the University of Oradea. His main field of study is tourism and its political implications with comparative approaches in the field between developed countries and less developed countries.

Corina Criste is an Assistant within the Department of Geography, Tourism and Territorial Planning of the University of Oradea. Her present research work approaches the territorial planning and tourism strategies in the hydrographic basin of Crisul Repede (Romania) and tourism on a general basis. Her work involves the development of tourist strategies for the mountainous area according to successful international and European sustainable strategies model.

Alexandru Ilies is a Ph.D Assistant Professor at the University of Oradea, Department of Geography, Tourism and Territorial Planning. His research work is oriented toward political geography, particularly cross-border issues and tourism. As far as the latter is concerned he is preoccupied with tourist panning in the European mountainous regions.

Economic Impact of Casino Gaming Development: Assessing the Economic Benefits of Detroit's Casinos, Michigan

Omar Moufakkir

Tourism Management Department
CHN, University of Professional Education
The Netherlands

Afke Moufakkir van der Woud

Management Department
CHN, University of Professional Education
The Netherlands

Abstract: In 1996, the passage of Proposal E allowed the City of Detroit to develop up to three land-based casinos. The first casinos, MGM Grand and Motor City Casino opened in 1999. The purpose of this paper was (1) to assess the economic impact of these two casinos on the local economy, and (2) to detail how these benefits were being calculated. Casino visitors were randomly intercepted in the non-gaming areas of the casino facilities and were asked about their trip characteristics including trip expenditures and spending on gambling. Conservative and comprehensive economic impact estimates were calculated. Conservative estimates include only non-local casino visitors whose primary trip purpose was to visit a casino. Comprehensive estimates include all non-local casino visitors. Two methods were undertaken to estimate the economic impact. The first involved step-by-step calculations. It offers the economic impact generated by spending inside the casino and spending outside the casino. The second employed the National Park Service's (NPS) Money Generation Model 2 (MGM2). This method offers a more comprehensive set of economic impact estimates related to outputs including sales, jobs, income, and value added effects. Results of the NPS MGM2 indicate that, conservatively, the two casinos generated \$167 million in output/sales, about \$61 million in personal income, \$98 million in value added and 4000 jobs, annually. It is generally recognized that economic impact analysis is not an exact process. However, a transparent approach such as the one used in this study can permit other analysts to substitute their own assumptions to refine our estimates. In addition, the criteria — *relevance, coverage, efficiency, accuracy, and transferability*— proposed by Frechtling (1994) to judge methods of estimating travel's economic impact that permit the objective evaluation of the quality of a model have been used as guidelines by this study.

Keywords: Tourism, economic impact, casino gaming, economic benefits, Detroit.

Introduction

Tourists spent an estimated \$10 billion in Michigan in 1998. Michigan attracts a number of important market segments including general vacation travelers, outdoor recreation market segments (downhill skiers, snowmobilers, campers, anglers, hunters, cultural tourists (Stynes, 1999) and more recently casino gamers (Moufakkir, Holecek, van der Woud and Nikoloff, 2000). Casino gamers

ECONOMIC IMPACT OF CASINO GAMING DEVELOPMENT

are an important and growing segment of the travel market (Travel Industry of America, 2001).

The number of casinos in the United States has considerably increased and so has the number of gamers. According to the American Gaming Association (AGA) some form of casino gaming exists or has been approved to operate in 31 states. There are more than 470 commercial casinos operating in 11 states and more than 160 Native American casinos operating in 28 states (AGA, 2001). The percentage of American adults who visited a casino grew from 10% in 1975 to 27% in 1998 (National Gambling Impact Study Commission, 1999). In 1999, commercial casinos employed more than 365,000 persons, and Native American casinos employed about 152,000 persons (AGA, 2001). According to the Travel Industry Association of America's Economic Review of Travel in America, revenues of the four major gaming industry segments (Nevada, Atlantic City, Riverboats and Native American gaming) equaled \$29.8 billion. Gaming revenue increased by 80% between 1992 and 1999 and Casino gaming companies remitted an estimated \$3 billion in total tax revenues in 1999.

Various levels of governments have developed casinos and others are considering this type of economic development as a strategy to collect tax revenues, generate employment, enhance the tourism activity and keep the local gaming dollars inside the community (Gazel, 1998). Since casino gaming was legally introduced on Indian reservations, on riverboats, and historic rural towns, interest in gaming as a tourism attraction and economic development strategy has increased (Chadbourne, Walker and Wolfe, 1997). Tourism authorities have identified gaming as a major force in the tourism industry (Boger, 1994) and gaming-related tourism has grown in popularity over the last several years (Borden, Fletcher and Harris, 1996). But, how does gaming tourism impact an area? This question and many more are currently being asked by policymakers and planners across the United States in both established and potential new gaming markets (Borden et al., 1996). While several studies have been conducted to measure the economic impact that visitors have on an area, very little work has been published investigating the specific impacts of casino visitors (Borden et al., 1996). Studies (e.g., Anders, 1994) commonly use secondary economic models developed at the national level. Their primary focus has been on total casino revenue generated by all visitors (residents and nonresidents) with very little attention given to visitor expenditure patterns (e.g., visitor purchases in the casino versus visitor purchases outside the casino from other economic sectors) (Borden et al., 1996). Aggregate data may not provide an accurate impact measurement. This limitation can be corrected through primary data collection (Borden et al., 1996).

As part of a casino visitor study, Detroit Convention and Visitors Bureau was seeking estimates of spending and economic impacts of gaming-related travel in the region. On November 18, 1996, the passage of Proposal E 1996, allowed the city of Detroit, Michigan, the initiation of up to three land-based casinos (Trebilcock and Foster, 1999). The MGM Grand casino opened on July 1999 and the Motor City Casino opened on December 1999 (Greektown Casino is not included in the analysis because it did not exist when the casino visitor study was launched). The objective of this paper was to estimate the economic impact of Detroit's casinos on the Tri-county area based on visitor spending. The Tri-county area includes Macomb, Wayne, and Oakland counties. Findings may offer states and local leaders scientific information that can help them make informed policy decisions when evaluating gaming initiatives. This study also provided strategies for conducting gaming economic impact studies.

Literature Review

Tourism economic impact studies are an important consideration in state, regional and community planning and economic development because they can be used as tools to support tourism decisions (Stynes 2004). An economic impact analysis traces the flows of spending associated with tourism activity in a region to identify changes in sales, tax revenues, income, and jobs due to tourism activity. The principal methods to conduct economic impact studies are visitor spending surveys, analysis of secondary data from government economic statistics, economic base models, input-output models and multipliers (Frechtling 1994). There are several types of economic impact analysis. Stynes (2004, p. 2) provides an explanation of the different types of economic impact analysis: (a) *Fiscal impact analysis* – Will government revenues from tourism activity from taxes, direct fees, and other sources cover the added costs for infrastructure and government services? (b) *Financial analysis* – Can we make a profit from this activity? (c) *Demand analysis* – How will the number or types of tourists to the area change due to changes in prices, promotion, competition, quality and quantity of facilities, or other demand shifters? (d) *Benefit Cost analysis (B/C)* – Which alternative policy will generate the highest net benefit to society over time? (e) *Feasibility study* – Can/should this project or policy be undertaken? (f) *Environmental Impact assessment*, and (g) *Economic impact analysis* — What is the contribution of tourism activity to the economy of the region?

Several models for estimating economic impacts of tourism have been developed. The most widely used are: The RIMS II user handbook developed by the Bureau of Economic Analysis's (BEA), The TEIM or Travel Economic Impact Model developed by the U.S. Travel Data Center (USTDC 1997) and The MI-REC/IMPLAN developed by Michigan State University professors,

D. Stynes and D. Propst. Studies of economic impacts vary extensively in quality and accuracy (Crompton, 1999), depending on factors such as the quality of the data, the methodology used, time, and cost (Stynes 2004). According to Frechtling (1994, p. 362) it is important to judge methods of estimating travel's economic impact "by some formal criteria that permit the objective evaluation of the quality of a model". The criteria proposed by Frechtling are: *relevance*, *coverage*, *efficiency*, *accuracy*, and *transferability*. These criteria were used to assess the quality of the economic impact analysis undertaken by this study. They are explained by Frechtling (1994, p. 362) as follows:

Relevance: the approach should measure tourism's economic impact and not that of some other activity. Three aspects of the approach should be of particular interest in term of relevance: Does it relate to travel alone? Does it fairly represent the area under study and only that area? And does it cover the time period under study?

Coverage: the approach should also cover all travel away from home and related activities.

Efficiency: primary-data collection is costly and should be avoided whenever possible in favor of relevant, comprehensive, and accurate secondary data.

Accuracy: the approach should also be judged on the basis of its accuracy: Are the input data accurate measures of travel activity? Does the approach accurately reflect real relationships? Are the results reasonable? This involves investigating the techniques used to generate primary data.

Transferability: the main objective here is an approach that is feasible in different areas for different time periods and that produces consistent results in varying contexts.

These criteria have been the guidelines for this study.

Method

Economic impact concepts: Economic impact studies in travel and tourism are undertaken to determine "specific activity's effects on income, wealth, and employment of the residents of a given geographic area". Economic impacts of visitors may be positive or negative. On the benefit side, this normally means the study provides estimates of travel spending and the impact of this spending on the region. On the cost side, this means estimating the costs, sometimes nonmonetary, to government and residents of travel activity in the area (Frechtling 1995, p. 359).

