

PLANNING FOR THE FUTURE:

A Profile of Australian Tourist Attractions

Ph.D. Thesis submitted by

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ABSTRACT

Tourist attractions are frequently described as the key components of a destination's tourism industry, yet they are under-researched and poorly understood. This thesis was designed to assist tourism researchers, and potentially tourism operators, to think about the future of tourist attractions in Australia, with particular reference to planning and management. The thesis considered three areas of literature. Chapter 1 began with an overview of the definitions, classifications and current knowledge about tourist attractions. The review continued with a broad appraisal of trends that had the potential to influence tourist attractions in the next 20 to 50 years. In chapter 2, a third source of inquiry explored the strategic planning literature in an effort to examine relevant issues and common approaches to studying planning in organisations.

The review of literature resulted in nine key aims being proposed for this thesis. These aims were linked by a primary aim, which was: 'to evaluate and understand how Australian tourist attraction operators plan for the future'. To achieve the aims of this thesis a mixed method approach was used to deliver the results in three interrelated studies. In broad terms, this thesis examined (1) where Australian attractions are now; (2) how attraction operators plan for the future; and (3) what that future might entail.

Study one employed a quantitative methodology consisting of mail questionnaires to evaluate the organisational and planning characteristics of the tourist attraction sector. The results, reported in Chapters 3 and 4, provided a detailed summary of the business characteristics of attractions and confirmed anecdotal observations that the attraction sector consisted of many small operators and a small number of large well-recognised commercial attractions. The research identified four levels of planning based on the short term and long term planning focus of attractions. A key finding was that planning, whether short term or long-term, was positively associated with a number of desirable attraction characteristics. It was concluded that planners outperformed non-planners in terms of visitor numbers, visitor growth, paid employee numbers, asset value, gross

revenue, and total profit. Higher levels of planning were also associated with higher admission prices, a longer length of stay and a greater number of open days. Managers who plan also appeared to be substantially more confident about their attraction, but were also likely to have lower management tenure.

Study 2 summarised the results of a qualitative study based on twelve semi-structured interviews with attraction managers from three states along Australia's east coast. The qualitative approach, reported in Chapter 5, reinforced some of the patterns observed in the quantitative study, while adding additional detail and explanatory insight. In particular, the findings reported that there were important differences in planning between small attractions and large attractions. Large attractions tended to have more formal, systematic approaches to planning, while smaller attractions tended to adopt more casual, operational planning approach. It was found that tourist attraction planning systems contained elements of the Rational Strategic Model (RSM) of strategic planning reported in the literature, but were less formal and more operational in nature. There was a tendency for managers to continually monitor the environment rather than employing defined environment analysis tasks during the planning cycle. Monitoring of the external environment was typically focussed on the task environment (microenvironment), rather than broader environmental influences. Identity also appeared to be much more prominent in attraction planning than was suggested in the broader planning literature.

The third and final study presented in Chapter 6 used a novel futures wheel methodology to consider how trends in the medium-term future may impact on tourist attractions. The research distilled 62 trends from the futures literature and presented these to three think tanks, who were asked to rate the importance and certainty of these trends in the context of the future of Australian attractions. The most important, but least certain trends were then selected for further analysis by the think tanks. The results compared favourably with other research by confirming important attraction

trends in the areas attraction alliances, people and capacity management, enlivening attractions, increased professionalism, and balancing technology and human interaction. The findings also provided an evaluation of the strengths and limitations of the futures wheel method and suggested that, when coupled with a grounded theory approach, the technique may be suitable for investigating the future of a range of tourism contexts.

The final chapter of the thesis provided a synthesis of the results and presented an integrative model of the planning process in tourist attractions. Aspects of chapter 4 of this thesis have been published in the *Journal of Travel Research* (Benckendorff and Pearce, 2003). Highlights of the results presented in Chapters 3 and 4 were also reported to participants of the research. It is hoped that this broad overview from one continent will stimulate the further study of tourist attractions.

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CHAPTER 1

A Review of Tourist Attractions and Futures Literature

OUTLINE OF CHAPTER

- 1.1 Introduction**
Introduces the scope and purpose of the research and provides an overview of the core areas of inquiry.
 - 1.2 Understanding Tourist Attractions**
An overview of tourist attraction research is provided, followed by a consideration of tourist attraction definitions, models and frameworks.
 - 1.3 Classifying Tourist Attractions**
Summarises a number of tourist attraction classification schemes suggested by researchers to aid in the understanding of the attraction sector.
 - 1.4 The Evolution of Tourist Attractions**
Adopts a retrospective approach by examining the history of tourist attractions and tracking the evolution of attractions over the past 2000 years.
 - 1.5 Forces Shaping the Future of Tourist Attractions**
Presents a framework for examining the impacts of various trends on the future of tourist attractions.
 - 1.6 The Macro-environment of Attractions**
Examines a variety of social, technological, economic, environmental and political trends in the broader environment and considers their impact on tourist attractions, the tourism industry and Australian society.
 - 1.7 The Micro-environment of Attractions**
Examines tourism industry trends and market changes in the micro-environment, or task environment of tourist attractions
-

The future belongs to those who prepare for it today.

Malcolm X, Civil Rights Campaigner

The future is not a result of choices among alternative paths offered by the present, but a place that is created – created first in the mind and will, created next in activity. The future is not some place we are going to, but one we are creating. The paths are not to be found, but made, and the activity of making them, changes both the maker and the destination.

John Schaar, Futurist

1.1 INTRODUCTION

By all accounts, the future of tourism appears optimistic. The World Tourism Organisation (1998, 2003) predicts that international visitor arrivals will increase from 714 million in 2002 to 1.6 billion in 2020. Similarly, Cetron (2001) recognises that despite difficult challenges, the tourism industry has flourished, and will continue to do so. But is the future of tourism really predictable? Perhaps not, but it is certainly possible to examine emerging trends and developments to gain some insights into the possible paths that tourism might take.

This thesis is designed to assist tourism researchers, and potentially tourism operators, to think about the future of tourist attractions in Australia, with particular reference to planning and management. Tourist attractions are frequently described as the key components of a destination's tourism industry, yet they are under-researched and poorly understood (Gunn, 1994; Leiper, 1990; Pearce, 1991; Lew, 1994; Swarbrooke, 2002). Gunn (1988) describes attractions as the 'first power', 'lodestones for pleasure' and the real energiser of tourism in a destination. Swarbrooke (2002) demonstrates this concept pictorially with a four-stage model demonstrating the role of attractions in the development of destinations (see Appendix 1). Pigram (1983) adopted a more pragmatic approach by stating bluntly that without attractions tourism as we know it would not exist. Additionally, several authors have supported the notion that attractions are the primary reason for the existence of the *tourism system* (Mill and Morrison 1985, Gunn 1988, Leiper 1990).

According to Gunn (1994) tourist attractions serve two key functions in the tourism system: they *stimulate* interest in travel to a destination and they provide *visitor satisfaction*. At a more holistic level, attractions play an increasingly vital role in triggering opportunities for regional employment and economic growth (Johnson and Thomas, 1990). An Australian Bureau of Statistics (1990) study examined 1899 Australian attractions and concluded that they accounted for more than 16 000 employees and had a cumulative gross income of nearly \$630 million. However,

anecdotal observations suggest that the Australian attraction sector consists largely of small businesses operated by volunteers or 'mum and dad' teams. If these attractions are indeed at the core of Australia's tourism industry it becomes increasingly important to understand their characteristics and what they are doing to prepare for the future.

The purpose of this thesis is to investigate the planning processes of Australian tourist attractions in the context of emerging trends. Good businesses prepare for the future by making plausible assessments of likely events and preparing plans to deal with them. This research focus consists of three areas of investigation. Firstly, it is necessary to determine the current characteristics of the Australian attraction sector. Information about the characteristics of attractions is not available and it is necessary to develop a profile of Australian attraction characteristics before investigating planning activities. Secondly, the core component of this research explores the planning characteristics of the attraction sector and the planning processes undertaken by attraction businesses. Thirdly, attraction planning characteristics are supplemented by a consideration of future trends and their implications for tourist attractions.

The primary aim of the research is to evaluate and understand the planning activities of Australian tourist attraction operators in a perpetually changing environment. To achieve this aim the thesis draws on three areas of literature. The thesis commences with a summary of previous research dealing with the definition, understanding and classification of tourist attractions. This is followed by a broad summary of trends that may influence tourist attractions, the tourism industry and Australian society in the next 20 to 50 years. In chapter 2, a third source of inquiry draws on the strategic planning literature in an effort to examine relevant issues and common approaches to studying planning in organisations. The review of management literature concentrates on research efforts in the strategic planning field, with particular reference to small firms.

A preliminary statement of the core research focus is provided here to help interpret the review sections. A full articulation of the research aims emerging from the literature review is embedded in the material presented in the concluding pages of chapter 2. A brief overview of the methodologies employed in this research will also be presented at this point. The research approach identifies the three interrelated studies and proposes a set of aims, methodologies and research questions for each. *Figure 1.1* provides a summary of the proposed research and clearly indicates the interrelationships between each of the studies and literature.

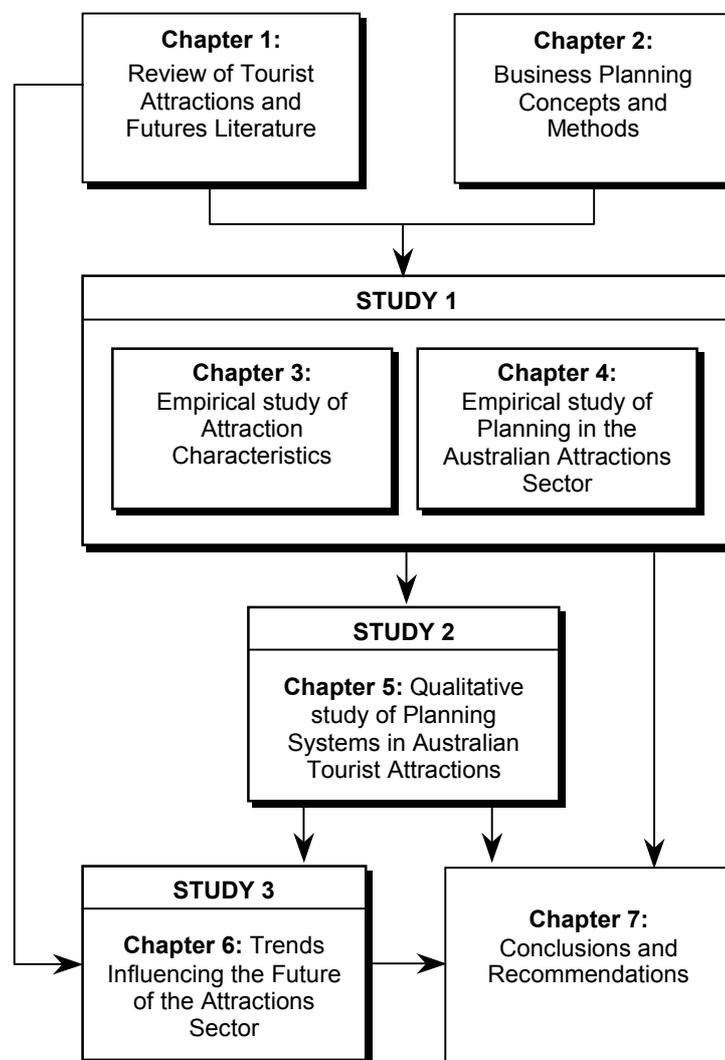


FIGURE 1.1 – Model of the research approach

Following the review chapters, study 1 will provide a thorough overview of business planning in Australian tourist attractions. It will examine the sector as a whole, rather than focussing on individual attractions (see page 119). Study 2 will employ a detailed qualitative methodology to consider how a variety of individual attractions plan for the future (see page 121). Study 3 will identify a set of future trends that have the potential to impact on the attraction sector. This study seeks to supplement the planning research of the previous two studies by exploring the future of tourist attractions. In simple terms, this study seeks to determine (1) where Australian attractions are now; (2) how attraction operators plan for the future; and (3) what that future might entail.

1.2 UNDERSTANDING TOURIST ATTRACTIONS

1.2.1 An Overview of Tourist Attraction Research

Despite the clear recognition of the role of tourist attractions as generators growth, they have remained what Stevens (1991) called the “*Cinderella*” component of an industry which has traditionally placed greater emphasis on sectors such as accommodation, transport and travel retail (Pearce, 1991, 1998a; Leiper, 1990; Lew, 1994). Lew (1994:292) highlighted that “tourism researchers and theorists have yet to fully come to terms with the nature of attractions as a phenomena” while Pearce (1998a) indicated that attractions deserve a multi-disciplinary research effort.

The focus of tourist attraction research can be summarised by a number of broad themes:

1. Defining and classifying tourist attractions and understanding the components that comprise an attraction (Leiper 1990, Pearce 1991, Lew 1994, Leiper 1997)
2. Managing visitors (Pearce 1989, Moscardo and Woods 1998, Moscardo 1999)
3. Exploring visitor characteristics, perceptions and reactions to components of attractions (Davies and Prentice 1988, Moutinho 1988, Boekstein, Bennet and Uken 1990, Fodness 1990, McClung 1991, Jago and Shaw 1997)
4. Describing the human resource aspects of attractions (Johnson and Thomas 1990, Law, Pearce and Woods 1995, Deery and Jago 1997)

With this in mind, the following review examines attempts by commentators to define, classify and understand tourist attractions. It provides a summary of the evolution of attractions. In keeping with the central theme of planning, an appraisal of the forces impacting on the future of attractions is presented. Chapter 2 continues the review by

turning to the management literature to examine the concept of strategic planning, with particular reference to small firms.

1.2.2 Defining Tourist Attractions

A number of researchers have highlighted the lack of a succinct, rigorous definition that is relevant to all visitor attractions (Walsh-Heron and Stevens, 1990; Swarbrooke, 2002; Leiper, 1990; Pearce, 1991). Swarbrooke (2002) identified two key reasons that contributed to the difficulty in defining tourist attractions. Firstly, it is difficult to determine the number of visitors that have to travel to a site before it can be classed as an attraction. Secondly, the purpose for visiting a site may determine whether it should be classed as an attraction. These technicalities are further complicated by the diverse nature of attractions. While various definitions have been suggested, they vary in terms of their purpose, disciplinary approach, applicability and simplicity.

Dann (1996) highlighted that with some creativity almost anything can be transformed into a tourist attraction, from traditional castles and natural environments to less congenial settings like sewers and slums. A more eloquent and widely applicable interpretation of attractions is provided by MacCannell (1976), who speculated that modern society makes itself the principle attraction in which other attractions are embedded. Similarly, Pearce, Morrison and Rutledge (1998:266), in accordance with Urry (1990), suggested that “attractions are the places and people which are the objects of the gaze of tourists.” In contrast to these broader interpretations, several researchers have adopted a more pragmatic approach in defining tourist attractions (see *Table 1.1*).

A number of common threads can be identified from the definitions presented in *Table 1.1*. Firstly, a number of authors have inferred that some form of *magnetic force* or drawing power exists between an attraction and its visitors. Several authors have cautioned against the literal interpretation of the term “attraction” and have suggested

alternate approaches to defining attractions (Leiper, 1990; Pearce, Benckendorff and Johnstone, 2000). Pearce *et al.* (2000) proposed that attractions in a region might be compared to “a dynamic matrix of force fields affecting bodies with varying degrees of susceptibility.” They argued that such an analogy reflects the competition between attractions in a finite area and thus considers management and visitor influences which can shape the power of the fields.