In concept, deriving the economic impact of the two casinos is relatively simple and involves multiplying the number of visitors over a given time period (a year in this case) by mean per person expenditures and then expanding this product by a multiplier that captures the secondary impact of direct visitor expenditures as they course through and eventually leak out of the economy. This process is summarized in the following mathematical formula:

Economic Impact = (Number of visitors * Average spending per visitor) * Multiplier (Stynes 1999).

In practice, however, deriving valid estimates of economic impact is often more complex than this simple formula would suggest. The following set of issues must be resolved:

1. The geographical boundaries of the economy must be precisely defined.
2. Mean expenditure estimates must be developed from an unbiased sample of the “appropriate” visitors.
3. The “appropriate” visitors must somehow be counted over the relevant time frame.
4. And, accurate multipliers must be obtained and correctly applied to direct expenditures to capture the full impact on the targeted economy.

How each of these issues was addressed in this paper is outlined below.

Defining the region: The economy in this case was defined as the three county Detroit Metro area including Wayne, Oakland and Macomb counties. Only expenditures of residents from outside the region were included in the analysis. Therefore, the economic stimulus of new dollars brought into the Detroit area were measured.

Estimating visitor expenditures: In conducting an economic impact analysis or reviewing an economic impact study, it is important to keep in mind that two impact models may produce different estimates of tourism impact for a given area simply because of the way they generate visitor spending. That is one model may generate visitor spending based on expenditures of all visitors to the area while another model may include expenditures of specific types of visitors (Frechtling 1994; Crompton 1999).

The objectives of this study required that mean expenditures by casino visitors from outside the Detroit area be measured. An attempt was made to group visitors intercepted at the casinos into locals and non-residents; only the latter were subsequently interviewed by telephone. All locals who were inadvertently

interviewed were eliminated from the data set analyzed. Those interviewed were asked whether or not their primary trip purpose was to visit a Detroit casino. The all visitor estimate will be subsequently referred to as the comprehensive economic impact estimate, and the estimate for those whose primary purpose for the trip was to visit a casino will be referred to as the conservative economic impact estimate. The comprehensive estimate overstates the economic impact of the casinos because it includes individuals who would have visited Detroit even if casino entertainment was not available in the city, and the conservative estimate understates the impact of the casinos in that it excludes individuals who may not have made their visit were casinos not available or who may have extended their stay because of the casinos.

Estimating the number of visitors: Given the scope of this study and the measurement challenges that would have had to be overcome, it was not feasible to devise an independent estimate of casino visitor numbers. The best available estimate of visitor numbers is that provided by casino officials. They indicate that, on average, 20,000 people visit the two casinos each day. No information could be obtained concerning the basis for this estimate, so it is not possible to create an upper or lower bound which, at some level of probability, would capture the true measure of average daily visits to the casinos. The estimates of economic impact provided herein are directly linked to visitor count estimates that were available, hence, if the visitor count is in error by, for example + 10%, the reported economic impact estimates would also be in error by + 10%.

Selecting the multiplier(s): Selecting the multiplier(s) to use in economic impact analyses involves both science and a considerable degree of subjective judgment. All multipliers are, out of necessity, approximations of how dollars flowing into an economy impact that economy. The multiplier varies by sector of the economy that captures these new dollars. For example, a dollar flowing into the lodging sector will have a greater impact on the Detroit economy than will a dollar spent on gasoline because the majority of the dollar spent on gasoline leaks immediately from the local economy in the form of payments to gasoline suppliers who reside outside of the Detroit area. On the other hand, more of the dollar spent on lodging, a service, remains in the local economy in the form of employee wages, profit to local owners and payments to local service providers. Analysts typically adopt one of two approaches to selecting the multiplier. They rely on a simple composite/average multiplier that is reflective of the specific multipliers associated with an overall economy or type of economic activity (e.g., entertainment, tourism, or travel), or they attempt to segregate expenditures by type, apply the multiplier most directly associated with each type of expenditure, and sum the results to arrive at a total. While

the latter approach would normally be expected to yield a more accurate estimate, it may not since classification of expenditures involves a degree of subjectivity and sector multipliers are themselves in effect composites. Furthermore, there is no way to judge the relative accuracy of one estimate over another.

The concept of economic impact is relatively simple and easy to grasp; however, as should be clear from the above discussion, applying it in this case is fraught with obvious and sometimes subtle complexity. While the accuracy of any single estimate of the economic impact of the casinos on the Detroit economy could be legitimately disputed, careful analyses built upon sound alternative assumptions can portray the upper and lower bounds which capture the economic impact of the casinos. Such a transparent approach permits other analysts to substitute their own assumptions to refine our estimates. It also permits selection of estimates most suitable to the potential users needs. (For example, one most interested in the economic impact of all non-resident casino visitors would find our comprehensive impact to be most appropriate). An overview of the economic impact calculation process used in this study is presented in Figure 1.

Spending categories: The study area was the tri-county area which includes Macomb, Oakland and Wayne counties, Michigan. Visitor economic impact was based on non-local casino visitors' expenditures in the following seven spending categories:

1. Spending inside the casino which includes:
 - a. Spending on food and beverages
 - b. Spending on gambling.
2. Spending outside the casino including:
 - a. Spending on food and beverages
 - b. Spending on accommodation
 - c. Spending on gasoline purchased in the study area
 - d. Spending on local transportation
 - e. Spending on gifts and souvenirs.

To get the average dollars spent on these spending categories, non-local casino visitors were asked how much they spent on each one of the spending categories while in the Detroit area. To get average total expenditures per person per day, respondents were asked about the number of person in their travel party and

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the number of nights they spent in the study area. Average total expenditures was then divided by the number of trip party and the number of nights in the area. Specifically, respondents were asked:

“How many persons did your spending party include?” and “how many nights did you spend in the Detroit area?”

To estimate spending on gambling, respondents were asked:

“Did you come out ahead or behind on the money you wagered on the day we intercepted you in the casino?”

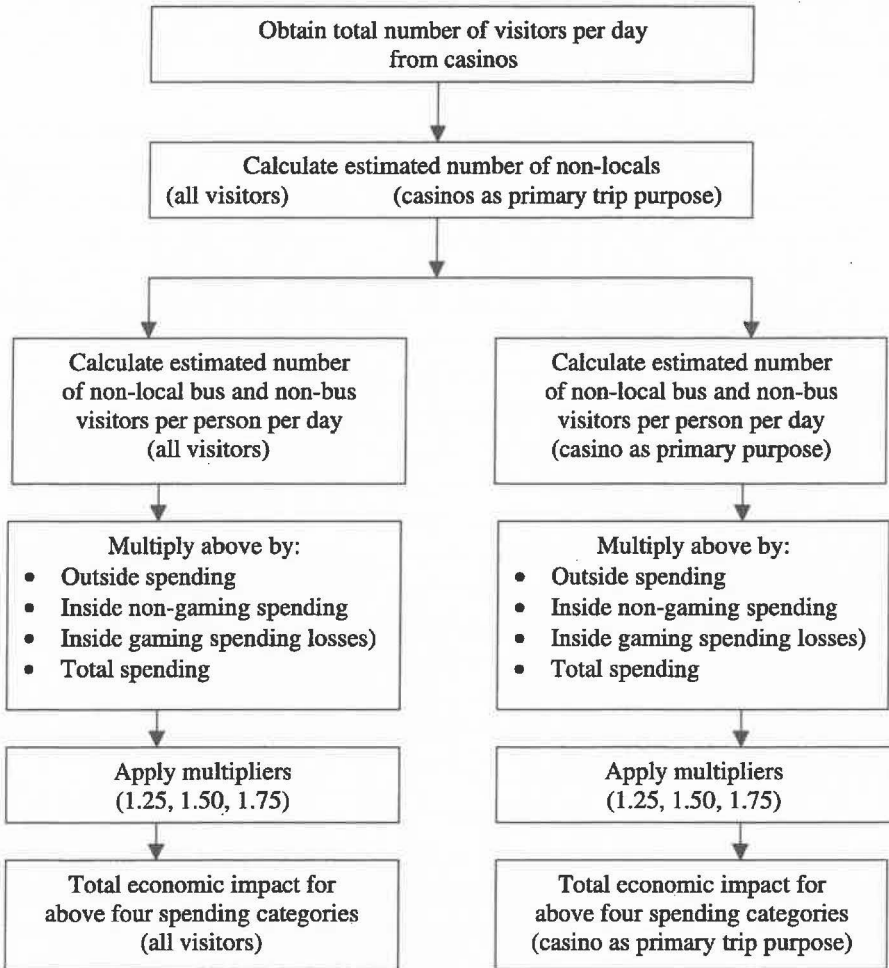
Data Collection: To obtain information from casino visitors, a mixed mode survey technique was used in this study. The first phase of the sampling strategy consisted of a brief on-site interview designed to identify non-resident casino patrons and recruit them to participate in a follow-up telephone survey. In the second phase, those who agreed to participate in the follow-up telephone interview were contacted by telephone at a time they indicated would be most convenient for them to be interviewed.

Sampling: The two casinos included in this study were MGM Grand Casino and Motor City casino. The first casino opened on July 29, 1999 and the second opened on December 19, 1999. Greektown Casino was not included in the analyses because it opened (November 10, 2000) after the study was launched (March, 2000). Intercept surveys took place at both casinos at the same sampling days and time. The casinos have multiple entrances. To obtain a representative sample of casino visitors, interceptors were stationed at each entrance for varying periods of time. The time frame of the sampling period was five months (May 28, 2000 to September 9, 2000). Two weekends and two weekdays were randomly selected from each month as intercept days. Weekend days included only Saturday and Sunday.