TABLE 1.1 – Definitions of tourist attractions

Author	Definition
<i>Lundberg, 1985</i>	Tourist attractions are by definition anything that attracts tourists
<i>Mill and Morrison, 1985</i>	Attractions, by definition, have the ability to draw people to them
<i>Holloway, 1985</i>	Any site that appeals to people sufficiently to encourage them to travel there in order to visit it can be judged a visitor attraction.
<i>Middleton, 1988</i>	A designated permanent resource which is controlled and managed for the enjoyment, amusement, entertainment and education of the visiting public
<i>Epperson, 1989</i>	An attraction is a destination that pulls or entices a person to it.
<i>Lavery and Stevens, 1990</i>	Any resource which is managed for the enjoyment of the visiting public ... they have a clear identity and fixed perimeters, their function is to entertain visitors and they rely on visitors for all or part of their income.
<i>Leiper, 1990</i>	A tourist attraction is a system comprising three elements: a tourist or human element, a nucleus or central element, and a marker or informative element. A tourist attraction comes into existence when the three elements are connected.
<i>Walsh-Heron and Stevens, 1990</i>	A visitor attraction is a feature in an area that is a place, venue, or focus of activity and does the following: <ol style="list-style-type: none"> 1. Sets out to attract visitors (day visitors from resident and tourist populations) and is managed accordingly. 2. Provides a fun and pleasurable experience and an enjoyable way for customers to spend their leisure time. 3. Is developed to realise this potential. 4. Is managed as an attraction, providing satisfaction to its customers. 5. Provides an appropriate level of facilities and services to meet and cater to the demands, needs, and interest of its visitors. 6. May or may not charge admission for entry
<i>Scottish Tourist Board, 1991</i>	A permanently established excursion destination, a primary purpose of which is to allow public access for entertainment, interest of education; rather than being a primary retail outlet or a venue for sporting, theatrical, or film performances. It must be open to the public, without prior booking, for published period each year, and should be capable of attracting day visitors of tourists, as well as local residents.
<i>Pearce, 1991</i>	A tourist attraction is a named site with a specific human or natural feature which is the focus of visitor and management attention.
<i>Gunn, 1994</i>	Attractions are those developed locations that are planned and managed for visitor interest, activity, and enjoyment.
<i>Lew, 1994</i>	Tourist attractions consist of all those elements of a “nonhome” place that draw discretionary travellers away from their homes.

Secondly, through the use of descriptors such as '*developed location*', '*designated resource*', '*named site*' and '*destination*' several authors have specifically excluded attractions such as extended natural landscapes, wildlife and cultural features. Pearce (1991) extended this definition by indicating that good scenery would not be considered as an attraction, but that a named scenic lookout does satisfy the definition. Similarly, he argued that regions or extended natural features, such as Australia's Blue Mountains, contain a dispersed set of attractions rather than being a single attraction unit. The rationale behind this approach is that it allows for more useful and specific management and visitor evaluation.

Finally, some definitions explicitly described attractions as *permanent*, thereby excluding temporary events which may attract visitors in their own right (Yale, 1990). Such events can include festivals and performances or natural phenomena such as coral spawning on the Great Barrier Reef or the Min-Min lights of outback Queensland.

The concept of *scale* is a point of distinction between the definitions that are presented. Early definitions were sufficiently broad and nebulous in nature to include both specific sites and destinations or regions. The definitions proposed by Epperson (1989), the Scottish Tourist Board (1991) and Gunn explicitly described attractions as locations or destinations, whereas definitions provided by Lavery and Stevens (1990), Walsh-Heron and Stevens (1990) and Pearce (1991) described attractions as features, sites or areas with 'fixed perimeters'. The latter interpretations of attractions therefore appear to place a far greater emphasis on site-specific features. Wall (1997) observed that tourist attractions could be classified as line, point or area attractions. Point attractions refer to specific sites, while line attractions include features that are linear in nature, such as tourist strips or natural features such as mountain ranges, coastlines of reefs. Area attractions are analogous with the broader interpretation of destinations, regions or precincts as tourist attractions.

The limitations of these definitions highlight the difficulties in deriving meaning from a highly disparate and continuously evolving sector of the tourism industry. Walsh-Heron and Stevens (1990) partly overcame this issue by addressing a number of dimensions in their definition of a tourist attraction. This definition is the most comprehensive and has been cited throughout the more recent tourist attraction literature.

Leiper's (1990) definition of an attraction, adapted from the work of MacCannell (1976) and Gunn (1988), stands apart from those of other researchers by implicitly identifying an attraction as a system consisting of three elements. An analysis of the elements that make up tourist attractions can advance general understanding of this sector beyond the boundaries of definitions. Thus the ensuing discussion examines various approaches to understanding the component parts of tourist attractions

1.2.3 Tourist Attraction Models and Frameworks

A number of conceptual frameworks from the tourism, management and social science literature have been used to assist commentators in understanding the elements that make up successful tourist attractions. MacCannell (1976) provided one of the earliest appraisals of the components of a tourist attraction. According to MacCannell, a phenomenon must have three components to be considered an attraction: a tourist, a sight to be viewed, and a marker which provides information about the sight. Leiper (1990) rightly pointed out that most conventional models only consider the sight element when describing an attraction.

Gunn's (1988) concentric rings model represented the first attempt to present a model of an attraction in diagrammatic form. The model described the physical resource settings that make up the spatial environment of a tourist attraction.

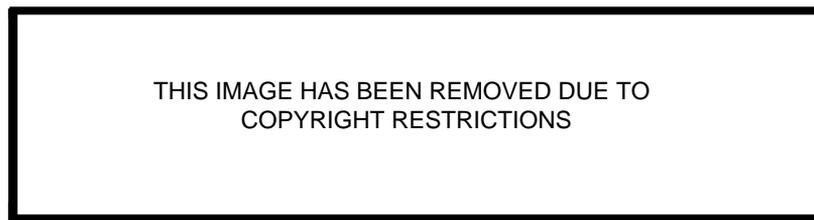


FIGURE 1.2 – Concentric rings model of a tourist attraction

Shown in Figure 1.1, the model consists of three concentric rings representing:

1. The nucleus – the core resource upon which the attraction is based;
2. The inviolate belt – the space needed to give meaning to the attraction; and
3. The zone of closure – the collection of services and facilities that support the attraction (such as toilets, information centres, transport and so forth).

As described in the preceding analysis of definitions, Leiper (1990) suggested a model of a tourist attraction which is based loosely on the work of Gunn (1988) and MacCannell (1976). Leiper's attraction model (Figure 1.2) is made up of three elements: a tourist or human element, a nucleus or central element, and a marker or informative element. Leiper (1990) emphasised that attractions only exist when these three elements interact. The value of Leiper's contribution is that it presents tourist attractions as sub-systems of the tourism system. The work of Richards (2002) provides empirical support for this view of tourist attractions. Most profoundly, Richards observes that Leiper's system does not adhere to the conventional view that tourists are "pulled" towards attractions; rather they are "pushed" by their own motives.

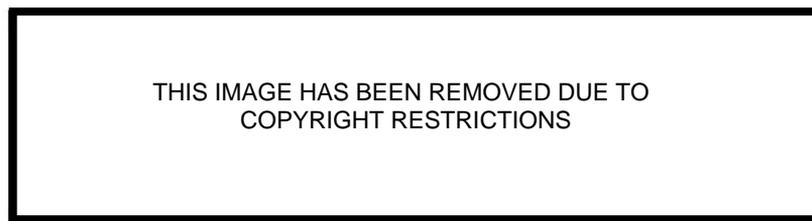


FIGURE 1.3 – A model of tourist attraction

Kotler, Brown, Adam and Armstrong (2001:336) stated that consumers see products as "complex bundles of benefits that satisfy their needs". Consequently, products can be conceptualised at three levels according to the benefits offered to users. As illustrated by Figure 1.3, a product consists of:

1. The core product – the problem-solving services or benefits obtained by consumers

2. The actual product or secondary service – the product's parts, styling, features, brand name, packaging and other attributes that combine to deliver the core product benefits
3. The augmented product – the additional consumer services and benefits built around the core and actual products

Kotler's framework is widely applicable to tourist attractions, as demonstrated by Swarbrooke (2002). While visually comparable with Gunn's model, Kotler's framework places greater emphasis on the core needs and benefits obtained by visitors rather than the tangible aspects of an attractions. Consequently, the core of Kotler's model consists of intangible attributes such as education, entertainment, relaxation or excitement.



FIGURE 1.4 – The three levels of a product

The importance of intangible elements such as education, entertainment and visitor involvement has been recognised by several authors (Stevens, 1991; Robinson, 1994). "Edutainment", a word coined by the Disney Corporation, was a combination of education and entertainment (Richards, 1996). An extension of this idea was the concept of interpretation – the art of telling a story about the resource which forms the basis of the attraction. Stevens (1991) claimed that interpretation was likely to become

the most important aspect of attractions because it provided an essential bridge between the resource and the visitor. In this respect the concept of interpretation is akin to MacCannell's concept of a 'marker'.

Pearce (1991) used both an inductive and deductive method to arrive at six principles for successful tourist attractions (see Table 1.2). The inductive approach analysed a number of case studies of successful attractions, while the deductive approach synthesised the concepts presented in Gunn's (1988) concentric rings model and Canter's (1975) sense of place model. Canter's place model consisted of a Venn diagram of three components necessary to gain a "sense of place". The three components, presented in Appendix 2, are particularly useful when applied to tourist attractions. According to this approach, an attraction will be more successful when visitors have a clear concept of what it is about; the activities offered are clearly understood; and the physical attributes are distinctive and aesthetically pleasing (Pearce, 1991). The physical component of Canter's model is analogous to MacCannell's (1976) 'sight' and Gunn's (1988) 'nucleus'. The *concepts/meaning* component is related to MacCannell's (1976) notion of a 'marker'. It is through the use of markers, such as signage, brochures and interpretation, that visitors can conceptualise or derive meaning from the attraction.

TABLE 1.2 – The Elements of a Successful Tourist Attraction

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The six principles of successful tourist attractions provided by Pearce (1991) offers the most comprehensive review of the elements of successful tourist attractions to date. Set within Leiper's (1990) framework of an attraction as a sub-system, these elements provide the most complete description of tourist attractions. It is significant to note that none of the frameworks reviewed explicitly recognise the importance of managerial input. One could be forgiven for thinking that attractions exist in a self-perpetuating Utopian state devoid of external influences beyond the needs of visitors. Some frameworks obviously *infer* the need for management, for without management elements such as activities, services, pricing and interpretation would not exist. Management theories dealing with managerial and employee characteristics and the external environment clearly suggest that attractions, like other businesses, are influenced by a variety of internal and external factors.

1.3 CLASSIFYING TOURIST ATTRACTIONS

Any study of tourist attractions would be incomplete without a consideration of the various methods of classifying attractions. Classification is necessitated by the need for meaningful comparisons between the many disparate parts of the attraction sector. A number of tourist attraction classifications have been suggested by researchers. As *Table 1.3* indicates, some of the most common classification schemes are based along dimensions such as *man-made* versus *natural* or *sites* versus *events*. Cooper, Fletcher, Gilbert and Wanhill (1993) combined these classifications to form a two-dimensional matrix as illustrated in *Figure 1.4*. This multi-dimensional approach allows for more rigorous and detailed classification of attractions.

TABLE 1.3 – Tourist Attraction Classification Schemes

Classification	Source
· Natural, human-modified, human made	Pearce <i>et al.</i> , 1998; Wall, 1997; Yale, 1996; Lavery and Van Doren, 1990
· Natural, man-made non-tourist, man-made for tourists, special events	Swarbrooke, 2002
· Drawing power/Catchment (eg. international, national, regional, local)	Pearce <i>et al.</i> , 1998; Wall, 1997; Swarbrooke, 2002; Mill and Morrison, 1985
· Indoor v. outdoor	Wall, 1997; Yale, 1996
· Public stewardship v. private ownership	Pearce <i>et al.</i> , 1998; Wall, 1997; Gunn, 1994
· Permanent, seasonal, occasional	Wall, 1997
· Site v. event	Yale, 1996; Mill and Morrison, 1985; Lundberg; 1980; Burkhart and Medlik, 1974
· Paid entry v. free entry	Yale, 1996;
· Point, line, area	Wall, 1997
· Number of visits	Pearce <i>et al.</i> , 1998; Swarbrooke, 2002
· Content/Resource base (eg. ethnic, political, religious, agricultural, wildlife, physical etc.)	Pearce <i>et al.</i> , 1998; Yale, 1996; Gunn, 1994; Epperson, 1989
· Primary (Long-stay) v. Secondary (Touring)	Swarbrooke, 2002; Mill and Morrison, 1985; Gunn, 1994
· Location (eg. rural, coastal, urban)	Swarbrooke, 2002; Gunn, 1994
· Size of site	Swarbrooke, 2002
· Target markets	Swarbrooke, 2002
· Benefits sought	Swarbrooke, 2002
· Clustered v. Isolated	Robinson, 1996
· Contrived, staged, denial of authenticity, authentic	Cohen, 1979

	SITE	EVENT
NATURAL RESOURCE	e.g. National Park	e.g. Coral Spawning
MAN-MADE	e.g. Theme Park	e.g. Festival

Adapted from Cooper et al., 1993

FIGURE 1.5 – Classification of Attractions

Various permutations of the man-made versus natural classification scheme have emerged. Lavery and Van Doren (1990) have developed this classification to its fullest potential with the classification scheme presented in Figure 1.5. The model viewed attractions as being distributed along a continuum ranging from those highly dependent on natural resources to those that are based on cultural resources. The model also presented a second dimension which classifies attractions from general to specific.

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Source - Lavery and Van Doren, 1990

FIGURE 1.6 – Classifying tourist attractions

The further development of a multi-dimensional approach that makes use of gradations along each dimension would offer a potentially potent method of classifying attractions. In his synthesis of a number of tourist attraction studies, Lew (1994) adopted this approach by suggesting that the categorisation of attractions can be summarised by three major perspectives:

1. *Ideographic* – emphasis on the general environmental features of a place, including natural beauty, climate, culture, and social customs or characteristics. Classified along a continuum ranging from *nature–nature/human interface–human*;
2. *Organisational* – a focus on spatial, capacity and temporal characteristics. Classified along a continuum of *individual/separation–collectivity/connection*;
3. *Cognitive* – emphasises the study of visitor perceptions and experiences. Classified along a continuum of *security–risk*.

Lew's contribution to attraction research facilitates cross-perspective measures, thus allowing for the multi-dimensional classification of attractions along several continua.

1.4 THE EVOLUTION OF TOURIST ATTRACTIONS

The history of attractions has often been inextricably linked with the development of the travel industry as a whole. It can generally be said that older attractions are either natural attractions or man-made attractions that were not designed principally to appeal to travellers (e.g. The Great Barrier Reef, Egyptian Pyramids). Conversely, many modern attractions have been purpose-built for visitors (e.g. Disney World) (Swarbrooke, 2002).

Many attractions from ancient times are still popular today. Casson (1994) provided an insightful and definitive analysis of travel between 3000 BC to 600 AD and identifies a number of key attractions and motives for travel during this period. The Ancient Egyptians were attracted to religious festivals several times a year. During the New

Kingdom in Egypt (1600 to 1200 BC) a number of prominent monuments such as the Sphinx and the great pyramids of Giza were already over 1000 years old and graffiti left by ancient sightseers can be found on the walls of these attractions (Feifer 1985, Casson, 1994).

In Ancient Greece attractions such as the Parthenon, the Oracle at Delphi and the athletic competitions at Olympia were prominent (Casson, 1994). A noteworthy collection of attractions includes the seven wonders of the world identified by an unknown scholar in the third century BC. These were the Pyramids, the Hanging Gardens at Babylon, the Statue of Zeus at Olympia, the Temple of Artemis at Ephesus, the Mausoleum, the Colossus of Rhodes and the Lighthouse at Alexandria (Casson, 1994).

The Roman calendar boasted a huge number of public holidays allowing Roman citizens the opportunity to visit attractions such as the Colosseum which offered chariot racing, boxing, theatrical performances and gladiator bouts (Casson, 1994). The Roman Empire also gave rise to a number of early coastal resorts such as the Bay of Naples whilst the health giving properties of mineral springs, or *aquae*, proved to be fashionable attractions (Balsdon, 1969; Feifer, 1985;). The disintegration of the Roman Empire and the advent of the Dark Ages in the fifth century resulted in what Laistner (1930:19) described as “the decay of geographical knowledge and the decline of exploration.” The deterioration of a common currency and language and the loss of a reliable road network prevented people from travelling to attractions in any great numbers.

It was only during the medieval period that certain attractions again began to flourish. During this time religious pilgrimages were actively encouraged by the church and destinations such as Jerusalem, Rome, Canterbury and Santiago de Compostela were popular (Rinschede, 1992; Smith, 1992). The attractions at these destinations included

religious artefacts and shrines. During the rule of Elizabeth I of England (1558-1603) travel to a wider range of attractions became popular. The growth in travel was fuelled partly by a special type of attractions-based exploration known as the *Grand Tour*. The Grand Tour was designed as an educational experience for the young men of European aristocracy. The tour itinerary included important historical and cultural attractions such as continental universities, art galleries, museums and collections, and architectural marvels (Towner, 1985).

The seventeenth century saw the re-emergence of the hot springs and spas originally used by the Romans (Pimlott, 1947). Noteworthy destinations included Bath and Buxton in Britain, Wiesenbaden and Baden-Baden in Germany, and Vichy in France. Visitation to these spa towns triggered the development of a number of secondary attractions to provide visitors with a range of activities. For example, Pimlott (1947) noted that Bath was one of the first towns outside London to boast its own public theatre. Other supplementary attractions included parks and gardens, assembly rooms, pumping rooms and dancing halls (Pimlott, 1947; Towner, 1996). By the end of the eighteenth century attractions were not only limited to heritage sites but had started to expand to purpose-built facilities to match tourist needs and activities. Accordingly, travelling fairs started to move between towns during this period (Walsh-Heron and Stevens, 1990).

The industrial revolution sparked a number of social and technological changes which ultimately enhanced the demand for attractions. Demand for an affordable method of transporting increasing numbers of travellers from industrial centres to holiday areas led to the development of rail networks in Europe and North America. Concurrently, the concentration of populations in large industrial centres created the need for holidays as a means of maintaining health and efficiency (Pimlott, 1947).

Burgeoning seaside resorts emerged in the mid-eighteenth century amidst claims that bathing and drinking of sea water offered numerous health benefits (Walton, 1983). In Britain resorts such as Brighton and Scarborough grew rapidly and soon challenged the status of Bath as fashionable holiday destinations (Towner, 1996). Like spa resorts, seaside resorts also sought to offer a diversity of tourist experiences through attractions such as tea gardens, aviaries, aquaria, winter gardens, pier promenades and open-air entertainment (Walton, 1983). In the latter part of the nineteenth century seaside pleasure gardens and travelling fairs began to evolve into more static fair parks which were to become the forerunners of modern theme parks (Walton, 1983). During this period a number of casinos also emerged as attractions on the French Riviera and ski resorts developed in both Europe and North America to meet the growing demand for skiing and mountaineering activities (Swarbrooke, 2002).

The early twentieth century saw the rise of event-based attractions such as the re-emergence of the modern Olympic Games and other sports events (Swarbrooke, 2002). The advent of Henry Ford's motor car and the proliferation of paid annual holidays led to greater flexibility and increased demand for local attractions that offered relaxation, adventure and amusement (Pimlott, 1947). Interest in exotic destinations and wildlife led to the creation of modern zoological gardens and safari parks in Africa, Europe and North America. Holiday camps offering self-contained accommodation, communal dining, organised amusements, dance halls, bathing pools and sports fields emerged near urban centres (Pimlott, 1947). While these camps provided lodging for several thousand visitors, they also became attractions in their own right.

The continuing trends of increased leisure time, greater mobility and higher disposable income heralded a boom in the attractions sector after World War II. Many businesses not traditionally associated with tourism began to develop themed tourist attractions. The entertainment industry embraced the concept of theme parks to create mass entertainment venues such as Disneyland. Farms, factories and mining companies

also sought to diversify into the tourism industry, leading to themed attractions such as Knott's Berry Farm in North America and Gold Reef City in South Africa. A number of shopping centres and waterfront developments have also become tourist attractions in their own right (Swarbrooke, 2002).

A consideration of the evolution of attractions heightens awareness of the social and technological changes which continually re-shape visitor demand for leisure opportunities. The review suggests strongly that attractions are continuously being discovered, *planned* and *managed* to suit changing national and international tastes, motives and purchasing power. The issue of planning and management of tourist attractions is a particular focus of the research dimensions of this thesis.

1.5 FORCES SHAPING THE FUTURE OF TOURIST ATTRACTIONS

Attractions change over time due to physical deterioration and as a result of changing consumer needs (Gunn, 1988). Butler (1980) suggested that the life cycle concept can be applied to the evolution of tourism products. He proposed that tourism products experience several phases including exploration, involvement, development and consolidation. The consolidation stage is followed by decline, stagnation or rejuvenation, depending on the *environmental forces* that impact on the tourism product.

The evaluation and anticipation of environmental change is at the core of successful planning. An analysis of environmental forces improves the planning process by identifying trends that will reduce risk and uncertainty (Jurowski and Olsen, 1995). A discussion of emerging environmental trends is clearly beneficial when investigating how tourist attraction managers plan for the future.

The following discussion attempts to identify and synthesise some of the key developments that have the potential to impact on tourist attractions. These developments are drawn from the work of various commentators, self-styled futurists

and researchers, often outside the sphere of tourism. It is therefore appropriate to highlight that the following discussion should be interpreted carefully. There are several reasons for this caution:

1. Much of the work presented is by nature *speculative*. While some of the observations, such as changes in demography and society are well researched and documented within the consumer behaviour and sociology literature, others are quite clearly based on subjective opinion and dogmatic assertions. Greater emphasis will be placed on sources that have a research focus.
2. Some of the analysis draws on the futures literature, which by nature often *lacks empirical testing* and draws on a broad range of methods. However, a core aim is to present a broad spectrum of views concerning the future, so that these may be included and evaluated in the research. Therefore, much of the material is included with the intent to canvas a thorough, wide-ranging collection of relevant views.
3. Some of the views presented lack widespread *collaborative* agreement. Attempts have been made to corroborate views by drawing on consistency between authors when possible. Similarly, divergent views are presented in some instances to illustrate the diversity of current thinking about the future.

With these considerations in mind, it is also useful to briefly describe the meaning of a 'trend' in the context of this research. The discussion below draws on a series of views, some of which explicitly identify trends, and some which are implicit in their account of the future. In the context of this research:

A trend is considered to be a change, direction or movement resulting in a pattern. Trends have been identified on a world scale, at a regional level, and within the tourism industry or the attraction sector. Similarly, trends may occur

as global, holistic shifts, or an emerging phenomenon in a select group or community.

In general, the longer a trend has been moving in a certain direction, the more significant that trend is. In some instances the discussion below suggests potential emerging indicators for trends.

Evans, Campbell and Stonehouse (2003) suggested that an organisation's environment is made up of a *macro-environment* and *micro-environment*. The macro-environment includes broad environmental forces that are generally beyond an organisation's influence but have the ability to impact on the microenvironment. The micro-environment consists of forces close to the company that affect its ability to serve its customers. This distinction provides a practical framework for discussing the forces which will shape attractions in the future.

1.6 THE MACRO-ENVIRONMENT OF ATTRACTIONS

The macro-environment is comprised of forces that can influence the whole industry in which a business operates. The nature of these forces means that individual businesses are unable to influence them. Instead businesses must evaluate these forces and prepare for changes through the process of strategic planning (Evans et al., 2003). Traditional strategic management texts have consistently identified four forces in the macro environment. These follow the STEP (or PEST) acronym, which represents Social forces, Technological forces, Economic forces and Political forces. Evans et al. (2003) added a fifth force, Environmental forces, to create the acronym 'STEEP'. The STEEP framework is used below as a basis for further discussion.

1.6.1 Socio-Cultural Trends

McRae (1995) argued that of all the forces that will change the world over the next generation, demography is probably the most important. An analysis of the plethora of social trends identified by commentators raises a number of implications for tourist attractions and, more broadly, the tourism industry. Whilst it is beyond the scope of this research to consider every social trend, and its likely impact on tourism, the key trends distilled from a number of sources are discussed below. These trends include changes in fertility and family composition, an ageing population, changes in leisure time, cultural diversity, the role of women, and spiritual aspects. The World Tourism Organisation (2000) highlighted that social trends will rarely work in isolation, and will in fact influence one another and change through time.

1.6.1.1 Fertility and Family Composition

Changes in society have resulted in a decline in traditional families in the developed world. Knoke (1996, p.288) stated that “we now have sex without children, and children without sex...in all this, the institution of marriage is diminished.” Tarlow and Muehsam (1992, p.31) observed that “couples without children, households with few children, and singles will make up an ever greater proportion of the travelling public.” This trend appears to be caused by a number of social factors including: widespread use of female contraception, fewer marriages, higher divorce rates, changing laws and attitudes surrounding the role of women in society, increased female participation in the labour force and couples choosing to have fewer children (Australian Bureau of Statistics, 2002).

Fukuyama (1999) pointed out that the drop in fertility in countries such as Italy, Germany and Japan has been so dramatic that they will lose over 1 percent of their population every year. This trend is also evident in English speaking countries; particularly in the United States, where 25 percent of women aged 30 to 34 were

childless in 1990, compared with only 16 percent in 1976. It has been predicted that 24 percent of Australian women currently in their reproductive years will never have children (Australian Bureau of Statistics, 2002). When couples do choose to have children, historical data suggests that women are delaying childbirth. The average age of women at childbirth increased from just above 24 years in 1978, to 28 years in 1998 (Australian Bureau of Statistics, 2002).

A consequence of these trends is the emergence of a greater variety of household segments for which the travel and tourism industry may need to cater (World Tourism Organisation, 2000). It is argued here that the implications for tourist attractions are threefold. Firstly, a lack of children, or an increase in the average age of women at childbirth means that young couples have more discretionary time and income. Singles and couples may view travel as an opportunity to meet and interact with people (Tarlow and Muehsam, 1992). Secondly, smaller family size means that the family unit has greater flexibility in their activities and more money to spend on recreation and entertainment (Tourism New South Wales, 1999). Lastly, tourist attractions may need to reevaluate the type of services and packages that are offered. For example, Scott (2002) suggested that the standard two adult-two children 'family' ticket may no longer be attractive to the market place. This has the potential to alter the types of experiences that young singles, couples and families desire and may create demand for activities that are less family oriented, or leisure products that provide child-minding services.

A final consideration relating to family composition is linked to China, where a tendency toward single child families may have a drastic impact on tourism in the future. The World Tourism Organisation (2000) predicted that by 2020 China will be both the largest destination and generator of tourism worldwide. A rapidly declining Chinese population does not diminish the obvious opportunities for tourist attractions; rather it creates an economic climate which will allow more Chinese to travel abroad.

1.6.1.2 Ageing population

One of the most pervasive trends identified by practitioners and researchers has been the general ageing of populations in wealthy developed nations. It has been claimed that by 2050 almost 25 per cent of people in developed countries will be over 65 (Seekings, 1998).

This demographic shift has materialised as a result of a number of interrelated factors. Firstly, the population of the developed world is living longer. Advances in medicine and lifestyle research have delivered an improved quality of life for many older citizens, Secondly, fertility rates are declining almost without exception in every developed nation of the world, thereby changing the ratio of young to old. This trend is exacerbated by a tendency toward smaller families, as discussed earlier. Thirdly, the presence of the baby-boomer phenomenon in some western societies will increasingly influence population structures as this group moves from middle age to retirement. Lastly, China's population will age dramatically in the coming decades due to the success of its one child policy. This last factor, while more regionalised in nature, is of vital importance given the increased levels of disposable income available to the citizens of the world's most populous nation.

The effects of an ageing population on tourism have been extensively studied. A number of authors have noted that with above average wealth and relatively few demands in their time, the elderly will make up an ever-larger part of the tourist market (Jurowski and Olsen, 1995; Robinson, 1994; Martin and Mason, 1993; Queensland Government, 1998; Cetron, 2001; Tarlow and Muehsam, 1992; Tourism Victoria, 2002). Scott (2002) added that not only would there be more retired travellers but they could be more active and may enjoy better health. Martin and Mason (1993) also suggested that older travellers may be more physically and mentally active in terms of pursuing opportunities for learning, fun and entertainment. Research has suggested that retirees are more inclined to travel off-season, thus helping to eliminate the cyclical

peaks and valleys typical of the industry. Tourist attractions clearly have an opportunity to prosper by providing services and facilities needed by older travellers.

Market research indicates that the styles of tourism that may appeal to an aging visitor market include heritage tourism, indigenous tourism, educational tourism, and ecotourism (Tarlow and Muehsam, 1992; Loverseed, 1998; Tourism New South Wales, 1999). An increased interest in sea cruising and car travel has also been identified (Smith & Jenner, 1997). Cetron (2001) predicted that facilities that combine extra comforts for the elderly with an adventure-vacation theme would become especially popular. Research has also suggested that this large market segment may well show a preference for attractions based on authentic culture and scenic environment (Jurowski and Olsen, 1995).

An ageing population, while providing opportunities for tourist attractions, also introduces a number of potential threats. McRae (1995) argued that an ageing population results in fewer people of working age able to support both the young and the old. While this conceivably creates greater employment opportunities for the young there is a concern that a less competitive employment market may result in decreased levels of quality and service. In addition, a labour shortage may be a distinct possibility in many industries by 2020. The rules of supply and demand suggest that this could be exacerbated by increased labour costs, as businesses increase remuneration to secure talented employees. Tourism may be insulated from the full impact of such shortages due to its appeal as a relatively transient and dynamic employment generator; however, there may be a need for some tourism businesses to turn to technology as a more affordable substitute.

Scott (2002) suggested that retired individuals staying in the work force longer in part-time or consulting capacities may lessen a labour shortage. Similarly, McRae (1995, p.103) provided a number of suggestions for managing labour shortages, such as:

- Increasing the official retirement age
- Increasing female participation rates in the workforce
- Encouraging part-time working (including home working)
- Supporting University students to work part-time while studying
- Expending greater effort to ensure that the unemployed find work
- Retraining individuals several times in a career
- Using voluntary labour to a greater extent

McRae (1995) also noted that every member of the European Union was either increasing retirement age or was considering doing so and he added that by 2020 the normal retirement age may well have risen to 67 or even 70 in most industrial countries. Such changes would suggest that older individuals may not have as much disposable time as some authors have envisaged.

1.6.1.3 Leisure Time

Changes in the availability and use of leisure time are indelibly linked with the fortunes of the tourism industry. It is clear that there is considerable disagreement regarding changes in leisure time. The relationship between tourism and leisure time is not as simple as it might at first appear. Authors such as Coates, Mahaffie and Hines (1997) have commented on the perceived increase of leisure time in developed nations, while Tourism New South Wales (1999) noted that leisure time had not increased greatly. Some authors noted that, at least in Australia, there had in fact been an increase in the number of work hours throughout the workforce (Tourism Victoria, 2002). It is possible that these discrepancies are due to a misconception that while paid leave has increased, many workers do not actually use all of their leave entitlements. In

a detailed discussion of leisure time, the Northern Territory Tourist Commission (2002) estimated that 40% of working Australians did not take an annual holiday. Increasing work hours has resulted in many individuals becoming cash-rich and time-poor while lower job security has created a reluctance to take holidays.

There is a general consensus that the flexibility of work hours has increased, providing individuals with more opportunities for short vacation experiences. The introduction of job-sharing and new technologies that facilitate telecommuting has created a tendency towards extending the weekend by taking short breaks (Northern Territory Tourist Commission, 2002). Researchers observed that multiple, shorter vacations spread throughout the year were becoming more popular than traditional long holidays (Cetron, 2001; Commonwealth of Australia, 2002). This trend has produced a growth in spontaneous travel over shorter periods with shorter lead times (Tourism Victoria, 2002). Attractions located within a four to five hour drive from urban centres are likely to benefit from this trend.

It would appear, however, that shorter trips face greater competition from other short-term recreation and entertainment substitutes. A variety of lifestyle changes have made activities such as household renovations or home and city-based entertainment more fashionable. Home-based leisure activities such as interactive television, online services, virtual reality games and home theatres have become increasingly common in Australian households while more traditional pursuits such as gardening has continued to be popular (Tourism Victoria, 2002). This has created what the Northern Territory Tourist Commission (2002) described as the 'cocooning' of leisure activities that compete with attractions for leisure time and dollars.

It has also been suggested that tourists may be less tolerant of bureaucratic delays and bungles that diminish their limited vacation time (Tarlow and Muehsam, 1992). Cetron (2001) proposed that as time became more precious customers would seek out brand

names associated with high quality. It is interesting to note that very few attraction operators have capitalised on the concept of branding. The branding of IMAX theatres is an example within the attraction sector but it could be argued that these facilities are better categorised as general entertainment or leisure businesses. The desire to be associated with accreditation schemes such as the Nature and Ecotourism Accreditation Scheme (NEAP) in Australia or award programs such as the Australian Tourism Awards may be an emerging indicator of this trend.