Sampling frame and sample: Assessing the economic impact of casino visitors on the local economy required gathering information on visitors who do not reside in the study area. Thus, the non-local casino visitors (1,887 patrons) who were intercepted in the non-gaming area of the casino buildings became the sampling frame for the study. A total of 1,447 phone numbers were collected, representing 76.7 percent of the intercepted non-local patrons.

Instrument: The telephone questionnaire consisted of 42 questions and took an average of 12 minutes to complete. It was designed to gather information about visitors' most recent trips to Detroit including trip characteristics, gaming and non-gaming expenditures, gaming behavior, data for marketing purposes, and general demographic information. The instrument was developed over a

two-month period and revised by professors at Michigan State University. The final version of the instrument was piloted on 50 Detroit casino patrons.



Sample profile: The largest group of the sample was gamers age 41-50 and those aged 51-60. Over one-half were married (60%). Nearly 10% were divorced and 8% were widow. The greatest majority were employed (51%) and over one-fourth (29%) were retired. A bout one-half of gamers (42%) reported incomes over \$50,000 and 24% had an income under \$37,000. A little over three-fourth (78%) had no children living with them while nearly 3% reported that they had 3 children in their households.

Economic impact analysis: Two methods were undertaken to conduct the economic impact analysis. The first method involved step-by-step method.

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In the second method the National Park Service's Money Generation Model 2 (MGM2) was utilized. The step-by-step method offers the economic impact generated by spending inside the casino and spending outside the casino. The second method a more comprehensive set of economic impact estimates related to outputs including sales, jobs, income, and value added effects.

It is generally accepted practice in economic impact analyses to exclude expenditures of visitors who would have visited regardless of the presence of an attraction, in this case Detroit's casinos. Crompton (1999) refers to these visitors as "casuals". Researchers argue that money spent by this segment is not attributable to the attraction, and, therefore, should not be included in economic impacts analyses. However, the presence of an attraction, such as Detroit's casinos, is likely to induce some casual visitors to spend more in the community than if the attraction was not present and others to stay longer than they would otherwise. Such attraction-induced expenditures are difficult to estimate, so they are generally ignored in the interest of generating "defensible" economic impact estimates. Such conservative estimates establish a lower bound for an attraction's true economic impact, but it is also useful to develop an estimate of the true parameter's upper bound. Thus, two economic impact analyses are presented in this study: A "conservative" analysis, where casuals or visitors whose primary purpose was not to visit the casino, were excluded from the economic impact calculations (This estimate serves as the lower bound of the true parameter), and a "comprehensive" analysis which included all non-local visitors to the casino (This estimate serves as the upper bound of the true parameter).

Moreover, casino visitors were divided into two primary gaming segments: Bus visitors and non-bus visitors. Because of their different spending behavior and volume, these two segments were treated separately in the economic impact calculations. A complication recognized at the outset of the casino visitor study was that the casinos could not provide precise counts of their visitors; counts and counting methods are treated as proprietary information and only approximate estimates were obtainable. Furthermore, only an approximate breakdown of the proportion of total visitors between those arriving by bus tour and by other means was obtainable. The separate treatment of these two groups allowed analysts to probe the sensitivity of the economic impact estimate to alternate mixes of bus and non-bus visitors.

Findings

Step-by-step method: conservative estimates: A little more than half (58.8%) of all respondents interviewed indicated that the primary reason for their trip to Detroit was to visit the casino. Of these, 502 respondents were non-bus visitors

(74%); the remaining 131 (24%) were on a charter bus trip. As explained in the methodology section, in order to conduct an economic impact analysis based on visitor spending, the following four steps were necessary: (1) develop per person expenditure estimates, (2) estimate the number of visitor, (3) derive economic impact estimates, and (4) apply the multiplier. These steps are employed below using the data collected from casino visitors.

Step 1. Developing Per Person Expenditure Estimates: The following three expenditures estimates were generated. (1) non-gaming related expenditures outside the casino, (2) gaming related expenditures, and (3) non-gaming related expenditures in the casino.

1. Non-gaming related expenditures: The spending of visitors whose primary purpose was the casino is detailed in Table 1. The average total spending per person per day for non-bus visitors was \$29.73. It was \$24.34 for bus visitors.

* The average party size for the visitors who were not on a charter bus trip is 1.82 persons.

** The average party size for the visitors who were on a charter bus trip is 1.35 persons.

Table 1. Average spending (\$US) per day per party and per person in the Detroit area by type of expenditures for respondents whose primary purpose was to visit the casino. (N=502).

Spending categories	Non-bus visitors per party (1.82)*	Non-bus visitors per person	Bus visitors per party (1.35)* *	Bus visitors per person
Lodging Spending	\$12.55	\$6.97	\$3.04	\$2.25
Food & beverages inside the casino	18.65	10.36	15.21	11.26
Food & beverages outside the casino	8.90	4.94	8.47	6.27
Gasoline purchased inside the Metro area	6.17	3.42	0.0	0.0
Other local transportation spending	0.19	0.10	1.83	1.35
Other expenses	<u>7.06</u>	<u>3.92</u>	<u>4.31</u>	<u>3.19</u>
Average total spending	\$53.52	\$29.73	\$32.86	\$24.34

2. Gaming-related expenditures: Non-bus respondents were asked how much they individually won or lost at the casino during their visit on the day

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they were intercepted at the casino. Results are presented in Table 2. Nearly 26% indicated that they came out ahead, about 8% broke even, and over 66% came out behind.

Table 2. Percentage of respondents who came out ahead, behind, and broke even.

Results	Non-bus visitors	Bus visitors
Came out ahead	25.7%	20.3%
Came out behind	66.4	71.1
Broke even	7.9	8.6
Total	100.0	100.0

As can be seen in Table 3, non-bus visitors who came out ahead won, on average, \$398 per person. On average those who came out behind lost \$311 per person.

Table 3. Average outcome of money wagered in the casino.

	Non-bus visitors	Bus visitors
Average \$ amount ahead	\$398.33	\$169.69
Average \$ amount behind	311.53	182.69

Calculation of average gaming spending per visitor per day:

Formula: total ahead – total behind/number of observations.

Total ahead= average ahead * number of visitors who came out ahead.

Total behind= average behind * number of visitors who came out behind.

Applying this formula, the average gaming spending, per person per day, as indicated in Table 4, was \$104.29 for non-bus visitors and \$95.41 for bus-visitors.

Table 4. Average gaming spending (i.e. loss) in \$US per visitor per day.

	Non-bus visitors	Bus visitors
Total ahead	\$37841.35	\$4411.94
Total behind	76324.85	16624.79
Difference	-38483.50	-12212.85
Divided by # of observations	369	128
Equals mean loss/person	\$104.29	\$95.41

3. *Total spending per person per day:* Respondents were asked how much they spent on food and beverages inside the casino. As reported in Table 5, average spending per person per day outside the casino was \$19.27 for non-bus

visitors. It was \$13.07 for bus visitors. Non-bus visitors and bus visitors spent \$10.30 and \$11.27 respectively on non-gaming in the casino, \$104.29 and \$95.41 on gaming. Total average spending per person per day was \$133.6 for non-bus visitors and \$119.75 for bus visitors.

Step 2. Estimation of Number of Visitors: The estimate provided by the participating casinos of the total number of visitors to both casinos per day is 20,000 visitors. Non-local visitors represent 21% (derived from casino intercepts from this study) of daily visitors or 4,200 given the 20,000 visitors per day total visitors estimate. According to estimates provided by the participating casinos, 5% of the visitors come on a charter bus trip. Thus, non-local daily bus and non-bus visitors numbers can be estimated as follows:

Table 5. Mean spending per person per day in \$US for visitors whose primary trip purpose was to visit the casino.

Spending	Non-bus visitors	Bus visitors
Outside the casino	\$19.27	\$13.07
Non-gaming in the casino	10.30	11.27
Gaming	104.29	95.41
Total	\$133.86	\$119.75

Bus visitors: $5\% \times 4200 = 210$ Non-bus visitors: $95\% \times 4200 = 3990$

In order to assess the sensitivity of the final economic impact estimate the bus visitor estimate analysis was also performed assuming bus visitors are 10% of total visitors. The daily visitor per day using this assumption are as follows:

Bus visitors: $10\% \times 4200 = 420$ Non-bus visitors: $90\% \times 4200 = 3780$

Visiting the casino was the primary purpose of the trip for 52.1% of the non-bus visitors and 94.2% of the bus visitors. Thus, primary trip numbers are calculated as follows:

Bus visitors (5%): $94.2\% \times 210 = 198$ Non-bus visitors (95%): $52.1\% \times 3990 = 2079$

Bus visitors (10%): $94.2\% \times 420 = 396$ Non-bus visitors (90%): $52.1\% \times 3780 = 1969$

Step 3. Deriving Economic Impact Estimates: In this step of the process, daily spending estimates and visitor count estimates are multiplied to arrive at total spending per day estimates. These are then annualized by multiplying by 365 to arrive at a total direct annual impact per year. Finally, multipliers, ranging from a most conservative 1.25 to a high of 1.75, were used to estimate total economic impact. While the 1.5 mid-range multiplier is the most defensible of

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the three used in these calculations, the estimate associated with the 1.25 multiplier establishes a reasonable minimal lower bound for the economic impact estimate, and the estimate using the 1.75 multiplier establishes a reasonable upper bound.

Economic impact estimates are developed for expenditures on goods and services purchases (outside the casino, non-gaming purchases inside the casino, gaming (net loss)), and the three estimates are added to arrive at a total economic impact estimate. Finally, estimates are provided for the 5% bus-95% non-bus visitor mix (the mix indicated as most probable by casino officials) and for a 10% bus-95% non-bus mix.