1.6.1.4 Cultural Diversity

It has been suggested that a well-established tradition of accepting immigrants and assimilating them into a broader mainstream culture in English-speaking nations such as the United States, Canada and Australia, has caused populations in these countries to continue increasing (Fukuyama, 1999). As a result, some authors observed a trend toward increased cultural diversity, particularly in Australia and the United States:

For the next twenty-five years the US will be the only developed country in the western world which will continue to allow large-scale immigration – with the possible exception of Australia... The US will not yet have become a country where white people are nearly a minority, but it will have travelled far along the road towards becoming the truly multi-cultural society that it will be by the second half of the next century (McRae, 1995, p.209).

Knoke (1996) discussed a similar trend and added that a third of Australia's residents were born elsewhere, with new residents arriving at such a rapid rate that the country has the highest population growth in the industrialised world. McRae (1995) also commented that by 2020 it will be evident that Australia is gradually becoming an ethnic Asian society. However, the proportion of Asia-born arrivals has fluctuated markedly, peaking in 1991-92 at 51% of all migrants. In 1999-2000 a total of 31,100 settlers born in Asia (34% of all migrant arrivals) arrived in Australia (Australian Bureau of Statistics, 2003).

These developments have at least three potential implications for tourism. Firstly, the influx of new Australians from diverse cultures may gradually change the domestic visitor market, both in terms of visitor preferences and expectations. Secondly, anecdotal evidence would suggest that a multi-cultural society encourages international VFR travel. It would therefore be reasonable to suggest that the characteristics of VFR travellers to Australia may change. For example, the percentage of VFR travellers from Europe may decrease while VFR travellers from Asia could increase, based on ethnic changes within the Australian population. A third implication for tourism businesses is the need to be supportive of cultural practices. For example, in an effort to deliver high levels of customer service, should tourist attractions remove pork from food menus, or should prayer rooms be provided in theme parks to meet the needs of Muslim travellers?

1.6.1.5 Role of Women

A subtler social trend is the increased role of women in the workforce and in public life. Women are increasingly running businesses or are otherwise in paid employment and they are becoming more independent and autonomous. This is inarguably the result of the feminist movement that started in the 1960s. The Northern Territory Tourist Commission (2002) observed that feminism had created new market segments with greater disposable income. Evidence of these markets can be seen in increasing numbers of females choosing to travel independently, or in groups (Weaver and Lawton, 2003). For example, the Australian Tourist Commission has identified a unique market of young female travellers from Japan who typically travel in groups and have a high level of discretionary income. However, it also be argued that higher female workforce participation results in competing family time constraints. This may create challenges for families and couples when coordinating their leisure time. It is suggested that this outcome could be viewed as a contributing factor behind the trend of multiple short breaks in preference to a single, longer, traditional holiday.

1.6.1.6 Mind, Body and Soul

In addition to demographic changes, various authors have tracked trends related to the attitudes of customers. From this perspective, Matathia and Salzman (1999) reported a growing disenchantment with lifestyles that focus purely on work and material possessions. A concern for health and well-being has led to a demand for more balanced lifestyles incorporating spiritual elements, greater emphasis on personal fulfilment and more time to appreciate family and leisure activities (Northern Territory Tourist Commission, 2002). These attitude changes have been broadly grouped under 'mind, body and soul' and deal with responses to religion and spirituality, alternative therapies, mental well-being and physical fitness.

Matathia and Salzman (1999) noted that devotion to organised religion had been on the decline across much of the industrialised world. However, in recent times, they detected a reversal of this trend, as more consumers returned to religion seeking solace and reassurance in an uncertain world environment. Furthermore, it has been suggested that an increased sense of isolation and disconnectedness from the natural world has caused western consumers to turn to the spirituality of Eastern and New Age religions. The increased popularity of passive relaxation techniques such as yoga, tai chi and meditation may be an emerging indicator of this trend. On a spiritual level, perhaps the most visible example of this trend in Australia is the increased popularity of 'pilgrimages' to Gallipoli. With the exception of religious and military shrines, Australia has very few attractions that cater for these spiritual interests.

The growth of health resorts, wellness centres and day spas in Europe have been well documented by several tourism researchers but the role of such facilities in Australian tourism remains peripheral (Tarlow and Muehsam, 1992). As the Australian population ages, and Baby Boomers seek new ways to stay young, perhaps there are opportunities for attractions to reorientate product offerings. In fact, Tarlow and Muesam (1992; p.32) claimed that "attractions, hotels, and restaurants will adjust their

physical amenities to accommodate these health demands.” This may be as simple as considering healthier food and beverages served through attraction kiosks or as complex as designing an integrated ‘healthy living’ attraction. Interestingly, Scott (2002) pointed out that in the USA, the term ‘spa’ had come to mean something quite different to the traditional term used in Europe. Spas had become more broadly associated with ‘health and fitness’ which incorporated relaxation and beauty treatments.

Kotler (1998) commented on the therapeutic benefits of the travel experience itself. He suggested that ‘transformation travel’ may be a more effective option than therapy for people who need to make changes in their lives. “Transformation travellers may wish to fulfil something missing in their lives. They feel more creative in strange places. They can indulge in a secret life of forbidden behaviour when they are away from home” (Kotler, 1998; p.26). Attractions that allow visitors to completely immerse themselves in an alternate reality, whether through technology or personal interaction, clearly provide greater scope for such therapeutic experiences. Tourism Victoria (2002) suggested that the quest for a holistic type of recreation which balances the mind, body and soul would fuel the market for indulgence products, outdoor activities, family holidays and short breaks.

1.6.2 Technological Trends

The pervasive nature of technology impacts on the business environment of tourist attractions both directly and indirectly. The direct applications of technological advances benefit the attraction sector in terms of business efficiency, product development and marketing. Stevens (2003), in citing research by consultancy firm Deloitte and Touche, noted the growth of a more sophisticated, technology-led attractions sector. Indirectly, advances in scientific fields as varied as medicine, genetics, transport, robotics and entertainment create various opportunities and threats for the attraction sector.

Scott, Jones, Bramley, and Bolton (1996) argued that the survival of organisations in the future would depend on the maintenance of a competitive level of technology to facilitate innovation, design, management and marketing. Technology can be of benefit in implementing business strategies; replacing aging or obsolete technology components; increasing and managing visitor capacity; and introducing cost-effective improvements for existing attractions (Ashmore, 1988).

Technological changes and directions of research provide some clues to the future world in which tourist attractions will need to operate. Life in the year 2020 can be envisaged with reasonable accuracy because many of the prototypes of the inventions and technologies already exist in the laboratory (Kaku, 1998). However, McRae (1995) pointed out that the advance of technology is subject to complex interaction between the directions in which research is pushed, the price of a particular technology, and social acceptance.

The following discussion commences with a cursory exploration of social responses to technology in tourist attractions before considering the direct and indirect impacts of technology on the attractions of the future.

1.6.2.1 Tourist Responses to Technology

Naisbitt (1999) observed that society is moving in the dual directions of high tech and high touch, matching each new technology with a compensatory human response. Naisbitt's concept of high-tech / high-touch was concerned with "embracing technology that preserves our humanness and rejecting technology that intrudes upon it...It is recognising that at its best, technology supports and improves human life; at its worst, it alienates, isolates, distorts, and destroys" (1999, p.26). It was further suggested that as technology became more pervasive in everyday life, more people would seek the comfort of human relationships and interaction.

Travel was viewed by Naisbitt as a core human reaction in response to the “stress engine of consumer technology”. Coates et al. (1997) also discussed the apparent desire to escape technology and cited examples that suggest a return to traditional, often labour-intensive, activities. Sheldon (1997) suggested two polar responses to technology, using the high-tech / high-touch analogy. She proposed that some travellers, grouped under *high-tech*, would have an expectation of higher levels of automation. High-tech travellers would appreciate the application of technologies that deliver more efficient travel experiences. This market segment would seek out entertainment and attractions that use technology in the creation of the experience. Conversely, Sheldon described the *high-touch* market segment as “luddites” who viewed technology as being destructive to the tourism experience. It was proposed that these travellers would seek out vacations that allowed them to escape from the modern technological world by providing more personalised, human interactions. Sheldon recommended that businesses serving high-touch customers should not ignore technology, but should use it in the background to support high levels of personalised service. However, there is some scope for further research to confirm Sheldon’s hi-tech / high-touch hypothesis.

1.6.2.2 Business Efficiency and Product Development

Dramatic developments in the technology field have impacted on the travel industry by enhancing competitiveness (Affolter, 2001). Technology has been applied in attractions to deliver new business efficiencies in menial tasks such as budgeting, forecasting, analysis of customer feedback and market research, business planning, and the provision of security and visitor management.

The growing capability of electronic systems is expected to increase the quantity of general information as well as specific information that businesses will have about their

own performance. This will allow businesses such as attractions to fine-tune products and services (McRae, 1995).

Martin and Mason (1993) proposed that the use of computerised booking systems, smart cards, and electronic security could control visitor flows and allow employees to interact with visitors on a personal level rather than carrying out routine tasks such as admission. Smart card technology could facilitate the admission and tracking of visitor movements in tourist attractions. Coates et al. (1997) predicted that the use of smart cards could be universal within the next 20 years. Smart cards have the potential to contain information such as nationality, medical history (perhaps a personal DNA profile), education and employment records, financial accounts, social security, credit status, and religious and organisational affiliations. In effect, these smart cards replace the contents of a conventional wallet with information stored in digital format. This may include a system of crediting and debiting smart cards that would essentially operate as form of currency. It has also been suggested that smart cards may be able to provide detailed customer information for use in more efficient target marketing (Cetron, 1998). In the tourism industry, smart cards have been adopted rapidly by the transport sector and they have become an important recent addition to public transport systems in Europe, Australia and Asia, with the Bangkok Sky Train system and the London transport system being notable examples. In Australia, smart cards have being used to operationalise integrated public transport ticketing solutions in cities such as Sydney and Brisbane. New drivers licences issued by the Queensland Government will also use this technology. As public acceptance of this technology grows, tourist attraction operators could conceivably use smart cards to manage visitor flows, to control access to various attraction components and to track visitor movements.

Technology has in the past been applied to the development of new attraction products or as a means of enhancing the presentation of tourism resources. A number of technological developments have applications in the attractions sector. For example,

Leask (2003) commented on the use of technology to provide hands-on interactive exhibits and virtual reality shows. Technology offers powerful opportunities for the creation of new interpretative techniques and attractions by providing interactive multi-media experiences, audio, animatronics, simulated attractions and virtual reality (Martin and Mason, 1993).

A number of commentators have speculated about the potential impact of virtual reality technologies on tourism businesses. Artificial environments such as historic landscapes, journeys to space, or underwater journeys could be simulated using technologies such as virtual reality. Greenfield (1999) optimistically predicted that the inclination for younger market segments to interact with artificial environments would drive the demand for virtual reality experiences. Knoke (1996) commented on the crudeness of these technologies, but speculated that increases in computer power could allow for the creation of more realistic, interactive environments which would provide a number of sensory stimulations. The refinement of virtual reality (VR) technology has the potential to drastically alter the nature of tourist attractions by simulating environments from our past, present and future. Virtual reality has been touted as “a logical progression in the use of technology in tourism” (Cheong, 1995:417). However, the impact of virtual reality has not been widely researched and it unclear whether this technology is likely to be widely adopted. It is also difficult to predict whether virtual reality will complement, or become a substitute for, certain tourist experiences.

Advances in the field of robotics may provide services such as cleaning, greeting guests, baby-sitting and security tasks. While some visitors may resent less personal interaction, robots could allow tourism organisations to provide more consistent service. A clear advantage is that robotic technology would provide a reliable source of labour during busy seasons while retreating conveniently into storage during the off-season (Tarlow and Muehsam, 1992). It is worth pausing at this point to stress once

again that these predictions are highly speculative in nature and while these technologies sound promising it is unclear whether they would gain social acceptance. A less speculative application of robotic technology in attractions includes the use of animatronics, or robotic figures, that can be used to animate static displays or enliven interpretive signboards. Recent advances in this area have resulted in more lifelike and affordable robotic characters in some attractions (Tourism New South Wales, 1999).

A further development involves the integration of technology into items and environments that surround us. Inanimate objects can be manufactured to be more responsive to physical variables such as light, heat, noise, odours, and electromagnetic fields. This could be achieved by embedding microprocessors, sensors and special materials in physical devices or surroundings. Coates et al (1997) have predicted that everything will be 'smart', or responsive to the external or internal environment. An extension of this concept is the creation of totally artificial tourist environments intended to simulate nature. The artificial tropical island attractions already popular in Japan exemplify this trend.

Coates et al. (1997) raised the possibility of creating tourist attractions by using genetic tools to enhance biodiversity. Essentially this proposition would involve the use of genetics to ensure plant and animal species are more resilient by reducing susceptibility to disease and introduced threats. An extension of this concept would be the technical possibility of 'resurrecting' recently extinct species to enhance the biodiversity of a tourist destination or attraction. However, the research costs and environmental implications of resurrecting extinct species are unclear. A limitation of this approach is that DNA material must be sufficiently well preserved and that a suitable surrogate host needs to be available. Given current technology and knowledge constraints, a 'Jurassic Park' style of tourist attraction is not conceivable within the next 20 years.

Pragmatic considerations are often overlooked when espousing the benefits of new technologies. Leask (2003) cautions that while new tourist attraction technologies may cater for specific markets, they are often costly both to install and to maintain. They may also serve to exclude markets that are not impressed with or predisposed to technology.

1.6.2.3 Geographic and Cultural Accessibility

Transport and communication technologies have supported the advent of mass tourism and provided access to remote parts of the planet. Adventure travel has, in part, been largely supported by satellite technology that has provided location tracking and communications capabilities. It has been predicted, rather optimistically, that space tourism may thrust the adventure travel market into trillions of dollars as technological innovation advances from “suborbital flights, to orbital flights, to moon walks, to space plane taxis, to Mars colonisation” (Naisbitt, 1999). Naisbitt cited the example of Richard Branson, who in 1999 announced the establishment Virgin Galactic Airways, which plans to offer two-hour space flights costing US\$50 000 starting in the year 2010.

In the past few years a growing volume of research has been undertaken in the design of reusable space vehicles (RSVs), space hotels, and related activities. It is increasingly evident that the establishment of commercial space tourist attractions may be a realistic target within the twenty-first century (Ashford, 1997; Collins, 1999). While the appeal of space as a tourist attraction has yet to be tested, technologies have been employed by attractions to provide adventure travellers with safe, affordable experiences (Tourism Victoria, 2002). Bungy jumping and high-tech theme park thrill rides are amongst the best examples of ‘adrenalin’ based attraction technologies.

Transport technology has continued to deliver safer, faster and more convenient access to tourist destinations and attractions. Authorities throughout Europe and Asia are supporting the development of super trains. The realisation that trains are the

fastest and most reliable form of transport over certain routes is transforming transportation in highly developed, densely populated countries (Tarlow and Muehsam, 1992). Super trains provide direct linkages between city centres and have the advantage of being able to depart exactly when scheduled, unlike airlines, which typically contend with airport commutes, delays, and congestion. Super trains also pollute less and consume less fuel relative to all other forms of modern mass transport (Knoke, 1996).

In Australia, the federal government's reluctance to fund fast rail networks appears to be related to the vast distances involved. Super trains are most competitive on mid-range journeys and the dispersal of major centres in Australia would dampen many of the benefits currently offered by super trains in Europe and Asia. From this perspective, it is unlikely that Australian tourist attractions would benefit from advanced rail technology in the near future. However, Knoke (1996) reported that research towards the creation of room-temperature super conductors would drastically reduce the costs of constructing advanced "maglev" rail networks.