Impact of spending outside the casino

(5% bus-95% non-bus visitor mix)

Non-bus visitors (95%):	2079*\$19.27	=	\$40,062.33
Bus visitors (5%):	198*\$13.07	=	<u>\$2,587.86</u>
Total spending per day			\$42,650.19
Total spending per year (Direct Impact)	365*\$42,650.19	=	\$15,567,319.35

	Multiplier 1.25	Multiplier 1.5	Multiplier 1.75
Total impact (direct + indirect)	\$19,459,149.19	\$23,350,979.03	\$27,242,808.86

(10% bus-90% non-bus visitor mix)

Non-bus visitors (90%):	1969*\$19.27	=	\$37,942.63
Bus visitors (10%):	396*\$13.07	=	<u>\$5,175.72</u>
Total spending per day			\$43,118.35
Total spending per year (Direct Impact)	365*\$43,118.35	=	\$15,738,197.75

	Multiplier 1.25	Multiplier 1.5	Multiplier 1.75
Total impact (direct + indirect)	\$19,672,747.18	\$23,607,296.62	\$27,541,846.04

Impact of non-gaming inside the casino

(5% bus-95% non-bus visitor mix)

Non-bus visitors (95%):	2079*\$10.30	=	\$21,413.70
Bus visitors (5%):	198*\$11.27	=	<u>\$2,231.46</u>

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Total spending per day \$23,645.16
 Total spending per year 365*\$23,645.16 = \$8,630,483.40

	Multiplier 1.25	Multiplier 1.5	Multiplier 1.75
Total Impact (direct + indirect)	\$10,788,104.25	\$12,945,725.10	\$15,103,345.95

(10% bus-90% non-bus visitor mix)

Non-bus visitors (90%):	1969*\$10.30	= \$20,280.70
Bus visitors (10%):	396*\$11.27	= <u>\$4,462.92</u>

Total spending per day \$24,743.62

Total spending per year 365*\$24,712.72 = \$9,031,121.30

	Multiplier 1.25	Multiplier 1.5	Multiplier 1.75
Total Impact (direct + indirect)	\$11,289,276.62	\$13,547,131.94	\$15,804,987.26

Impact of gaming spending

(5% bus-95% non-bus visitor mix)

Non-bus visitors (95%):	2079*\$104.29	= \$216,818.91
Bus visitors (5%):	198*\$95.41	= <u>\$18,891.18</u>

Total spending per day \$235,710.09

Total spending per year 365*\$235,710.09 = \$86,034,182.85

	Multiplier 1.25	Multiplier 1.5	Multiplier 1.75
Total Impact (direct + indirect)	\$107,542,728.60	\$129,051,274.30	\$150,559,820.00

(10% bus-90% non-bus visitor mix)

Non-bus visitors (90%):	1969*\$104.29	= \$205,347.01
Bus visitors (10%):	396*\$95.41	= <u>\$37,782.36</u>

Total spending per day \$243,129.37

Total spending per year 365*\$242,816.50 = \$88,742,220.05

	Multiplier 1.25	Multiplier 1.5	Multiplier 1.75
Total Impact (direct + indirect)	\$110,927,775	\$133,113,330.00	\$155,298,885.00

Total economic impact

To permit ready comparisons, the set of total economic impact estimates derived from the above calculations are presented in Table 6. The numbers highlighted

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are those considered to be the best estimates for most applications. In comparing estimates, it appears that variation in the bus/non-bus visitor impact is of little consequence because the higher per person daily expenditures of non-bus visitors is more than offset by the greater percentage of bus visitors whose primary trip purpose was to visit a casino.

Based on the calculation based here, the casinos generate an impact on the local economy of over \$165 million per year or almost one-half million dollars per day. And, this is a conservative estimate because only expenditures by out-of-region visitors, who indicated visiting a Detroit casino as their primary trip purpose, are included.

Table 6. Summary of economic impact (direct + indirect) in millions of dollars per year

Spending Type	Multiplier		
	1.25	1.5	1.75
<i>Outside the casino</i>		(\$ millions)	
5%bus-95%non-bus	19.46	23.35	27.24
10%bus-90%non-bus	19.67	23.61	27.54
<i>Non-gaming in the casino</i>			
5%bus-95%non-bus	10.79	12.95	15.10
10%bus-90%non-bus	11.29	13.55	15.80
<i>Gaming in the casino</i>			
5%bus-95%non-bus	107.54	129.05	150.56
10%bus-90%non-bus	110.93	133.11	155.30
<i>Total direct + indirect Economic impact</i>			
5%bus-95%non-bus	137.79	165.35	192.90
10%bus-90%non-bus	141.89	170.27	198.64

(for visitors whose primary trip purpose was to visit the casino – conservative estimates).

Step by step method: comprehensive estimates. Economic impacts associated with all non-resident visitors to the casinos is presented in this section. At the outset it is very important to note these estimates do not usually meet accepted standards for measuring economic impact. They are only indicative of the overall impact the casinos have in concert with other things that attract visitors to Detroit such as sporting events, businesses, etc. Some portion of the difference between the estimate presented in this section and the prior section could be credited to the casinos (e.g., impact of expenditures of visitors whose primary purpose was not to visit a casino but who extended their length of stay

because they exist). Data were not collected to approximate how much of the difference between conservative and comprehensive estimates should be attributable to the casinos, but the overall visitor impact estimates do establish an outer bound on the direct economic impact of out-of-region casino visitors and hence have some analytical value. Even these comprehensive estimates are not all-inclusive in that they do not include the casinos' impact in reducing the out-flow of Detroit gaming dollars to other gaming venues.

Comprehensive estimates were calculated based on similar steps and calculations employed to estimate the conservative estimates. Total direct and indirect economic impacts for all non-local casino visitors, assuming that the proportion of bus and non-bus is 5% and 95% respectively, and applying a multiplier of 1.5, was \$286.01 million. A summary of results is presented in Table 7 (page, 23).

The National Park Service's Money Generation Model: Conservative and comprehensive economic impact estimates were generated by in-putting data in the MGM. Stynes (1999, p. 4) explains: "The MGM was developed by the National Park Service (NPS) to generate quick and inexpensive estimates of the economic impact of National Park visitor spending on the region's economy. In it's simplest form, the MGM relies on agency records for estimates of visits, American Automobile Association (AAA) estimates of per person per day lodging and meals expenses to estimate spending, and judgment or available sources for multipliers. A pretty good aggregate estimate of impacts can be obtained with this simple method if one has accurate visitation data, spending data that adequately represent the visitors, and multipliers for the local region. The default values suggested in the MGM manual are unlikely to provide accurate estimates for most applications".

Table 7. Summary of total economic impact (direct + indirect) in \$millions per year (for all non-local casino visitors –comprehensive estimates).

Spending Type	Multiplier		
	1.25	1.5	1.75
Outside the casino		(\$ millions)	
5%bus-95%non-bus	86.93	104.31	121.70
10%bus-90%non-bus	84.12	100.94	117.77
Non-gaming in the casino			
5%bus-95%non-bus	14.64	17.56	20.49
10%bus-90%non-bus	14.94	17.93	20.92
Gaming in the casino			
5%bus-95%non-bus	136.78	164.14	191.49
10%bus-90%non-bus	139.96	167.96	195.95
Total direct + indirect Economic impact			
5%bus-95%non-bus	238.35	286.01	333.68
10%bus-90%non-bus	239.02	286.83	336.64

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Conservative estimates: Conservative estimates of the direct and total economic impacts of visitors' spending results are presented in Table 8 and indicate that casino visitors generate an annual total of \$167 million in output/sales, over \$60 million in personal income, a little over \$98 million in value added, and 4,015 jobs.

Sales are the direct sales in business receiving the visitor spending.

Personal income is the income resulting from direct sales. It includes wages, salaries, proprietor's income, and employee benefits.

Value added includes personal income plus rents, profits and direct business taxes.

Table 8. Direct and total economic impacts of visitors spending (*Conservative estimates using NPS Money Generation Model 2*).

Economic measure	Per Day		Annual	
	Direct effect	Multiplier	Total effects	Total effects
Output/sales	\$294,000	1.56	\$458,000	\$167.2 million
Personal income	\$105,000	1.58	\$166,000	\$60.6 million
Value added	\$168,000	1.61	\$269,000	\$98.2 million
Jobs	8	1.27	11	4,015

Jobs are an estimate of the number of jobs supported by these sales.

Comprehensive estimates: Comprehensive estimates of the direct and total economic impacts of visitors spending results are presented in Table 9 and indicate that casino visitors generate an annual total of \$279 million in output/sales, about \$102 million in personal income, a little over \$106 million in value added, and 6,205 jobs.

Table 9. Direct and total economic impacts of visitor spending (*Comprehensive estimates using NPS Money Generation Model 2*).

Economic measure	Per Day		Annual	
	Direct effect	Multiplier	Total effects	Total effects
Output/sales	\$492,000	1.56	\$765,000	\$279.2 million
Personal income	\$178,000	1.58	\$279,000	\$101.8 million
Value added	\$280,000	1.61	\$450,000	\$164.2 million
Jobs	14	1.27	17	6,205

Discussion:

Several studies have assessed the economic impacts of gaming on a local economy, however, the method(s) and technique(s) used are seldom explained or detailed, and the results are most of the time aggregated into one dollar

figure. In this study, two methods were employed to estimate the economic impacts of gamers. Gamers have been defined as casino visitors who did not reside in the study area. The step-by-step method was applied to detail the impacts of gamer trip spending inside the casino and outside the casino. The second method employed the National Park Service (NPS)'s Money Generation Model 2 (MGM2). This method offers a more comprehensive set of economic impact estimates related to outputs including sales, jobs, income, and value added effects. Furthermore, two approaches were used in the analysis. One approach was referred to as the conservative estimates and the other the comprehensive estimates. The purpose for using these two approaches was to provide the reader with an alternative that allows for comparison. For example, in several gaming economic impact studies there is no indication to whether the researcher included all visitors or only visitors whose primary trip purpose was the casino in the analysis. That is these visitors would not have visited the community had the casinos not been there. The inclusion of what Crompton (1999) calls "casuals" or those who would have come to the community regardless of gaming, would, of course, inflate the results, and in turn may mislead decision makers.

Because economic impact studies underlie several assumptions, there is "unfortunately (...) a temptation to adopt inappropriate procedures and assumptions in order to generate high economic numbers that will position an agency more favorably in the minds of elected officials" (Crompton, 1999, p. 17). Crompton further explains that "sometimes such errors are the result of a genuine lack of understanding of economic impact analysis and the procedures used in it, but in other instances they are committed deliberately and mischievously to generate large numbers and mislead stakeholders" (Crompton, 1999, p. 17). Economic impact studies are undertaken to support an action (Stynes, 1999).

Casino gaming development has been a subject of heated debates in the public policy agenda because gaming is a controversial activity that has social, moral, and ethical issues (Cabot, 1996). Like other tourism developments casino gaming may have positive and/or negative impact on the community. In this study concern was on the benefits of casino gaming development. Results were based on casino visitors' spending.

It was estimated that all non-local casino visitors (Comprehensive estimates) generated over \$104 million outside the casino, over \$17 million on non-gaming in the casino, and over \$164 on gaming in the casino. This yields a total economic impact of \$286 million, in addition to about \$102 million in personal income, a little over \$106 million in value added, and 6,205 jobs, annually (5%

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bus visitors and 95% non-bus visitors with a 1.5 multiplier). Conservative estimates consider only visitors whose primary trip purpose was to visit the casino(s). That is if the casinos did not exist they would not have visited the community. It was estimated that these visitors generated over \$23 million outside the casino, about \$13 million on non-gaming in the casino, and a little over \$129 on gaming in the casino. This yields a total economic impact of a little over \$165 million, in addition to over \$60 million in personal income, a little over \$98 million in value added, and 4,015 jobs, annually (5% bus visitors and 95% non-bus visitors with a 1.5 multiplier).

Results indicate that gaming is a significant component of Detroit tourism and has substantial economic impact on the local economy. This study provides quantitative estimates of the importance of the two Detroit casinos that opened in 1999, based on gamer spending on trips. Precise estimates of spending are difficult to obtain because of the several potential problems that are inherent in survey research. Telescopic error and sampling error are directly associated with gaming research. For example, besides that respondents may not accurately recall their trip spending patterns detailed by spending category, they tend to either overestimate or underestimate their spending. It is possible that, in the case of casino gaming, some respondents may deflate their spending on gambling games for personal, moral or ethical reasons (for example, they do not want to be identified as reckless spenders or problem gamblers). Moreover, total number of casino visitors provided by casino officials may be subject to sampling error or inaccurate reporting.

It is generally recognized that economic impact analysis is not an exact process (e.g., Crompton, 1999). Crompton (1999, p. 16-17) explains: "Indeed, if a study was undertaken by five different individuals, then it is probable that there would be five different results". While the accuracy of any single estimate of the economic impact of the casinos on the Detroit economy could be legitimately disputed, careful analyses built upon sound alternative assumptions can portray the upper and lower bounds which capture the economic impact of the casinos. This study offered conservative estimates and comprehensive estimates, as well as estimates based on the assumption that casino bus visitors constituted 5% of the total number of visitors and estimates based on the assumption that they constituted 10% of the total number of visitors. Such a transparent approach permits other analysts to substitute their own assumptions to refine our estimates. It also permits selection of estimates most suitable to the potential users needs. (For example, one most interested in the economic impact of all non-resident casino visitors would find our comprehensive impact to be most appropriate).

According to Frechtling (1994, p. 362) it is important to judge methods of estimating travel's economic impact "by some formal criteria that permit the objective evaluation of the quality of a model". The criteria proposed by Frechtling are: relevance, coverage, efficiency, accuracy, and transferability. The following discussion gives a description of each criterion and discusses the content of the present study in light of these criteria.

Relevance –the approach should measure tourism's economic impact and not that of some other activity. Three aspects of the approach should be of particular interest in term of relevance: Does it relate to travel alone? Does it fairly represent the area under study and only that area? And does it cover the time period under study? The present study assessed the economic impact of visitors to two Detroit casinos. Specifically, it provided comprehensive as well as conservative estimates based on visitor spending of each group, namely all non-local casino visitors, and non-local casino visitors whose primary trip purpose was to visit the casino. All visitors were intercepted in the casino and only non-local visitors were included in the analysis. Respondents were specifically asked to report trip expenditures on the day they were interviewed in the casino.

Coverage –the approach should also cover all travel away from home and related activities. Expenditures during the trip covered spending inside the casino on gambling, spending inside the casino on non-gambling activities, food and beverage consumption inside and outside the casino, public transportation inside the study area, gasoline purchased inside the area, and incidental purchases such as souvenirs. Expenditures observed occurred in the area under study. However, the impact of purchases in anticipation of the gaming trip was not included in this study. This may not be a significant limitation for it was found by the present study that about one-quarter of casino visitors (69%) were day-trippers.

Efficiency – Primary-data collection is costly and should be avoided whenever possible in favor of relevant, comprehensive, and accurate secondary data. MGM Grand Casino opened to the public in Detroit in July 1999, Motor City casino started operating in December 1999, and the project to assess their economic impact was launched in Summer 2000. No secondary data had been identified by then. This study has generated primary data based on visitor spending. The project for conducting the study was sponsored by the Greater Detroit Convention and Visitors Bureau (CVB). So, primary data collection was not costly because it was part of the CVB research budget and also because Michigan State University (MSU)'s students and staff contributed some of their time to the overall project.

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Accuracy –the approach should also be judged on the basis of its accuracy: Are the input data accurate measures of travel activity? Does the approach accurately reflect real relationships? Are the results reasonable? This involves investigating the techniques used to generate primary data. This study has detailed to the extent possible the steps, techniques, and methods that have been employed in the purpose of achieving objective results. It remains, however, that there is no threshold that indicates whether the economic impact dollars estimated by this study are important or not.

Transferability –The main objective here is an approach that is feasible in different areas for different time periods and that produces consistent results in varying contexts. It is the hope of this study that the approach used is judged reliable in that it provides researchers with the necessary tools to duplicate this study (and come to similar results), or conduct a similar study in another location and produce sound and reliable information that enlightens decision-makers with regards to casino gaming development in respective jurisdictions.

Considerations for Future Research

It is worth noting that data collection for the economic impact analysis did not include the Greektown Casino. It opened after the data collection for this study was completed. The opening of the Greektown Casino may have different impacts on community tourism-related businesses. Probably, the inclusion of the Greektown Casino in the economic impact analysis would have yielded higher economic impact estimates than those indicated in this study. The location of the casino in the entertainment district “downtown Greektown” may entice visitors to spend more money outside the casino. The number of tourist-oriented businesses in close proximity to the Motor City and MGM Grand casinos is far less than in Greektown. Furthermore, the Detroit permanent casinos will have different impacts on the community than the temporary ones. Each of the permanent casinos that are planned to open in 2005-2006 will include 400 hotel rooms complimented by new restaurants, conference facilities, retail shops and theaters, and 100,000 square feet of gaming space (Ten Year Tourism Plan Unveiled, 2002).

The reduced leakage of gaming dollars out of the Tri- county Metro Detroit area (Macomb, Wayne, and Oakland county) was not an objective of this study, although a retained dollar has an equivalent effect to a new dollar on the area’s economy. Given the very close proximity of Casino Windsor, Canada, and even the somewhat more distant Soaring Eagle Casino in Mt. Pleasant, Michigan, the two new Detroit casinos have certainly had a major role in retaining gaming dollars that would have otherwise leaked out to Canada and to Isabella County. Thus, the economic impact estimate presented herein is considerably less than

the full impact the new casinos have had on the Tri-county Detroit Metro area. An assessment of the impact of the Detroit casinos on Casino Windsor's visitation could add more insight into the function of the Detroit casinos.

Tourism activity also involves economic costs, including the direct costs incurred by tourism businesses, government costs for infrastructure to better serve tourists, as well as congestion and related costs borne by individuals in the community (Stynes, 2004). Thus, several other economic and social indicators warrant consideration. There is general agreement among tourism/gaming researchers that economic, social, political, and environmental costs may emerge with gaming development. There are other social and economic indicators that are associated with gaming development which are potential costs to communities. These costs need to be investigated as well (Gazel, 1998; Chadbourne, Walker and Wolfe, 1997).

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About the Author

Omar Moufakkir has earned his Ph.D from Michigan State University, Parks, Recreation and Tourism Resources. He is currently teaching tourism management courses, with focus on research methods, at the CHN-University of Professional Education in Leeuwarden, The Netherlands. His current research interest is in tourism crisis management and cultural tourism.

An evaluation of factors influencing customer loyalty in the restaurant industry

Hugh Wilkins

Griffith Business School
Griffith University, Queensland, Australia

Jum-Hee Hwang

Griffith Business School
Griffith University, Queensland, Australia

Abstract: The issue of restaurant loyalty is of increasing importance as competition becomes more intense and as consumers become more demanding. Although many authors have written on the factors that influence restaurant choice and repeat purchase behaviour there has been comparatively little research in the restaurant industry that identifies the factors that motivate consumers to not only become regular customers but to move beyond this and become loyal customers. The research that has been undertaken on customer loyalty in restaurants has, almost exclusively, focused on quantitative data and has tended to focus on the aspects that customers identify as the motivators for repeat purchase behaviour.