Maglev is an acronym for magnetic levitation, and involves the use of rail carriages that are suspended above the track on a cushion of air maintained by electromagnets. Experimental maglev trains have reached speeds of over 560 kilometres per hour, using less energy than conventional railroads (Cetron and Davies, 1997). Conventional electromagnetic tracks are expensive to construct because electromagnets must be embedded within the carriages as well as the tracks. Room-temperature semiconductors would create a much more affordable source of magnetic power. Despite technological shortcomings, a commercial Maglev rail line now operates between the airport and the city of Shanghai. Remote or geographically dispersed tourist attractions may benefit from such technologies.

Tarlow and Muesam (1992) argued that advances in videoconferencing and communications technologies would create less need for physical travel. It is conceivable that those who do travel may demand greater levels of fast, efficient, and courteous service from transportation companies. Trains and aircraft may provide on-board technologies including personal computers and communications systems that will allow customers to book reservations at hotels, restaurants, and entertainment centres (Tarlow and Muehsam, 1992). These technologies, perhaps, provide greater opportunities for tourist attractions to garner customers who have not finalised their travel itineraries prior to departure.

Aviation and Aerospace engineers are also delivering promising new technologies that would reduce travel times as well as the vast tracts of land set aside for air terminals. Pohl (1999) discussed the prospect of vertical take-off aircraft that would essentially make the kilometres of runways around the globe obsolete. Such aircraft would take off and land nearly straight up, and the maximum runway length is anticipated to be less than a city block. This would allow for air terminals to be built closer to city centres.

The discussion of the ability for technology to enhance accessibility has thus far focussed on a geographic perspective; however language can often be a barrier to travel. In Japan, NEC researchers are developing devices that will simultaneously translate spoken languages. The implications for the tourism industry are clear: tourists equipped with pocket translators would be able to communicate with locals in foreign countries while business travellers could negotiate complex business deals in their own native language (Knoke, 1996).

While these predictions of technological advances appear enticing, it is worth reiterating the view that some of these technologies are speculative. Software engineers continue to struggle with voice recognition systems that have the ability to help computers understand idiosyncratic variations in human speech. Similarly, the

text-to-text translation services currently available through software and Internet applications are unable to accurately translate anything but the most simple sentences and grammatical structures. These issues need to be resolved before the prospect of technologies such as universal speech translators become a reality.

1.6.2.4 Healthier Tourists

Anecdotally, key discoveries in medicine in the last 10 years bode well for the travel industry simply because healthier individuals are more likely to travel. The ability of medicine to deliver relatively good health to individuals well into their 80s has created new tourism markets and areas of growth (Tarlow and Muehsam, 1992). In the sphere of medicine, Cetron and Davies (1997) identified four advances that will transform society by 2010. These included gene therapy, hormone replacement therapy, a cure for cancer and rejection-free organ transplants.

The completion of the human genome project in 2001 sparked controversy and debate over the ethical implications of using this newfound genetic information to clone humans. This debate has overshadowed research into gene therapy, which is essentially concerned with manipulating the genes of patients to correct detrimental medical conditions. Anderson (1999) predicted that by 2030 gene therapy will be widely practised in medicine. He identified two branches of genetic treatment: “gene therapy, whereby one or more genes are injected into the patient to treat disease, and drug therapy, in which a drug is given to the patient to modify the expression of one or more genes in the body” (p.19). Both of these branches have the potential to increase human life expectancy and general health by controlling the incidence of hereditary diseases.

Hormone replacement therapy (HRT) involves the use of hormones to slow the symptoms of ageing. Cetron and Davies (1997) suggested that HRT would maintain health and vigour into old age and could make individuals less susceptible to heart disease, cancer and other causes of ageing. A cure for various forms of cancer is also

expected by 2010 as scientists around the world move closer to understanding this disease and reaping the benefits of decades of medical research (Cetron and Davies, 1997). In reality cancer is a disease that continues to confound researchers and it seems more likely that only some forms of cancer will be curable by 2010, with ongoing research needed well beyond this timeframe.

A recent series of experiments show that it may one day be possible to “grow” new organs in our body to replace weary or diseased organs (Kaku, 1998). The technology associated with these advances are, somewhat controversially, imbedded in cloning research, as new organs would likely be grown from stem cells harvested from the patient. An organ grown from the patient’s own DNA is unlikely to be rejected by the body and will offer new hope to patients suffering from heart, kidney, liver or lung ailments.

In addition to the four innovations identified by Cetron and Davies (1997), Kaku (1998) commented on nanotechnology as another innovation with the potential to create healthier individuals. Nanotechnology involves the development of small machines constructed out of individual molecules. Kaku (1998) identified a number of ways in which nanotechnology could be used inside the body to combat illness, including destroying infectious microbes, killing tumour cells one by one, removing plaque from arteries and repairing damaged cells in order to slow the process of ageing.

A further advance directly related to tourism was identified by Coates et al. (1997), who described the use of chronobiology to neutralise jet lag. A pill or skin patch could be used to adjust the circadian rhythms of travellers by influencing their reaction to light. Such advances would mean that travellers arrive at their destination refreshed and ready to experience the attractions on offer. Broader advances in medicine may create healthier tourists who will live longer, creating a range of opportunities for tourist attractions.

However, the prospect of a disease-free utopia of eternal youth still seems unlikely. New viruses seem to appear each year and despite scientific advances Cetron and Davies (1997) have suggested that we will still be battling unpredictable killers in 2010. The recent impact of Severe Acute Respiratory Syndrome (SARS) on the tourism industry in Asia supports this observation.

1.6.2.5 Marketing Applications

Advances in marketing technology have allowed organisations to more accurately target key markets. For consumers, technology has delivered new methods of 'previewing' and purchasing holidays. Several Australian tourism agencies have observed that the role of the Internet in customer decision making is having an effect on the production, marketing and distribution practices of the tourism industry (Tourism Victoria, 2002; Australian Tourism Commission, 2002).

In order to remain competitive, tourist attractions may need to adapt as CD-ROM videos and Internet movies replace printed brochures in promoting vacation destinations (Cetron, 2001; Scott, 2002). An extension of this concept is the use of real-time Internet video that allows visitors to 'test-drive' a prospective holiday by viewing footage through cameras placed in hotels, restaurants and attractions at the destination (Scott, 2002).

A number of commentators have discussed the use of intelligent Internet agents to help customers find and book vacations (Cetron and Davies, 1997; Kaku, 1998; Scott, 2002). Intelligent agents use a combination of pre-entered information and observed behaviours in online booking patterns to present the user with possible options, thus saving time in 'surfing' the Internet. From 2020 to 2050, true artificial intelligent (AI) programs may use reason, common sense, and speech recognition so that the Internet may resemble talking to the 'Magic Mirror' in children's fairy tales (Kaku, 1998).

Broader marketing developments include the integration of computer chips into everyday items to measure and respond to consumer purchases. Matathia and Salzman (1999) have stressed that “we will soon have an all-too-clear understanding of the adage ‘everything communicates’”. Emerging examples of this phenomenon have included advertisements delivered via automatic teller machines and product discounts issued to prospective customers based on smart-card purchasing patterns.

In the longer term Kaku (1998) has discussed the prospect of using laser technology to deliver 3D television. Such a technological development could eventually alter the way we view entertainment. While they may offer new opportunities for tourist attractions to market experiences impossible to convey in brochures, such entertainment options may in fact compete with attractions.

1.6.2.6 Substitute or compliment to travel?

There has been some anxiety within the travel industry that the advent of technologies such as videoconferencing and virtual reality may reduce the need to travel. Concerns have been expressed regarding the substitutability of tourism experiences for virtual reality and other hi-tech entertainment opportunities. It is increasingly being recognised that attractions are no longer simply a part of the tourism industry *per se*, but compete with a suite of other entertainment options, both in the home and further a field.

Tourism New South Wales (1999) expressed some concern that home entertainment options like high definition home theatre systems and realistic computer games will compete with tourist attractions. Matathia and Salzman (1999) suggested, for example, that new Internet technologies would allow individuals to leave behind their business routines, sometimes only for a 10-minute, mind-cleansing virtual vacation. This would imply that tourist attractions need to provide an environment that cannot be replicated at home, or through other entertainment options (Tourism New South Wales, 1999).

Countering these concerns were commentators such as Kaku (1998) who has maintained that the strong service element of tourism provides personal interactions between people that will never be replaced by technology. Despite advances such as virtual reality, it is argued that new technologies will more likely become marketing tools, rather than replacing real vacations. In addition, it has been suggested that the ability of technology to expand the number of contacts that people make may actually stimulate increased travel (Coates et al., 1997). Interacting with attractions through websites and video may motivate people to physically visit them. This, it has been claimed, could improve trip satisfaction because people would be able to 'try before they buy'. It has also been argued that business travellers would increasingly need the 'high-touch' reassurance of personal relationships with their colleagues to negotiate complex agreements (Cetron, 2001). The key for attractions may be to closely balance the technology experiences offered by competing entertainment options with a mix of personalised–high-touch interactions that attract visitors.

1.6.3 Economic Trends

1.6.3.1 Globalisation

There are perhaps as many opinions about the future of the world economy as there are commentators, however, a few consistent viewpoints are worth exploring here. A dominant economic theme involves the continued spread of globalisation. Fukuyama (1999, p.113) suggested that global struggles have "shifted from the old Cold War divisions to a struggle over globalisation...all we have now is the global economy that defines our way of life and is reshaping politics and economics around the world". The world economy has grown so interdependent that it is no longer possible to erect barriers between countries without causing economic decline (Knoke, 1996; Kaku, 1998). Toffler (1991) added: "We are moving towards a world system composed of units densely interrelated like the neurons in a brain rather than organised like the

departments of a bureaucracy.” While globalisation is inextricably linked with global politics, the outcomes are inarguably economic. Scott (2002) has attributed the spread of globalisation to four developments:

1. the end of the Cold War and China 's quasi-liberalisation.
2. bilateral and multilateral free trade agreements,
3. radical improvements in information and telecommunication technology.
4. liberalisation of financial markets.

A challenge for governments, destinations and businesses is the need to be globally competitive while maintaining a local flavour. The World Tourism Organisation (2000) discussed the tensions between globalisation and localisation. The organisation observed growing conflict in developing countries between identity and modernity, often perpetuated by increasingly homogenous tourism products. In this analysis, tourism itself became one of the culprits - a means of development to which local communities attributed the breakdown of traditional cultural values in favour of 'imperialist' western values. The Institute for Alternative Futures (2001) coined the term "glocalisation" to describe the need for businesses to operate globally, while customizing products and services to local markets. Tourist attractions may need to confront this issue, as they struggle to remain competitive in the global environment, while delivering authentic, personal visitor experiences.

Müller (2001) contended that the standardisation created by globalisation would be countered with attractions that are "natural, organic, unmistakable and authentic". While tourist 'production' is linked to local conditions, tourist attractions cannot avoid being influenced by globalisation. Müller (2001) observed that attractions, and even whole destinations, were becoming interchangeable. As attractions and destinations become increasingly competitive in a global environment the need for conglomeration and branding may become a more important strategy for attracting visitors.

1.6.3.2 Economic Blocs and Political Alliances

Economic and political commentators have suggested that the world will eventually consolidate into three trade blocs: Europe, North America, and Asia (McRae, 1995, Knoke, 1996; Coates et al, 1997). As commodities and products move between them these economic blocks will become a prominent part of the international economy.

Within the Asian bloc it is predicted that, given stable governments, Indonesia, Malaysia, Vietnam, Cambodia, Laos, Thailand and Burma will be the new tigers (McRae, 1995). Australian economists have also estimated that by 2059 Asia (excluding Japan) will account for 57% of the world economy. McRae (1995) claimed that Australia and New Zealand would benefit from such developments because these countries have a strong tradition of delivering political stability. The volatility of changes in the environment is, however, well illustrated by McRae's assertions. In less than a decade since publication, Indonesia has faced a number of setbacks and regional conflicts. Similarly, Burma continues to be restrained by a military dictatorship and Laos is still one of the poorest nations in the world.

An optimistic long-term view would suggest that the growing role of the World Trade Organisation provides evidence that most countries may eventually move toward a single global trade bloc. There is no reason to suspect that tourism will be immune as a bargaining chip in multi-lateral free trade negotiations. For example, foreign ownership restrictions on tourism organisations such as airlines could be used as a pawn in trade discussions. Any decision to relax foreign ownership restrictions on airlines could potentially alter the mix and volume of international visitors to Australian attractions. Similarly departure taxes and levies on international visitors could conceivably be used as bargaining chips in multi-lateral trade talks. This has the potential to alter international visitor flows, however, it could be argued that the impacts on Australian attractions would be relatively minor. Furthermore, a pessimistic assessment of global

trade might suggest that it is equally possible that the nations of world will never reach the consensus needed to establish a single trade bloc.

1.6.3.3 Investment

Australian tourism organisations and government agencies have expressed a concern that the tourism industry is not attractive to investors:

The tourism industry has a fairly fragile image to many financiers. There are claims of a shortage of venture capital in Australia and the tourism industry, with its predominance of diverse small businesses, faces particular challenges in coordinating a whole of industry approach to generating and attracting investment (Tourism Queensland, 2001, p.11).

The Commonwealth of Australia (2002) described a number of factors that influence the level of investment in tourism. These included the overall health of the economy, the investment performance of the tourism industry (including the profitability of tourism related enterprises), government regulations, and the availability of tourism information and data needed to make investment decisions.

In addition to demographic factors, the strength of the Australian economy has a major effect on domestic tourism. Forecasts have indicated that even in a difficult global climate, the Australian economy was expected to perform strongly during the next decade, with disposable household income forecast to grow in real terms by 3.3 per cent annually. This was expected to stimulate an increase of over 65 million domestic visitor nights by 2012 (Commonwealth of Australia, 2002).

In terms of investment performance, the Commonwealth of Australia (2002) reported that tourism and leisure stocks performed slightly worse than average between 1995 and 2001. Profitability in tourism was higher than manufacturing, but lower than other non-service industries. The volatility of tourism and leisure stocks has been identified as a characteristic that may restrain investment. However, this analysis is based largely on the Australian Bureau of Statistics classification of 'cultural and recreational

services'. There is no clear statistical category the 'tourism' industry and the cultural and recreational services category is not wholly appropriate as it includes broader leisure companies such as casinos, cinemas and gaming.

Despite this incongruity, the conclusion from government agencies is that the tourism industry, in particular, tourism operators, must do more to make themselves attractive to investors. The issues of profitability and stability in tourism businesses therefore become increasingly relevant, with various commentators suggesting that a greater focus on visitor yield provides a solution (Tourism Queensland, 2002; Australian Tourist Commission, 2002; Commonwealth of Australia, 2002).

1.6.3.4 Visitor Yield

From a microeconomic perspective, there has recently been a strong recognition from some quarters of the Australian tourism industry that growth in visitor numbers is an inadequate measure of tourism performance (Tourism Queensland, 2001; Commonwealth of Australia, 2002). These agencies have shifted their focus towards promoting business strategies that optimise the yield potential of different market segments.

The Commonwealth of Australia (2002) observed that most attraction operators were concentrating on attracting a maximum number of visitors at a more or less standard price. However, it would be unrealistic for many small regional attractions to disregard existing market segments in pursuit of more lucrative patrons. It would also be unfeasible for many attractions to create a number of admission charges for different markets. In order to optimise yield, many tourist attractions will need to explore additional methods for increasing revenue streams from existing patrons. For the attraction sector, this would suggest a focus on increasing the profit earned from each visitor. This could be accomplished in a number of ways:

1. Managers may increase entry prices; a decision that may result in decreased visitor numbers. However, a decrease in visitor numbers should not be equated to a decrease in profit. Decreased visitor numbers in some attractions may lead to lower operating costs, thus increasing the yield per visitor.
2. Yield can be improved by creating a number of complementary sources of income from visitors. Examples include admissions, refreshments, souvenirs and merchandise, photos/videos of visitor experiences, and so forth.
3. Marketing activities can be used to target wealthier clientele
4. New technologies can be used to reduce operating costs. An example includes the use of energy and waste minimisation technologies in attractions.

1.6.3.5 Fiscal Policy

Swarbrooke (2002) pointed out that the combination of taxation policies and increases or reductions in pensions and welfare benefits could act as a mechanism for the redistribution of wealth. The extent to which certain groups benefit would affect the visitor mix for tourist attractions. Greater disposable income for those on pensions may reinforce other trends that suggest an increase in older visitors. Furthermore, other economic factors, such as currency exchange rates, interest rates and general economic health will continue to influence visitor spending and visitation to attractions (Swarbrooke, 2002; Robinson, 1994).

1.6.4 Environmental Trends

The combined growth of the human population and increased energy consumption has created pressures on remaining natural environments. While this has triggered a number of responses from groups with varied interests and goals, most commentators agree that the awareness of environmental impacts has increased over the last 20 to 30 years. This has resulted in greater pressure on organisations to deliver products

and services in an environmentally responsible manner. “There is a change from a society with a therapeutic perspective (we can do it now because everything can be fixed) to a society driven by a prophylactic sense of caution (we may not be able to fix it)” (Matathia and Salzman, 1999; p.31).

The conservation of natural areas is perhaps more significant for tourism than it is for many other industries, given that the environment is a core attraction for visitors. While it is beyond the scope of this study to elaborate on either the negative or positive impacts of tourism on the environment, it is appropriate to comment on general trends regarding the natural environment.

Müller (2001) argued that the environmental dilemma facing tourism was particularly difficult because tourism, through its high rate of transport consumption, generated a large proportion of greenhouse gases and because the distances travelled were increasing while holidays were becoming progressively shorter. While this is a challenge for the tourism industry, it is perhaps tenuous to suggest that most tourist attractions can be held accountable for these causes of environmental degradation. More importantly, the development of environmentally sustainable transport modes, such as hydrogen and electric vehicles, has the potential to alter where visitors travel. Hydrogen and electric vehicles do not have the same range as petrol-powered vehicles, creating a disadvantage for remote attractions. If new propulsion technologies are phased in, the location and availability of alternative fuel or ‘recharging’ stations could alter the short-term travel patterns of more environmentally conscious visitors.

The shift toward sustainable experiences has created a positive outcome for nature-based attractions. As concern for environmental issues continues to grow demands for even greater environmental controls are inevitable, especially in relatively pristine regions. Cetron (2001) predicted that ‘ecotourism’ would continue to be one of the fastest growing areas of the tourism industry. Ironically, it has been argued that the

increasing dominance of high technology reinforces this trend, as rainforests, wilderness areas, the ocean, and other unpolluted regions provide a unique opportunity to escape from a technocentric world.

A number of tourism authors have predicted continued growth for environmental and adventure attractions (Tarlow and Muehsam, 1992; Müller, 2001). However, Scott (2002) highlighted two diverging trends that are shaping the contemporary demand for visitor attractions. The first leads away from 'natural' attractions to 'contrived' facilities that are able to deliver a fusion of tourism and leisure. These attractions are the integrated leisure complexes envisaged by Middleton (2001) and Stevens (2003) and discussed later. The second trend is a demand for the more radical preservation of historic sites, ethnic culture and pristine nature. Diverse examples of popular attractions that have been the subject of increased preservation efforts include Australia's Great Barrier Reef, the wildlife resources of Africa and the Sistine Chapel in Italy.

As the level of demand for Australia's attractions increases, it becomes increasingly necessary for managers to consider methods to manage visitors more effectively, for their own enjoyment and also for the protection of the product itself. Europe provides a number of case studies of attractions that have been forced to manage visitors through the use of visitor cordons, booking procedures and time-controlled ticketing (Scott, 2002).

A number of authors have suggested that constraints may be imposed on new and existing attractions due to environmental concerns (Jurowski and Olsen, 1995; Martin and Mason, 1993; Lavery and Stevens, 1990). The growth of the 'green' movement has created not just a desire to visit nature-based attractions, but also an increased concern about the impacts of development, energy use and waste disposal. Swarbrooke (2002) pointed out that some attractions are inherently greener than

others, but that every attraction is able to become greener. Demand for highly specialised ecotourism attractions is likely to increase. Many attraction operators have already realised the benefits of being associated with 'ecotourism'. In Australia the Nature and Ecotourism Accreditation Program (NEAP) has developed a set of standards to recognise attractions which practise sustainable tourism.

1.6.5 Political Trends

Politics, by nature, operates at every level of government and thus has the potential to impact on tourist attractions in a number of different ways. The following discussion attempts to distill some of the key political influences in the tourist attraction environment by first considering an Australian perspective before considering the implications of global geo-political trends.

1.6.5.1 Regulation and Accreditation

McRae (1995) asserted that politicians throughout the developed world had come to the realisation that service quality could be controlled more effectively if governments were the regulators rather than the providers of services. Hence, the tourism industry in Australia has been influenced by the privatisation of airlines, airports and railways. However, a notable proportion of tourist attractions remain under government management or quasi-government control. Examples include large attractions such as museums, art galleries and gardens. New attractions continue to be funded from the government purse but given the privatisation of government assets worldwide; it is not unreasonable to argue that parts of the attraction sector may undergo the same process. The likelihood of this change would increase if North American or European governments establish a precedent.

As McRae indicated, there is a tendency for governments to regulate industries undergoing privatisation. This partly ensures that newly privatised enterprises continue to deliver the same basic services expected by the public under public ownership.

Regulation of the attraction sector in Australia could arguably reduce the diversity of attractions in Australia, but may also eliminate unscrupulous operators. The accreditation of competent operators may be viewed as a form of regulation, effectively forcing *bona fide* tourist attractions to adhere to specified minimum standards. Tourism Queensland (2002) has suggested that the accreditation of tourism operators needs to be further explored.

1.6.5.2 Geopolitical Developments: Power, conflict and stability.

Much has been written about the geopolitical future of the world. Tourist attractions, being highly sensitive to the international movement of visitors, are vulnerable to developments in international politics. This is particularly true for attractions in Australian destinations such as Sydney, Brisbane, Melbourne and Cairns, which draw a large cohort of international visitors.

A discussion of geopolitical developments requires careful dissection, as it inevitably becomes intertwined with the complex areas of foreign policy and changes in the global dominance of nations. For the purposes of this discussion, geopolitical developments will be examined firstly for the Asian region, and secondly for the rest of the World.

In considering the stability of various world regions, McRae (1995) predicted that the European Community would continue to lack political cohesion, while in Asia power would be split between Japan and China. "China and Japan will have to form a relationship which enables both them and the newly industrialised nations of the region to prosper" (McRae, 1995). While a number of commentators have labelled the twenty-first century as the 'Age of Asia', McRae (1995) argued that this would not become apparent until 2030.

McRae's views need to be placed in the context of events that have occurred since his original work in 1995. In the intervening period the European Union has surprised many pundits with the successful introduction of the Euro. The Union continues to admit new

nations to its collective, thereby establishing a stronger base from which to influence global trade and politics. In contrast, while some nations in the Asian region have shown strong growth since 1995, the region has experienced setbacks such as the Asian financial crisis in 1998; tensions caused by threats and acts of terrorism, and the spread of disease such as the SARS virus.

McRae (1995) further enthused that China will soon be faced with a situation where the prosperous communities of its newly industrialised provinces start to demand the same freedoms as Chinese communities in Hong Kong and overseas. Fifty-five million Chinese live outside China, and while overseas communities have developed into distinct cultural groups with local characteristics, their links to a common “Chineseness” remain strong (Knoke, 1996). Strongly influenced by capitalism, cities such as Guangzhou, Beijing and Shanghai are increasingly prosperous and display a widening disparity in living standards when compared with other parts of China. McRae argued that China would need to move towards the decentralisation of government authority to create a federation.

A stronger China, which is able to make a peaceful transition to a decentralised quasi-liberal federation, clearly offers many opportunities for the Australian tourism industry, including the attraction sector. Information from the World Tourism Organisation (2003) indicated that outbound travel from China has increased dramatically over the last decade, surpassing Japan with 16.6 million trips abroad in 2002. However, a stronger China, and potentially weaker United States, could result in a world that McRae (1995) described as more dangerous in 2020 than it is now. Galbraith (1999) argued that as the dominant world power, the United States must develop a procedure whereby sovereignty is suspended in countries that are devastating their people. US intervention in Iraq and Afghanistan may be emerging indicators that this view is gaining acceptance in Washington.

Peace has long been recognised as a key precursor for travel (Litvin, 1998). Fukuyama (1992) proposed that history is a single, evolutionary process and that this evolution is nearing an end as a result of the success of liberal democracy and capitalism. In essence Fukuyama was suggesting that a golden era was at hand, an era in which capitalism had triumphed and rogue nations had fallen into place – thus creating a vacuum for history. Similarly optimistic was Kaku's (1998) view that the growing international middle class could drive the world toward unification. According to Kaku, the industrialisation of developing nations was creating a new middle class that would be an "engine of social change".

Such views contrast sharply with Huntington's (1996) prescription for a clash of civilisations. Huntington adopted an anthropological perspective when suggesting that *tribalism* drives political developments and that the world now has more 'tribes' than at any time in its past. These tribes would, in this view, inevitably clash:

Power is shifting from the long-dominant West to non-Western civilisations... At the micro level, the most violent fault lines are between Islam and its Orthodox, Hindu, African, and Western Christian neighbours. At the macro level, the dominant division is between 'the West and the rest'... The dynamism of Islam is the ongoing source of many relatively small fault line wars; the rise of China is the potential source of a big intercivilisational war... (Huntington, 1996, pp 29, 183, 209)

Buzan and Segal (1998) contended that the 'clash of civilisations' vision ignored cross-cultural fusions and overlooked the fact that many nations were too strongly divided within themselves to operate as a 'tribe' in a power struggle with others. Given the disparate opinions of Fukuyama and Huntington, it is tempting to conclude that the outcome may most likely fall somewhere between these predictions. However, such conclusions would be flawed in this instance as the observations represent worldviews that are heavily speculative in nature and simplistic in their treatment of geopolitical interactions.

The rise of Islamic fundamentalism over much of the developing world may emerge as a more potent and volatile global development. Knoke (1996) has observed that Islam traverses national borders with ease, but argued that Islamic *fundamentalism* would ultimately collapse. In support of this view he highlighted a number of parallels between today's Islamic fundamentalism and the 1917 Bolshevik Revolution:

Both grew out of an ideological fervour to create a utopian world by yielding individualism to a higher good: socialism for the Bolsheviks, Allah for fundamentalists. Both require strict conformity to ideological norms. Both systems have their inner circle of ideological experts who issue decrees to the faithful based on supposed ideological values. They view the rest of the world as satanic and worthy of conversion, even by force, and use the need to invest in global expansion as an excuse for further sacrifice at home. Both systems are a reaction to the unprecedented wealth created elsewhere, and an attempt to foster autonomy while suppressing foreign interference or ideologies (Knoke, 1996, p. 194).

The potential outcome of the collapse of Islamic fundamentalism, according to Knoke, would be that the people affected may find their living standards further behind the rest of the world. For tourist attractions, this potentially creates a world in which the disparities between the poor and the wealthy are even larger; a world in which travellers are easy targets for the less wealthy.

Toffler (1991) ominously predicted that the widening disparities between regions could trigger an outbreak of extremist movements demanding regional or local autonomy or actual secession. The prevalence of terrorism could increase over the next few decades as the developed world advances, while many in the third world fall further behind. "Pressures on the environment will pit naturalists against industrialists. Wanton consumerisms will pit fanatic spiritualists against capitalists. It is not clear that the nation-state of old can react, because the battle is not against the state but within it" (Knoke, 1996, p.221). Scott (2002) cautioned that travel restrictions could result from the large-scale outbreak of biological disease dispersed by terrorists.

As a counter note, it has been suggested that the increased *feminisation* of politics has positive implications for world peace. Recent history suggests that women approach politics, particularly international politics, very differently from the way men do. As Fukuyama (1999) noted: “let’s face it, most of the trouble in the world is caused by young men, or else Saddam Hussein types who want to lead young men into various kinds of adventures.”

At a pragmatic level, there needs to be some recognition that predictions about trends in the geopolitical arena are perhaps the most speculative of all. While social and economic trends are readily tracked by statistics, and technology trends are based on tangible technological advances, political trends are subject to the vagaries and complex interplay between individuals, governments, terrorists and rogue states.

1.7 THE MICRO-ENVIRONMENT OF ATTRACTIONS

The micro-environment is comprised of forces that a business encounters frequently and over which it may have some influence. There are a number of frameworks for assessing the micro-environment, including competitive and collaborative analysis, Porter’s (1980) five forces framework and resource-based analysis. These frameworks, however, require specific information about individual businesses. Evans et al. (2003) suggested that a consideration of the micro-environment should include an assessment of *industry* trends as well as *market* trends. The following discussion seeks to discuss the broad micro-environmental forces that confront tourist attractions by examining industry trends and market developments.

1.7.1 Attraction ‘Industry’ Trends

Some authors have identified interesting trends in the U.S. attraction sector that are worth discussing in an Australian context. Pearce (1998a) examined a number of tourist attractions in the United States, Italy and Australia and derived twelve leading management and marketing trends. These trends, summarised in *Table 1.4*, are by no

means conclusive, but they do provide new perspectives on emerging practises in the attractions sector.

TABLE 1.4 – Summary of leading trends in tourist attractions

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Source – Pearce, 1998a

Earlier work by Lavery and Stevens (1990) supported Pearce's (1998a) suggestion that retailing will play an increasingly important role in tourist attractions. They suggested that the closer the relevance of souvenirs to the core theme of the attraction, the greater the visitor interest in purchasing. It is also suggested that the integration of retailing and leisure will ultimately extend to indoor shopping complexes and malls, where the attraction will be ancillary to the shopping experience.

Both Middleton (2001) and Stevens (2003) commented on the decline in visitors to traditional attractions. This decline has been attributed to intense competition from a wide range of rapidly emerging, innovative leisure products. A decline in visitor

numbers, combined with decreasing public capital and revenue funding, have encouraged some tourist attractions to expand their revenue streams into areas such as conference venues, events and off-site activities (Leask, 2003).

Middleton (2001) has written prolifically about the increasing popularity of leisure centres in the United Kingdom. These centres combine retail, leisure, entertainment, catering and even accommodation into integrated complexes designed to have broad market appeal. *Table 1.5* contrasts these leisure centres with traditional attractions and provides some indication of their appeal. Interestingly, Australian companies operating abroad have developed many of the most recent examples. Lend Lease has developed some of the largest centres of this type in the United Kingdom, while Westfield Holdings has been very aggressive in the United States. Global examples include Bluewater Park and Trafford Park in the United Kingdom and West Edmonton Mall in Canada.

Middleton (2001, p.201) noted that the “one-stop leisure/retail/entertainment complex development is highly profitable because it fits perfectly with a multiple car owning society that is ‘money-rich and time-poor’”. In some instances, shopping centres have transformed themselves into amusement parks and cultural/entertainment centres (Tarlow and Muehsam, 1992). In Australia, Tourism New South Wales (1999) has also noted a major trend towards the incorporation of tourist attractions within mixed-use complexes while Tourism Victoria (2002) has commented on the merging of the tourism and leisure industries. Such trends place traditional tourist attractions in competition with other leisure and entertainment activities such as theatre, home entertainment and other related products and services. While some of the characteristics of integrated leisure attractions are evident in newer Australian attractions, perhaps the best example is Darling Harbour, which is administered through an integrated management structure provided by the Sydney Harbour Foreshore Authority.

TABLE 1.5 – Contrasting integrated leisure attractions and traditional attractions

Integrated Leisure Attractions	Traditional Attractions
They are large-scale complexes capable of sustaining between 5 and 35 million visits a year.	Stand alone, the majority on a very small-scale basis with less than 50 visits on average per day
They are open for 15 (and up to 24) hours a day, 363 days a year – under cover – providing for maximum dwell time on site.	Short opening hours – short dwell time on site of 2-3 hours, many not open every day. Seasonal demand – often weather dependent
Free at point of entry, often with sheltered walkways from the car parks.	Up front, very visible charge for admission – either at a car park or a reception building or kiosk.
A safe, graffiti-free, patrolled, clean, air-conditioned and relaxed environment designed and managed around consumer interests – uniformed staff are available as ‘hosts’ to guide and help visitors.	Many with a long-standing public sector management methods and a single/limited product focus designed and managed around the resource needs rather than consumer interests.
Multiple product base – retailing, themed catering and bars, entertainment, recreation, family and health facilities – select your own experience.	
Spectacular surroundings with space for live shows, events, and exhibitions and architecture designed to appeal to the imagination.	
Multiple repeat visits and excellent prospects for developing a loyal clientele using databases and relationship marketing.	Mostly once only visitors with few reasons for repeat visit (cost of attracting first time visitors rising).
Professional management, strong branding and typically linked into international alliances, often making designer label products available at advantageous prices.	Weak management/management deficit. Often with only weak links to other businesses
Appreciating capital assets, with profitability ploughed back into refurbishment.	Revenue inadequate for the essential refurbishment cycle so that major changes are unusual and visible dilapidations are all too often evident.
Attractive to private sector investors such as pension funds and investment trusts seeking profitable growth and attractive to public sector planners for the economic benefit they bring, often to formerly derelict industrial sites.	Unattractive to private investors since very few offer growth prospects in capital asset and revenue growth terms. Often unattractive to the public sector as it seeks to limit and withdraw from its revenue funding commitments.