The research reported in this paper adopted an ethnographic approach and thus provides some insights into customer behaviour in the restaurant context. The motivations that influence customers to become regular purchasers and to move beyond this into loyal customers is reported.

The loyal customers were found to exhibit distinct behaviour characteristics that are beneficial to the restaurant business with them being more tolerant of mistakes, of providing word of mouth advertising and of bringing new customers to experience the restaurant.

Keywords: Restaurants, consumer behaviour, customer loyalty

Introduction

New competition is a common occurrence within all industries and the restaurant industry is no exception. The low entry barriers associated with the restaurant industry encourage the development of new concepts and outlets and, for established restaurants, the issue of customer retention is of considerable importance. It is generally accepted that business performance improves through loyal customers generating higher levels of profits (Reichheld and Sasser Jr 1990) from higher levels of purchase, decreased price sensitivity, positive word of mouth and lower likelihood to switch brands (Buttle 1996; Bowen and Shoemaker 1998; Bowen and Chen 2001). Customer loyalty is an essential component of business success and leads to improved performance (Butcher, Sparks et al. 2001) and assumes increasing significance as competition becomes more intense and as customers become more demanding. Although many authors have written on the factors that influence restaurant choice and

repeat purchase behaviour there has been little research in the restaurant industry that identifies the factors that motivate customers to not only become regular customers but to move beyond this and become loyal customers. The research that has been undertaken on customer loyalty in restaurants has, almost exclusively, focused on quantitative data and has looked at the aspects that customers identify as the motivators for repeat purchase behaviour. These approaches have not explored the nexus between repeat visitation and loyalty. Although there has only been limited application within the restaurant environment there is considerable research evidence that identifies the enhanced profitability arising from repeat and loyal customer behaviour patterns, and therefore the factors causing loyal behaviour are very important to restaurateurs.

This study has adopted an ethnographic approach developing a greater understanding of customer behaviour in the restaurant context and the research provides some insight into the motivations that drive customers to become regular purchasers and to move beyond this into becoming loyal customers.

Literature review

There has been little specific research on consumer choice and loyalty in a hospitality context (Clark and Wood 1999) with loyalty being inferred from assessments of the factors consumers rate as important in restaurant choices. Thus, it is implied that the key to loyal customers is to concentrate on resourcing those attributes that matter most to customers (Clark and Wood 1999)

There has been some consensus amongst researchers in the attributes of importance for customers in restaurant selection. In early research food quality was identified by Lewis (1981) as the most important attribute and this has been supported by a range of researchers over the intervening years including Auty (1992), Dube, Renaghan & Miller (1994), Almanza, Jaffe, & Lin (1994) and Lam & Heung (1998). Even in fast-food restaurants food quality and menu variety are seen as the most important attributes (Quinton, 1991, Pettijohn, Pettijohn, & Luke 1997).

Other researchers have suggested that customers' choice variables vary considerably with demographic differences and that the order of importance of the choice variables also changes according to the dining occasion, age, and income segment. For example, Auty (1992) suggested that age and income are the most important discriminator of style and, in turn, of restaurant choice but, within the choice set, food type and quality are the primary influencers of choice.

Kivela (1997) supports this by suggesting that while food type and food quality appear to be the most important variables for restaurant selection, ambience prestige, location, and cost of food are also important in the final selection process.

There is considerable generic literature on consumer loyalty and this recognises that loyalty is a complex phenomenon (Dick and Basu 1994). Some researchers have defined loyalty in behavioural terms based on the volume of purchases for a particular brand (e.g., Tranberg and Hansen, 1986) whilst others define loyalty as attitudinal with loyalty being defined in terms of preferences or intentions (Day, 1969; Jacoby & Kyner, 1973). There has been discussion in the literature over the distinction between satisfaction, loyalty and repurchase behaviour (e.g. Oliver, 1999, Butcher, Sparks & O'Callaghan, 2001) and this has some relationship to the work by Dick & Basu (1994) that identifies the distinction between spurious, latent and true loyalty but this has not been fully explored in a service context. There is a consensus that there is distinction between repeat purchase behaviour even if derived through customer satisfaction, and genuine loyalty. Oliver (1999) divides loyalty behaviour into four stages that reflect increasing commitment to the brand, resistance to inducements to transfer to other brands and tolerance of error in performance. These stages are defined as cognitive, affective, conative and action. In brief Oliver (1999) defined cognitive loyalty as reflecting repeat purchases based on price and benefits, and also commented this was phantom loyalty. Affective loyalty is stronger but is vulnerable to underperformance whilst conative loyalty will allow some episodes of underperformance. Finally the action stage reflects the definition of true loyalty by Dick & Basu (1994) with the consumer having "a deep commitment to repurchase" (Oliver, 1999).

Other research has indicated customers familiarity with the service provider is an important element in the service experience (Garbarino 1999) and that service loyalty is more dependent on the development of interpersonal relationships (Bloemer, de Ryter et al. 1998).

Research Design

In contrast to the majority of studies on customer choice and loyalty in restaurants this study adopted a qualitative approach. The use of a qualitative approach provides a new dimension to the previous research in the restaurant context that has mainly adopted quantitative approaches to the investigation of selection, satisfaction and loyalty. The use of a qualitative approach allows the corroboration of previous research whilst also providing new insights into the reasoning behind the actions of customers.

The study included both participant observation and in depth interviews with customers perceived as loyal and was primarily conducted in a popular high quality Chinese restaurant located in the suburbs of Brisbane, Australia. The restaurant selected was not the “best” restaurant in the region but was a good quality ethnic restaurant that is believed to be reasonably typical of its genre. It is not suggested that this restaurant is representative of all suburban restaurants, as ethnic restaurants enjoy a distinct niche that is not common to all restaurants, but the customer behaviour is thought applicable to many small and medium suburban restaurants.

Extensive participant observation was undertaken with field notes being collected over a period of almost six months. In all a total of 104 restaurant service periods were observed with the observer dressing as a member of wait staff to avoid being conspicuous but avoiding, where possible, interaction with customers although over time it became harder to maintain a non participant stance and the observer developed from a non participant to participant role that also supported interaction with the customers. At no stage of the observation process was the purpose of the observation identified to the customers and the full background information was only supplied at the interview stage. The information gained from participant observation was then guided into in-depth interviews. During the participant observation loyal customers were identified with focus being given to their behaviours through watching, listening, and interacting with them, twelve customers from the original restaurant were selected for interview together with eight customers identified as loyal from other restaurants to provide contrast. The participant observation allowed the identification of new themes that were investigated through the interviews.

Results

Analysis of the data suggested five prominent themes associated with loyalty. The data indicated there are three dimensions to loyalty, behavioural, affirmative and attitudinal, that loyal customers are more forgiving and understanding, bring more people and recommend the restaurant more frequently. These latter elements can be construed as dimensions of loyalty although in this section they have been identified separately as there are associated managerial implications. It was also identified that food is a gatekeeper and that interpersonal relationships are a cultivator of loyalty.

Three-dimensions of Loyalty

Three dimensions of consumer loyalty emerged from the data, behavioural, affirmative and attitudinal.

Behavioural loyalty consists of repeated purchases over an extended period of time with the following comments being representative of this dimension

Loyalty is keeping coming back over time. (JH)

and

I think, it's making a consistent choice to go to that restaurant. (DJ)

The second dimension of loyalty is an affirmative feeling about the restaurant with this being described in a variety of ways:

Loyal customers like all the things about a restaurant. The service, the way they treat you, the way they cook and everything. So you keep going back. (NC)

and

It's being happy to go back and being happy to recommend it to friends. (GP)

As these comments show affirmative loyalty includes both repeat purchase behaviour and a favourable attitude including recommending it to others. A third dimension includes the above but goes beyond this to also showing support and concern for the business and the statement below exemplifies this.

Loyalty is that you stay with them through hard times. We've been going to this restaurant since they started. When they first started there was not much business. Sometimes my husband and I were the only people in the restaurant and the boss used to worry. But we always encouraged him not to worry. We've been telling other people about the restaurant and asked them to go and try there. Now they have really really good business there. (PP)

This illustration goes beyond a favourable attitude to commitment to the restaurant possibly associated with some ego involvement associated with the business success.

Forgiveness and Understanding

Despite a restaurant's best efforts, service can sometimes falter or simply fail to please. Sometimes people walk in and are angry, unhappy or upset, and thus become intolerant of the smallest failure in the service delivery. Loyal customers, perhaps because they have experienced multiple good experiences, understand the dynamics and are tolerant of poor experiences.

As examples two incidents concerning loyal customers reflect this tolerance of error. One (busy) night, a couple had to wait a long time for drink service and finally reminded one of the staff.

Waiter: "I'm so sorry."

Diner: "It's okay. You've been busy tonight."

Waiter: " Yes. It's almost a full house tonight."

Diner: "Yes. I can see that." (Field note)

In another incident a family received a wrong dish and the customer explained it to the manager. The manager sent the dish back to the kitchen and apologized to the customers who received the right dish a few minutes later:

Manager: (as he puts the dish on the table) " Sorry about this, again."