Adapted from Middleton (2001)

Stevens (2003) predicted that the investment appeal of integrated leisure complexes will lead to fresh sources of funding in the attraction sector. Investors will in return expect a professional approach to the management of these attractions. Increased professionalism will create a need for specialist destination companies operating on a worldwide basis, leading to the further globalisation of the industry.

Allied with the concept of integrated leisure complexes, albeit at a larger scale, is the emergence of ‘Fantasy Cities’, or Urban Entertainment Destinations (UEDs). Faced with the decline of urban centres, a number of cities have transformed central business precincts into settings that offer shopping, dining, entertainment, education and culture

in a predictable and secure environment (Hannigan, 1999). Examples include Las Vegas, Times Square, and Darling Harbour in Sydney. According to Hannigan (1999) UEDs have six common features:

1. They are developed around themes, usually drawn from sport, history, or popular entertainment;
2. They are usually aggressively marketed, often with the help of large corporate sponsors (e.g. Nike and Coca-Cola);
3. They operate day and night;
4. They offer an array of standard entertainment 'modules' such as themed restaurants, multiplex cinemas, high tech amusements and mega stores;
5. They are physically, socially and economically isolated from the local urban environment; and
6. They offer a post-modern environment constructed around technologies of simulation, virtual reality and the thrill of the spectacle.

A broader corporate trend has been the merging and blending of companies with similar markets, goals or philosophies. With the exception of the hospitality and transport sectors, tourism in Australia has undergone very little 'corporatisation'. Small attractions have on the whole continued to operate as individual entities without considering the efficiencies and economies of scale offered by a diversified portfolio of tourist businesses. Investors have also failed to pursue strategies of gathering individual businesses under broader corporate structures. Within the Asia-pacific region, Chamberlain (2001) noted a tendency for strong tourism companies to buy weaker competitors, while some were looking for alliance partners in an attempt to create stronger collective organisations.

Matathia and Salzman (1999) argued that one of the most important factors driving mergers and acquisitions around the world is the desire for global expansion. Market forces and advances in computer technology will enable larger tourism businesses to achieve greater efficiencies through vertical integration and strategic alliances. (Northern Territory Tourist Commission, 2002). These developments will not necessarily create the extravagant 'mega-corporations' of the 1980's, but companies that Knoke (1996) has described as 'amoeba' organisations. Amoeba organisations do not use traditional top-down structures of parent companies and subsidiaries, but a conglomeration of decentralised businesses, each with its own unique character and strengths. A portfolio of small tourism businesses (attractions, accommodation, transport, catering) that have a number of synergies would correspond comfortably with this concept. Such businesses would continue to have a high level of independence, while taking advantage of marketing and cost efficiencies offered by a larger entity.

It could be argued that corporatisation would erode the eccentricity and 'soul' of individual attractions and increase barriers to entry for small operators. Müller (2001, p.70) has lamented that "tourism must become more human...many people have become hard-hearted, strategy conscious tourism professionals focused on rational action." However, the forces of globalisation will inevitably introduce the concept of 'tourism companies' to Australia and smaller attractions will find it difficult to compete. It has been argued that the key to future attraction development will be in creating and controlling intellectual properties and brands. Successful attractions will develop unique experiences incorporating themed retail and entertainment with powerful brands that cannot be duplicated (Stevens, 2003). An Australian example of this approach is the dominance of the Japanese company Daikyo in the Cairns tourism industry.

Cetron (2001) suggested that globalisation is obscuring a more profound structural change in the economies of developed nations. He has noted that organisations appear to be undergoing a bimodal distribution, in which economies of scale drive the

big to get bigger, while small companies are prospering by providing high levels of service in niche markets. Since middle-sized companies lack either of these advantages it is argued that they are either forced out or absorbed by larger competitors. It will be interesting to observe whether tourist attractions follow one or both of these paths in the medium-term future.

In the short to medium term, the concept of alliances and cooperative arrangements between attractions may be a more palatable and equally effective form of conglomeration. Knoke (1996; p.165) stated that “while corporations decentralise and fragment, the individual pieces are reassembling in new constellations of power that will be the hallmark of the twenty-first century: the units are forming alliances with detachments from other corporations – even their competitors.” This notion is compatible with the concept of attraction “clusters”, which provide tourism activities and synergies within a clearly identifiable geographic area (Tourism Tasmania, 2000). The concentration of attractions into corporate holdings and alliances would suggest a rapidly changing environment in which individual attractions must compete. Existing attractions are increasingly becoming more sophisticated and aggressive in their marketing (Robinson, 1994; Lavery and Stevens, 1990). In this context, attractions may need to devote more resources to analysing and countering their competitors.

In terms of product development, Bramwell (1991) suggests that demand for ‘white-knuckle’ rides may give way to experiences such as simulated floods and earthquakes, and stage shows. Furthermore, wet-weather facilities that extend the seasonal demand for attractions could also become more common. Lavery and Stevens (1990) observed that a trend toward experience-based leisure may create a need for more sophisticated ways of enlivening attractions. According to this perspective, live theatre, living history and frequently changing programs of events could lead to greater investment in staff rather than capital (Lavery and Stevens, 1990). This would in turn place greater emphasis on the provision of enhanced service and personal attention to visitors. While

this is a useful perspective, these authors base their observations on developments in the United Kingdom and European attraction sectors, which have traditionally focussed on heritage and cultural attractions. Robinson (1996) suggested a move away from mass capacity, low price, unbooked visitor attractions to low capacity, high prices, and completely themed experiences. In a similar vein, Tourism Tasmania (1999) has cited the Irish Tourism Strategy, which identified a rapid change in world trends for attractions and visitors including:

1. A strong use of theme and technology in the amusement park sector
2. A greater emphasis on visitor satisfaction and entertainment in the museums and historic sites sector
3. A greater emphasis on broad educational, interpretation and entertainment in the natural attractions sector

Tourism News South Wales (1999) have also identified three important features in the evolution of new attractions: (1) the use of extensive themeing within attractions; (2) better access and locations close to where people already gather; and (3) targeting niche markets rather than attempting to appeal to a broad market.

Swarbrooke (2002) identified the growing importance of professionalism in the attraction sector, and stressed that managers needed to be adequately trained to ensure that attractions remained competitive. In larger attractions this could mean recruiting managers from outside the attraction sector. Swarbrooke also suggested that marketing would become the primary focus of operators, as the importance of market-led demand became widely recognised. Current marketing for most attractions has been described as 'embryonic', usually relying on the distribution of colour leaflets and a small amount of advertising in local guides (Robinson, 1994). Clearly there is scope for more sophistication in an increasingly competitive marketplace.

1.7.2 Market Trends

1.7.2.1 Visitor numbers

Any review of tourist trends would be incomplete without an examination of international and Australian travel patterns and trends. Research in this area is chiefly the concern of the World Tourism Organisation and national and state tourism organisations. The following discussion is deliberately brief, in recognition of the fact that a number of global events have the ability to invalidate the patterns and trends identified by tourism organisations.

The World Tourism Organisation (2000) has predicted that international visitor arrivals could reach 1.6 billion by 2020. Within this time frame a number of profound shifts will occur in international travel patterns. The most compelling projection is that, with 130 million international arrivals, China will be world's single largest international destination. A growing middle class in China will also make it one of the leading generators of international travellers. A broader global trend is a shift toward Asian destinations, with the WTO's East Asia and the Pacific region surpassing the Americas as the second highest recipient of international travellers by 2020. Consequently, countries such as Thailand, Indonesia and Malaysia have been identified as high growth generators within this region.

The World Tourism Organisation (2000) estimated that the Australasia region would experience a growth rate of 6.2 per cent per annum. In contrast the Northern Territory Tourist Commission (2002) anticipated that tourist arrivals to Australia would grow at an average of 7.4% annually over the next decade, with 10.4 million visitors expected in 2012. It was further expected that by 2012, 44% of international visitors would come from Asia (excluding Japan). The numbers of Chinese visitors were expected to grow at 20.8% annually up to 2020. There is clearly a need for attractions to consider whether their product will continue to appeal to a new mix of Asian visitors.

It has also been predicted that while holiday travel will continue to grow, the growth in business travel is expected to be much more dramatic (Commonwealth of Australia, 2002). It is worth highlighting, however, that business travel constitutes less than 15% of international travel to Australia. Furthermore, Commonwealth of Australia (2002) predictions suggest that while visitor numbers will increase by 7.3% annually, the growth rate for international visitor nights is expected to be only 4.5 % annually. The key cause of this discrepancy appears to be a trend toward shorter breaks, combined with the relatively strong growth in the number of business travellers (who generally spend fewer nights). Thus the opportunities for attractions that focus on the holiday market are not as prosperous as might initially appear. Shorter holidays would suggest that visitors have less time to experience all of the attractions that a destination has to offer. The implication for attractions is that short break visitors may choose to experience major landmark attractions at the expense of smaller niche operators. In this context, more research is required to investigate the attraction choices and visitation patterns of various market segments, including first time and repeat visitors.

It has been suggested that changes in global and Australian aviation have the potential to impact markedly on the projections for international travel (Australian Tourist Commission, 2001). The aviation sector is characterised by declining yields, increasing external costs, competition and regulation. Any rationalisation within the aviation sector would alter both visitor numbers and travel patterns, as routes that are deemed unprofitable are terminated. A potential reduction in the number of carriers would result in less choice and higher fares for consumers and may impact on the capacity for tourism to grow. Further, Todd (2001) noted that the “progressive decline in seat-mile costs in air transport which has been achieved by step increases in the size, range and fuel efficiency of aircraft may be harder to maintain in the next 50-years of aircraft development than in the past 50.” At the heart of this statement is the suggestion that

international travel has grown largely as a result of aviation advances, which have made travel more affordable.

International arrivals are only a small source of visitors for many Australian attractions and the trends discussed above must therefore be tempered by a consideration of domestic travellers and their preferences. It has been estimated that Australians took over 75 million overnight trips and spent 302 million visitor nights away in 2002–03 (Commonwealth of Australia, 2003). This accounted for around 75 per cent of visitor nights and 80 per cent of visitor expenditure in Australia. However, the Commonwealth Government noted potential for further growth when observing that only 39 per cent of full-time employees took all of their annual leave entitlements in 2002. The growth of domestic tourism has been described as “slow but steady”, with average annual growth in visitor nights of 1 % over the last three years. If domestic visitor numbers continue to increase gradually, the suite of social and demographic changes discussed earlier will more accurately reflect the types of attractions Australians will visit in the future.

While the long-term prospects for tourism remain strong by all accounts, there is a need to overcome the short-term negative impacts created by global political instability and health concerns. Recent terrorist events and the outbreak of the SARS virus caused a short-term downturn in inbound tourism to Australia, creating a flow-on effect to regional dispersal, capacity constraints on international air routes, and increased competition between destinations for a share of a smaller travelling market.

1.7.2.2 Visitor Preferences

It has been suggested that as the tourism industry evolves, traditional visitor markets may fragment into numerous niche markets with individual needs, desires and expectations (Jurowski and Olsen, 1995). Swarbrooke (2002) suggested that attractions will need to use more sophisticated market segmentation methods in response to the complexities of modern society.

Emerging customer trends suggest that visitors are increasingly seeking benefits such as opportunities for 'fun' learning, 'hands-on' participative activities, 'green' environmentally friendly facilities and more contemporary themes (Martin and Mason, 1990; Jurowski and Olsen, 1995). An additional customer need identified by Stevens (1991) is the provision of safe, clean and attractive environments in which to experience the rides, facilities and services provided by an attraction.

Jurowski and Olsen (1995) have stated that "individualism, maturity, concern for the environment, and the desire for life expanding experiences" will characterise a large proportion of attraction visitors. These emerging characteristics do not suggest the end of Cohen's (1972) 'bubble tourist' but the emergence of substantial new markets with special needs. Martin and Mason (1993) have suggested nothing less than a "transformation" of western society away from a focus on conventional economic growth and material influence (the quantity of life) towards a set of values that puts more emphasis on the quality of life. This is certainly consistent with other authors, who have noted a shift from hedonistic pleasure toward life-enhancing travel experiences (Jurowski and Olsen, 1995).

Müller (2001) expanded upon many of the social changes discussed earlier when summarising 10 travel trends that resulted from a European Delphi study of travel to 2005. These trends are summarised in *Table 1.6*. The table also provides a summary of other authors who have discussed similar changes in travel preferences. In support of Müller's identification of a trend towards adventure-oriented holidays, Scott (2002) indicated that the combined effects of a 'shrinking planet' and more experienced travellers would result in greater demand for exotic, 'off the beaten track' destinations. Similarly, the World Tourism Organisation (2000) commented that there was a trend to travel to more remote and less well known and accessible locations.

TABLE 1.6 – Changes in tourism market trends (Müller 2001)

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The increasing sophistication of visitors is a trend that not only applies to tourism but also to the broader community. Voase (2002) discussed two types of consumers that exemplify parallel but different "species of sophisticated 'new' consumer". The first is the *thoughtful* consumer who displays a yearning for active rather than passive learning. The second, termed the smart consumer, is aware of commercial gimmickry and sees the visit essentially in terms of a transaction, in which value for money is a key feature. The thoughtful consumer may be more interested in seeking an honest exposure to the unique culture and heritage of areas they visit. According to this view, cultural or heritage activities that are perceived as contrived or unauthentic or primarily designed for the 'tourist' would be less attractive. In contrast, the smart consumer may

be less concerned with authenticity and is simply interested in an experience that delivers high levels of service and quality. It is argued that some attractions will appeal to either of these visitor groups while others will inherently attract only one group.

A broader societal trend that accompanies increased sophistication, is the desire for lifelong learning. The rapid pace of change in society and technology has created a need for lifelong learning and tourist attractions can arguably play a role in this broader learning process. Art galleries, museums, and historical sites provide experiences to learn from, however, the way in which the visitor interacts with objects and people in these settings will require careful planning and consideration (Coates et al., 1997). In order to compete with other entertainment and education opportunities, attractions will need to engage the visitor with a rich palette of interpretive tools. Matathia and Salzman (1999) have referred to the concept of 'edutainment', which combines education and entertainment. "Anything that teaches us while we play is edutainment; and it will only be more important in the years ahead as we strive to make the next generation more competitive" (Matathia and Salzman, 1999, p.108). The shift towards more educated and discerning customers, according to Tourism Victoria (2002), may result in a greater emphasis on niche tourism and tailored tourist experiences.

A trend towards more frequent, shorter trips has also been identified by a number of commentators (Australian Tourist Commission, 2002; Tourism Victoria, 2002; World Tourism Organisation, 1999). Matathia and Salzman (1999) provided an interesting tourism industry response to this trend when describing recent innovations by the *Club Mediterranee* resort chain. Club Med has introduced the concept of 'mini-clubs' – urban versions of its resort villages that are aimed at visitors who stay for only a few hours. The mini-clubs feature bistros, cafes, logo merchandise and fitness centres in which visitors enjoy activities such as rock-climbing and snorkelling.

The World Tourism Organisation (1999) identified a further trend not explicitly addressed by Müller (2001). According to the World Tourism Organisation, travellers are increasingly interested in more socio-culturally acceptable tourism products, particularly those that explore the natural environment and local indigenous cultures.