Diner: "No worries. It's not a big deal". (Field note)

It is apparent loyal customers feel comfortable with a restaurant and believe that the established relationship will lead to an overall satisfactory experience. In addition the established relationship facilitates conversation between staff and customers allowing complaint without tension. One woman explains:

You've got a good rapport with a restaurant so you know if there were some mistakes maybe you could quite comfortably and happily bring it up and voice it and no one will get upset. (ED)

and another customer agrees:

I always talk to Jack. He sort of looks after us. I mean, I feel free to talk about mistakes. And I don't have to get angry. I know Jack will take care of us and there's no problem. (BH)

This reflects the findings of Bejou & Palmer (1998) who suggested the relationship may lead customers to be more forgiving and to rationalize failures on the basis of "Just a bad day" (Bejou & Palmer, 1998). Several respondents support this idea:

If you did have a bad experience once, we'll still come back because it's just one bad night or whatever. I wouldn't stop going to my regular restaurant because of one bad experience. (LP)

and

When we went there, the service was really slow and we received two incorrect entrées. It was Saturday night. There were a lot of people at the restaurant and it was so busy. So we talked to the manager and he sent the wrong entrées back. And we had to wait but one occasion I mean all the times we've been there that's the only occasion I can think of. It does not always happen. (GJ)

Word of Mouth Promotion

Loyal customers provide word of mouth promotion through recommendations and become an unpaid advocate for the business. Not only do they gladly use the business but they are so pleased they tell other people (Reichheld, 1996).

One night regular patrons came into the restaurant with four other customers and the husband explained to a waiter:

“These students came from China two weeks ago and they’re boarding at my neighbour’s. And this couple showed me the concern that they don’t know how to cook Chinese food but they wanted to feed some Chinese food to these students. So I said I know one good Chinese restaurant so we decided to come together.” (Field note)

Loyal customers give a lot of business to a restaurant. Not only do they bring more people to the restaurant they also introduce parties, functions and weddings. During the data collection a total of 9 large functions originated from recommendation by loyal customers with over 1000 guests in total.

Favourable word-of-mouth comments by one loyal customer can lead to many other loyal customers. People who are recommended or brought in the restaurant by other loyal customers often become loyal customers themselves. Two respondents illustrate this:

Word-of-mouth is probably the best advertising. That’s how we got on to it. My neighbour always told us about the restaurant. They always say how good it is. And these people know a lot about the restaurants. They’re in the wine industry. So they eat out a lot, probably more than at home. They really gave it a good plug. (SP)

Food Is the Gatekeeper

People go to restaurants and develop loyalty to restaurants for many reasons. Food is only one of them, however it is a very important one. Loyalty only develops if the food quality is satisfactory, that is, if a restaurant does not serve good food customers will not go back.

Good food, I mean, excellent food, that’s the big reason. If the food were ordinary we wouldn’t be regular customers. (GP)

and

I think basically the food has to be more important than anything else because that’s what we pay for, that’s what we are going for. (BS)

Food is the primary initiator of customer loyalty but it is not the only reason. Even though customers give more emphasis to food, good food alone is not sufficient enough to develop loyalty if other factors are not adequately satisfied.

Even though food is the most important thing to me if service is truly awful I'm not going to go back or recommend the restaurant. (WG)

and

We went to this restaurant and the food was really, really good. So we started going back and we used to go a lot. But there was always no service. And it got worse and worse. It was so bad and hopeless sometimes. So we stopped going there. (GJ)

Customers tend to agree that there are a number of factors that should come together to gain loyalty as well as food quality.

I think you look at things as a whole package. You tend to look at the number of factors not just one factor. Even though you like the food there if you are not happy with other things, say, the staff or the price, décor or something like that you may not go back. Because dining out to me is an experience. (MD)

Thus, customers indicate several factors in the overall dining experience are important for creating loyalty. People become loyal customers at a restaurant which serves good quality food but good food alone is not enough to develop loyalty.

Interpersonal Relationship – a Cultivator to Loyalty

Familiarity in the restaurant experience with recognition both by and of staff is important. Customers feel good when they are familiar with the employees and they are recognized by them as it makes them feel special.

We know the guys there, and they know us. They know what drinks we are having. It's so much different when you know someone there. (BG)

and another customer states:

It is nice to be recognized. It's very warm and welcoming. I know it's very hard to know people's name and I think that's something very personal. You know someone's name and it makes you feel good. (BS)

Rapport and friendship between customers and employees over an extended period of time can build a relationship that extends beyond the meal experience.

He tells jokes and asks about my work. We always have a nice conversation. He always welcomes you and is courteous. (GP)

The sense of belonging within the restaurant provides credence to the customer and allows ego enhancement through familiarity. This reflects the concept of the social self (Malhotra, 1988) that reflects the person as I believe others see me. Loyal customers not only feel they belong to a restaurant but that the restaurant belongs to them. As an example a loyal customer sitting with a group of people introduced each of the staff to his friends. When each staff member came to the table to serve them, he pointed to them and said:

“This is skinny Linda. She’s studying at UQ (University of Queensland)”

“This is Hiap, my favourite waiter. He’s a legend”

And he continued: “You see the man at the counter. He’s the boss. He’s been in the restaurant business for more than 20 years.” (Field note)

Discussion

This research has provided new insights into the behaviour of loyal consumers in a restaurant context as well as providing support for previous studies outside the restaurant context. In addition the research provides managers with insights into the motivations that affect loyalty and may assist in building the base of loyal customers through new approaches to customer management. The managerial implications are discussed in a later section. The insights gained from this research can be divided into three areas, a better understanding of loyalty in the restaurant context, an extended understanding of the role of food quality as an initiator of (behavioural) loyalty and the role of the customer-staff relationship in developing attitudinal loyalty.

Restaurant Loyalty

The research revealed three dimensions of restaurant loyalty – behavioural, affirmative and attitudinal with there being strong evidence of word of mouth recommendations and a positive relationship that is akin to personal. As mentioned in the literature review the work by Oliver (1999) divides loyalty into four stages of development and has some parallels to the work of Dick & Basu (1994) that identified loyalty within four categories based on attitude and behaviour. This research identified a three-stage model of loyalty that initially would appear to be in contrast to the work by Oliver (1999) but on closer examination has similarities. It is evident that the initial stage of loyalty, cognitive, as defined by Oliver (1999) is absent from this research whilst the other stages affective, conative and action loyalty reflect the aspects identified in this research as behavioural, affirmative and attitudinal. An explanation of the absence of cognitive loyalty lies in the levels of variety and competition within the restaurant industry, that is, customers who were eclectic in their

restaurant selections would not have been identified as loyal customers in this research through infrequency of visitation.

Food quality

Most of the previous restaurant studies have focused on identifying the attributes that determine repeat purchase behaviour with food quality generally being recognized as the most influential factor. This study also found that food quality is important as an initiator of the customer-restaurant relationship and creates behavioural loyalty. The research suggests that consumers begin a relationship with a restaurant through repeat visitation based on food quality. This behavioural pattern would reflect generic customer satisfaction research that recognises that satisfaction is an antecedent of loyalty, in a restaurant context food quality is antecedent to satisfaction and without its existence repeat visitation would not be initiated. However food quality does not overrule dissatisfaction with other aspects such as service standards. This parallels the description of affective loyalty (Oliver, 1999) with loyalty being vulnerable to underperformance.

Interpersonal relationships

The service literature has long recognized the importance of interpersonal relationships in the development of service loyalty (Bloemer, de Ryter et al. 1998; Garbarino 1999). Sharma (1997) identified that customers tend to become more loyal when they feel a positive interaction effect with sales staff. Gronroos (1990) argued that buyer-seller interactions have an immense impact on the future buying behaviour of customers.

The present study found that the interpersonal relationship between restaurant employees and customers is an important element in developing loyalty in the restaurant context. Customers appear to feel more comfortable when familiarity between the customer and a restaurant employee exists and customers value the recognition from restaurant staff. Customers also revealed that they feel a sense of belonging as a result of close relationship with restaurant employees. Customers' comments such as "you feel you are being welcomed and almost like you're at home..." indicate the benefits customers gain from such a close relationship. It therefore seems reasonable to suggest that attitudinal loyalty derives from the intangible elements of the dining experience with the interpersonal relationships between customers and restaurant staff being core to developing attitudinal loyalty.

Managerial implications

It is almost impossible to find a current business article that does not mention the importance of building a relationship with customers. Because of the unique

characteristics of service, it is often suggested that maintaining a good relationship with customers is an important way of keeping customers and creating loyalty (Bendapudi & Berry, 1997). This study also suggests such interpersonal relationship is extremely important in cultivating customer loyalty to a restaurant. As a result there are tactics that may assist managers in developing a tranche of loyal customers however these tactics are to a large extent predicated on the issue of staff retention. If, as is suggested above, the cultivation of interpersonal relationships leads to a growth in loyalty at the attitudinal level it becomes essential that staffs be retained allowing the development of such relationships, however this is not always a common occurrence. Keeping the same people at "front stage" can facilitate the development of interpersonal bonds (Suprenant & Solomon, 1987). Research has suggested that when a service provider has a high turnover of customer-contact employees this makes it difficult for friendship and familiarity to develop with customers (Bitner, 1990). Keeping employee turnover to a minimum seems to be a crucial way to increase customer-restaurant staff relationships and to foster loyalty. In this study, several respondents indicated that they enjoyed interaction with the restaurant employees each time they visited the restaurant and it was also suggested that these interactions developed into strong relationships.

Restaurant managers should therefore increase customers' opportunities to interact with the same set of employees when they return to the restaurant over time by adopting strategies to reduce employee turnover.

Encourage the Development of Friendship and Rapport

Restaurant employees should be encouraged to develop a rapport and a friendship with customers. It is suggested that loyalty can be encouraged by "getting to know" and "taking personal interest" in customers (Prus, 1987; Haywood, 1988). In the restaurant context spending time with the customer and making small talk can be one way to establish a good rapport with customers. Employees might disclose some personal information such as their names, interests and hobbies. Of course, employees' involvement with the customers should be encouraged only when appropriate and only on acceptable subjects. Going overboard with conversation may be seen as rude and be negative for customers as opposed to strengthening relationships.

Facilitate the Development of Familiarity with Customers

Customers tend to continue to return to a restaurant whose employees are familiar with them and their needs. Restaurants should support the development of staff-customer relationships, learning customer names,

identifying customer preferences and getting personal information is easily done. Employees might learn customer information such as desire for a non-smoking section, preference for particular tables or a special request for a meal. Information pertaining to personal preferences or special request can be written down on booking notes following customers' reservations and such information should be shared with all the employees.

Further Research

As indicated earlier this study was undertaken in one ethnic restaurant in Australia. There is a need for much further research that replicates the study not only in a range of different restaurant styles in Australia but also replicates the study in a range of cultural contexts.

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About the Author

Hugh Wilkins is a Senior Lecturer at Griffith University in Queensland, Australia where he has taught for the last eight years. Prior to this he taught at Oxford Brookes University in the UK. Following the completion of a B.Sc. (Econ) with Honours at the London School of Economics he spent a period of time in industry before becoming an academic.

Jum-Hee Hwang was a graduate student at Griffith University during the period of this research.

Entrepreneurship and Education in Tourism (Ed)

Karin Bras, Heidi Dahles & Myra Gunawan Greg Richards
Arnhem, ATLAS, 203pp. ISBN 979-95311-8-7

Asia is by far the world's largest continent and also the world's fastest growing tourism area in terms of visitor arrivals. While virtually all tourists in Europe are fellow Europeans exploring each other's country, Asia is predominantly visited from other continents, particularly Australia, North America and Europe who are in search of exotic experiences. In view of this there was ATLAS Asia inauguration conference held from July 5th-7th 1999 at Bandung, Indonesia. The theme for the conference was **Entrepreneurship and Education in Tourism**. ATLAS Asia is the Asian section of the European Association for Tourism and Leisure Education (ATLAS). This section has been initiated to provide a forum for the increasing number of Asia institutions and professional bodies engaged in tourism and leisure education and research with the aim of developing transnational initiatives in tourism and leisure education and research, in particular within Asia and between educational institutions in Asia and Europe. Many authors who contributed to this volume point out that there is a need for tourism education and training to pay special attention to local people in the tourism industry, operating small or large, formal or informal businesses.

This book contains 17 papers divided into five parts addressing a common theme. The first part deals with general issues of entrepreneurship and education in tourism. In this section, **Geoffrey Wall** on "The Role of Entrepreneurship in Tourism" (pg15), begins the debate on the history of entrepreneurship concept. He argues that as an activity, which involves both the public and private sectors and enterprises of a diversity of scales, the role of entrepreneurship is both substantial and complex. Therefore, a distinction should be made between true entrepreneurs who are innovators who identify and serve emerging market niches, as opposed to the followers who replicate their initiatives. Other topics in this section dealt with "Education in Tourism:

Future Needs and Perspectives”, addressing and “Entrepreneurship for Tourism: Issues for Indonesia”, where the authors suggests the future needs for education as well as reiterating that entrepreneurship in tourism in Indonesia should be discussed with regard to three conditions: the big crisis that hit Indonesia in 1997, the emergence of the knowledge economy, and the untapped potentials of tourism in Indonesia.

Part two deals with curricula development. The authors in this section deal with the need for tourism education in Asia and Greece and discuss how tourism education should be addressed. On the paper “Reengineering Undergraduate Hospitality Management Curricula: A Global Comparative Research Approach” the authors revealed noteworthy outcomes directly related to the future of hospitality programs. They indicate that the most important issues that will determine the direction of curricula development seem to be the globalisation of the economy and tourism, the technological progress, the protection of the environment and the increasing levels of crime and terrorism. Therefore, educational establishments around the world need to consider carefully these four issues when reengineering their curricula. The most significant outcome was that the vast majority of the educators around the world believe that there is a need for the development of an internationally applicable ‘generic’ curriculum for hospitality management programs.

Perhaps in the future, such a curriculum could be used as a reference guide for all other curricula or as the basis for redesigning courses (or developing new ones) that are offered by educational institutions at different parts of the world. Other aspects in section two looks at “Linking Entrepreneurship to Tourism Education”, “Tourism: Science or Profession”, “Development of Cultural Tourism in Cambodia: The Contribution of the Universities”, “The Importance of Interdisciplinary Curriculum in Tourism and Foreign Language Education” as well as “Tourism Management Education in Greece”. It is the general overview that knowledge and abilities can be achieved through education and training. Highly qualified personnel in the tourism field for public as well as private sector is undoubtedly needed on all levels. In the third section (pg. 97), authors explores their perspective on education and tourism with a focus on aspects of management in the tourism industry as well as identify to what extent local guides participate in the tourism establishment. Here the

discussions centre upon government policies on tourist guides in Indonesia. The section also deals more in the peculiarities of the guiding sector as well as the efforts made by the provincial government and government-related organisations to control the guiding sector with the hope to undermine activities that are not in line with their general policy on guiding.

Part four, discusses local community and entrepreneurship, education. The author in "Tourism Entrepreneurship in Southeast Asia" shows that ethnicity pervades many aspects of entrepreneurship in tourism. In the multi-ethnic sections of Southeast Asia skills in tourism are not evenly spread and some ethnic groups participate in the industries associated with tourism more than others do. Therefore a preliminary account of the situation historically and description of the current diversity is given. In the paper "Education for Participation: The Villagers' Perspective Case Study from Ngada, Flores, Indonesia", the author examined and addressed the issues of education and knowledge in a community whose lives are affected by greater levels of tourism and established that the villagers want tourism education. Further they are lacking some of the basic tenets of tourism in order to participate in future planning and management of a key component in their livelihoods. The last paper in the section deals with "Independent Travel and Local Entrepreneurship: The Case of Gili Air, Lombok, Indonesia" where the author reveals several implications of the development of small-scale tourism on Gili Air.

The final part in this book the author deals with Ecotourism, which has drawn a lot of interests from governments, tourism enterprises, tourists, conservation groups and other stakeholders in the industry. The author "Needs for Environmental Education in Developing Environmentally Friendly Tourism in Indonesia" concluded that nature-based tourism has an important role in supporting Indonesia's national economy, more environmental education programs related to tourism development are still needed as well as all parties should be involved in environmental management. The paper on "Forest Ecotourism for Rural Area Development" deals with the concept of forest ecotourism and suggest that to support the government programme and to apply the principles of sustainable development in the forestry and tourism

sectors, Forest Ecotourism should be developed not only in the protected forest but also in the production areas.

Overall, this conference attracted a wide range of interest in issues of education and training for tourism development in Asia. Most contributors have underscored the importance of education and curricula development for the noticeable increasing demand for high quality tourism in the Continent. Therefore, this is a must read for students as well as professionals in the field of tourism as we continue to make educational tourism truly sustainable. This book also raises issues that are highly pertinent to the Asian Continent with a lot of references to communities within Indonesia. The papers in this volume will stand as a lasting contribution to the conference aims that explore the role of entrepreneurship and education in Asia. This is a great opportunity to develop tourism in Asia and offers an excellent platform to exchange ideas and experiences with other researchers and practitioners as well as to generate contacts for future cooperation.

by Roselyne Nyawiri Okech
Dept. of Hotel & Institution Management,
Maseno University, Maseno, KENYA

ATLAS Africa Conference 2004

**Leadership, culture and knowledge:
Gateway to sustainable tourism in Africa**

29 September – 1 October 2004, Pretoria, South Africa

Introduction

At the Millennium Conference of tourism leaders held in Osaka, Japan 2001, it was declared that sustainable tourism development could only succeed if support and participation at ground level can be obtained.

The understanding, support and participation of local communities have become a key development principal. In order to achieve this in the various types of tourism, like adventure tourism, eco-tourism and cultural tourism, it is the conviction that the key challenge for tourism in Africa is leadership, knowledge and a critical approach to the cultural representation of Africa(ns).

The above is in accordance with the objectives and proposed actions as stated in the NEPAD document on tourism. It emphasizes cooperative partnerships to capture the benefits of shared knowledge, the provision of capacity to African people to be actively and equally involved in sustainable tourism projects.

Call for papers

Delegates are invited to submit papers relating to any aspect of the conference theme including:

- Leadership and knowledge in tourism
- Sustainability of tourism initiatives
- Cultural representation in tourism
- Knowledge management in tourism

A selection of the conference papers can be brought together in an edited volume. A publisher in the Netherlands has already shown interest in publishing such a volume.

The conference will be organised by ATLAS and the University of Pretoria.

Abstract requirements

Official language of the conference is English. All abstracts will be subject to double-blind review by at least two members of the Scientific Committee.

Acceptance of a submission will be based on theoretical and empirical significance, methodological soundness, technical competency, and logical clarity.

Abstracts should be submitted to ATLAS by e-mail (admin@atlas-euro.org) and should include:

1. Author's name, institution and contact address/e-mail,
2. Title,
3. Abstract of approximately 150-250 words (background, theoretical/practical implications, methods and/or data sources, indicative findings).

Important dates and deadlines

Notification of acceptance of Abstract: 1 August 2004

Full paper submission: 1 December 2004

Scientific Committee

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Periodicals / Journals: Palmer, A., & Bejou, D. (1995). Tourism Destination marketing alliances. *Annals of Tourism Research*, 22(3), 616-629.

Books: Porter, M. (1980). *Competitive strategy: Techniques for analysing industries and competitors*. New York: Free Press.

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