1.8 CONCLUSION

This chapter has provided an overview of the nature and status of tourist attraction research. The discussion has also reviewed the history of tourist attractions and has presented a detailed set of macro and micro environmental trends that have the potential to influence the attraction sector in the future. These trends were tempered by a recognition that the work of a number of authors was highly speculative and lacked empirical testing or widespread collaborative agreement. However, these trends were presented in order to canvas a thorough, wide-ranging collection of relevant views about the future, so that these may be included and evaluated in the research. The next chapter will review the management literature by considering research developments in the area of business planning.

CHAPTER 2

Business Planning Concepts and Methods

OUTLINE OF CHAPTER

- 2.1 Strategic Planning Concepts**
Introduces the topic of strategic planning and provides an overview of key definitions and strategic planning research in the tourism literature.
- 2.2 The Evolution of Strategic Planning**
Consults the strategic management literature to provide a concise summary of the emergence and application of strategic planning in business.
- 2.3 Models of Strategic Planning**
Reviews the major strategic planning models and presents a series of key strategic planning tasks for businesses.
- 2.4 Strategic Planning in Small Business**
A focused discussion of characteristics that distinguish small businesses from large companies; differences between operational and strategic planning; and reasons for a lack of strategic planning in small organisations.
- 2.5 Strategic Planning Studies**
The core of the chapter presents a comprehensive review of the issues and concepts of strategic planning research conducted over the last 30 years. The discussion is divided into strategy process research, strategy content research and strategy context research.
- 2.6 Methodological Approaches and Considerations**
Summarises the key approaches to conducting strategic planning research.
- 2.7 Key Points Identified from the Literature**
Summarises the key points and shortcomings identified from the literature presented in Chapters 1 and 2.
- 2.8 The Research Problem**
Provides a concise summary of the research problem and its elements.
- 2.9 Aims and Research Approach**
An overview of the research is provided by identifying the primary aim and overall methodological approach. The research is grouped into three studies, and the aims, methodologies and research questions for each study are presented.
- 2.10 Thesis Chapter Outline**
Provides a synopsis of the structure of the thesis on a chapter-by-chapter basis.
- 2.11 Definition of Key Terms**
A number of key terms pertinent to the research are defined.
-

2.1 STRATEGIC PLANNING CONCEPTS

2.1.1 Defining Strategic Planning

The process of establishing the purpose and future direction of an organisation involves the application of strategic planning and management (Soteriou and Roberts, 1998). Numerous definitions of strategic planning are available in the management literature but consensus on the exact meaning has not been achieved. *Table 2.1* displays some recent strategic planning and management definitions.

TABLE 2.1 – Recent definitions in the Strategic Management literature

Source	Definition
<i>Chon and Olsen, 1990</i>	Strategic management is a process of examining both present and future environments, formulating the organisation's objectives, and making, implementing and controlling decisions focussed on achieving these objectives in the present and future environments
<i>Waalewijn and Segaar, 1993</i>	Strategy is defined as an integrated set of actions geared towards the long-term continuity and strength of any organisation, both in absolute terms as well as relative to their competitors. Strategic management is the coming together of planning, decisions, actions and strategic thinking. Strategic planning is one of the key supports in building a strategy and in making it explicit.
<i>Bryson, 1995</i>	Strategic management is a disciplined effort to produce fundamental decisions and actions that shape and guide what an organisation is and what it does
<i>Wheelen and Hunger, 1995</i>	Strategic management is that set of managerial decisions and actions that determines the long-run performance of a corporation. It includes environmental scanning, strategy formulation, strategy implementation, and evaluation and control.
<i>Pearce and Robinson, 1997</i>	Strategic management is defined as the set of decisions and actions that result in the formulation and implementation of plans designed to achieve a company's objectives.
<i>David, 1997</i>	Strategic management can be defined as the art and science of formulating, implementing, and evaluating cross-functional decisions that enable an organisation to achieve its objectives.
<i>Kotler et al, 2001</i>	Strategic planning is the process of developing and maintaining a strategic fit between the organisation's goals and capabilities and its changing marketing opportunities.

Rather than proposing yet another definition of strategic planning it would be more useful to look for commonality amongst existing definitions. Several common themes can be extrapolated from these definitions:

1. Strategic management is a process consisting of a set of managerial decisions and actions;
2. It is concerned with matching organisational objectives and resources with environmental opportunities; and
3. It deals with the long-term or future performance of the organisation.

2.1.2 Strategic Planning and Tourism Research

Models that describe strategic planning provide a number of opportunities for investigating the current and emerging directions of tourist attractions (Pearce, 1998a). Unfortunately, strategic planning research in the attraction sector and in the tourism industry as a whole has been described as meagre (Soteriou and Roberts, 1998;

Athiyaman, 1995; Chon and Olsen, 1990). While a few studies have investigated the need for planning at the macro, or destination level (Faulkner, 1994), very little research has occurred at the micro, or organisational level. Gilbert and Kapur (1990) observed that strategic planning is rarely discussed in journals applied to the tourism industry. Some exceptions to this general observation are summarised in *Table 2.2*. The table indicates that the small number of planning-related studies are diverse, both in terms of sample and study focus. The subject has received some attention in the broader tourism and hospitality literature (for comprehensive reviews see Evans et al, 2003; Hall, 2000; Moutinho, 2000; Olsen, West, and Tse (1998); Tribe, 1997; Poon, 1993; Teare and Boer, 1991).

TABLE 2.2 – Business planning-related studies in the tourism and hospitality literature

Year	Authors	Study Focus	Instrument	Sample Description	Sample Size (Response Rate)
1990	Gilbert and Kapur	Strategic marketing planning in the hotel industry	In-depth interviews	Hotel groups / chains, United Kingdom	4
1995	Athiyaman and Robertson	Strategic planning in large tourism firms.	Mail Questionnaire	Large tourism and manufacturing firms, Australia	87 (51%)
1995	Jurowski and Olsen	Environmental scanning in tourist attractions	Content Analysis	'Trends Database' developed from key industry journals, 1989-1992	-
1998	Phillips and Appiah-Adu	Benchmarking and strategic planning in hotels	Mail Questionnaire	Hotel Groups, UK	63 (84%)
2000	Phillips and Moutinho	Measuring strategic planning effectiveness	Mail Questionnaire	Top 50 Hotel Groups, United Kingdom	100 (77%)
2003	Kemp and Dwyer	Mission statements of international airlines	Content analysis of airline websites	International Airlines	50

Gilbert and Kapur (1990) stated that it was unclear whether tourism companies were managed strategically and whether a formalised process of developing, implementing and evaluating strategy was commonly practised. These sentiments were echoed by Athiyaman (1995) who observed that gaps existed in almost all areas of strategy research in the tourism industry.

Strategic planning can benefit tourist attractions by allowing operators to make better management decisions based on sound knowledge of future developments (Chon and Olsen, 1990). While the success of a tourism organisation clearly depends on the development of strategic competitive advantages, strategic planning, where evident, has only been applied in a partial sense (Dimmock, 1999; Faulkner, 1994). Early research by Rovelstad and Blazer (1983) indicated that tourism businesses lagged behind manufacturing firms in strategic planning and research. In contrast, later research by Athiyaman and Robertson (1995) found that the strategic planning processes adopted by large Australian tourism firms were of equal sophistication to those employed by manufacturing firms. This line of inquiry clearly requires further exploration.

Faulkner (1994) argued that a general lack of strategic thinking in Australian tourism is exemplified by the following symptoms:

1. A prevailing 'doom and gloom' mentality reflected by a tendency to over-react to short-term events and developments;
2. An inclination to rely on anecdotal evidence as a basis for making decisions rather than drawing on readily available research; and
3. A parsimonious attitude to investment in research.

Failure to plan strategically has implications not only for the individual attraction, but also for the overall competitiveness and professionalism of the attractions sector and the Australian tourism industry as a whole.

The general lack of strategic planning research in the tourism literature suggests that it would be wise to turn to the management literature for a more detailed overview of this area. Research dealing with small business planning is particularly relevant in this instance. It is generally accepted that a vast majority of tourist attractions can be classified as small businesses.

Definitions of small businesses are commonly based on the number of staff employed by a firm and vary from those employing less than 100 staff to those employing less than 20 staff. The Australian Bureau of Statistics (1997) defined small businesses as “*all manufacturing businesses with less than 100 employees and all other non-agricultural businesses with less than 20 employees.*” Thus a small business in the tourism industry would have less than 20 employees. The following discussion centres predominantly on the small business and management literature, with some reference to the tourism literature, in an attempt assist in the understanding the complexity of strategic planning.

2.2 THE EVOLUTION OF STRATEGIC PLANNING

Cummings (1993) commented that the term *strategy* is derived from the Athenian *strategos*, which was associated with the leadership and command of military units. The term emerged in response to the increasing complexity of military decision making. Confucius recognised the value of exploring the future when stating, “if a man take no thought about what is distant, he will find sorrow near at hand.” A century before strategy was applied to the management of corporate organisations, Abraham Lincoln captured the essence of the term when stating that “if we know where we are and something about how we got there, we might see where we are trending – and if the outcomes which lie naturally in our course are unacceptable, to make timely change” (David, 1997, p.3).

Gilbert and Kapur (1990) stated that strategic business planning emerged from marketing planning as a method of coordinating resources and providing rational responses to unexpected market events. According to Ansoff (1987) strategic planning evolved from four changes in the orientation of companies (see *Figure 2.1*):

1. At the turn of the century, the *production* orientation emerged in response to market demands for inexpensive, reliable, standardised products;

2. In the 1930s the product orientation emerged in response to the need for progressive improvements in product performance, reliability and cost-effectiveness. During the same period the marketing orientation developed from customer demands for products which met their diverse wants, needs, and economic and social status.
3. The increasingly complex markets of the 1960s brought the realisation that success could no longer be assured by optimising the performance of a single functional area, hence the emergence of a multi-function strategic orientation which considered social, political, economic and cultural forces.
4. From the mid-1980s a number of high-technology firms combined the strategic orientation with a newly emerging technology orientation, which allowed for significant advances in product performance.



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Source - Ansoff, 1987

FIGURE 2.1 – The evolution of strategic management

Marsden (1998) has suggested that the early enthusiasm for strategic planning did not last. He attributed the demise of strategic planning to the increasing rate of change and macro-economic instability, which has been prevalent since the mid-1970s. In this climate long-term plans became quickly outdated and organisations were forced to adopt a more flexible, less formal approach with a shorter time horizon.

Mintzberg and Waters (1985) argued that strategic planning had in fact not declined, but had simply changed in nature. With this came recognition of the fact that few plans were realised in all their intended detail. Instead, Mintzberg and Waters (1985)

proposed that **intended** strategies that are fully realised are called **deliberate** strategies while those that do not eventuate can be termed **unrealised**. Further, it was suggested that lack of faith in the strategic planning process may have been due to the failure of managers to recognise a third outcome, **emergent** strategies. Mintzberg and Waters described emergent strategies as those that evolve unintentionally without prior planning and in response to unforeseen circumstances. **Figure 2.2** depicts the relationship between these elements.



Source – Mintzbera and Waters. 1985

FIGURE 2.2 – Forms of strategy

Porter (1980) also played a key role in the establishment of strategic planning research with the development of his five forces model; the use of a value chain as an instrument for assessing internal organisational strengths and weaknesses; and his generic strategies of cost-leadership, differentiation and niche-focus. Porter's five forces framework provided a means for analysing the nature and extent of competition within an industry. The five forces approach considered the threat of **new entrants**, the threat of **substitutes**, the power of **customers**, the power of **suppliers**, and the intensity of **rivalry** within the industry. While the five forces model can be easily applied to individual businesses, it is less useful for the broader industry focus of this research and will not be discussed further. However, Porter's generic strategies of cost-leadership, differentiation and niche-focus have some relevance and are examined later in the context of strategy content.

2.3 MODELS OF STRATEGIC PLANNING

Proponents and researchers of strategic planning have developed and tested a broad array of models. Most of these models present the strategic management process as a flow chart (Mintzberg, 1990) or series of rational steps (Wheelen and Hunger, 1995) as shown in *Appendix 3*. Some models view strategic planning as a matrix of interrelated parts, such as Patterson's (1986) model in *Appendix 4*. In a contribution from the tourism literature, Gilbert and Kapur (1990) presented strategic planning as a dynamic, cyclical process with interactions between various stages of the cycle (*Appendix 5*).

There is a strong consensus among strategic planning researchers that the planning process consists of three core components: (1) formulation; (2) implementation and (3) control (e.g. Armstrong, 1982, Pearce and Robinson, 1997). A more detailed approach was provided by Bracker and Pearson (1986) who identified eight planning components: objective setting, environmental analysis, SWOT analysis, strategy formulation, financial projections, functional budgets, operating performance measurement, and control procedures. Following these frameworks, a number of strategic planning tasks can be synthesised from the models presented. These are summarised in *Table 2.3*.

It is evident from these models and planning actions that the strategic planning process is continuous. It is not simply a process of formulating a plan for a defined period, but an ongoing cycle of strategy formulation, implementation and evaluation. In reality, it has been suggested that strategic planning does not follow a highly rational path but involves a series of incremental decisions and processes (Milliken, 1987; Quinn, 1980).

TABLE 2.3 – Key strategic planning tasks for organisations

A. STRATEGY FORMULATION

1. *Develop mission* – all strategic planning efforts should start with a mission, a statement which describes the values, nature, scope and priorities of an organisation.
2. *Conduct environmental analysis* – planners must carry out an analysis of environmental forces that impact on the organisation in order to develop meaningful objectives and strategies. The analysis of environmental forces can be divided into two areas:
 - *internal analysis*, which examines the internal strengths and weaknesses of the organisation in terms of customers, suppliers, employees, resources etc.; and
 - *external analysis*, which examines the external opportunities and threats by evaluating economic, socio-cultural, political, technological, ecological and competitive forces.
3. *Establish objectives* – objectives must be established as a means of assessing the results expected from pursuing certain strategies.
4. *Develop strategies* – strategies, the actions that must be taken to meet objectives, must be formulated based on the internal and external environmental analysis. Matrices are often used to assist strategy formulation by matching strengths, weaknesses, opportunities and threats.

B. STRATEGY IMPLEMENTATION

5. *Allocate resources* – planners must allocate appropriate human, financial and physical resources to implement strategies
6. *Implement strategy* – policies and programs should be established to ensure that the strategies are implemented

C. STRATEGY EVALUATION

7. *Performance evaluation/feedback* – the performance of the organisation must be measured against the initial objectives and adjustments must be made where necessary by resetting objectives and reformulating strategies.
 8. *Environmental monitoring* - changes in the environment should continue to be monitored to identify new opportunities and threats.
-

2.4 STRATEGIC PLANNING IN SMALL BUSINESSES

Strategic planning research has traditionally focussed on large corporations and the models, prescriptions and constructs observed might not be relevant to smaller firms such as those commonly found in the attraction sector. Lindsay and Rue (1980) argued that small firms should be considered as a separate class of business in empirical research. Furthermore, Robinson and Pearce (1984) pointed out that literature in small business planning suffered from the 'little big business' syndrome, which resulted from applying concepts related to large firms to small business applications. More recently, Jennings and Beaver (1997) have observed that the management process in small

firms was unique and had little or no resemblance to management processes found in larger organisations. It is therefore necessary to examine some of the planning characteristics that dominate small firms.

2.4.1 Small Firm Planning Characteristics

Early research by Jones (1982) found that small businesses exhibited an informal organisational and management style, with easy adaptation to change, little emphasis on formal procedures, and open communication among members of the management team. Lurie and Polakoff (1987) suggested that strategic planning could potentially work quite well in smaller, growth oriented organisations. However, Robinson and Pearce (1984) described planning in small firms as “unstructured, irregular, and uncomprehensive”. The planning process in small firms has also been characterised as “incremental, sporadic and reactive” and objectives have been described as “vague or inadequately defined, and generally pragmatic and short-range” (Sexton and Van Auken, 1985:7). Robinson and Pearce (1984:129) also noted that:

Although small firm managers engaged in strategic thinking, such deliberation was seldom formalised, never communicated beyond a very few personal contacts, and the search for alternatives was typically passive and characterised by the acceptance of the first attractive option.

As indicated by the strategic planning models outlined earlier, planning in larger firms focuses on the evaluation of the environment, the formulation strategies to meet objectives, the implementation of policies and programs, and the feedback of information to indicate success according to predetermined goals. Most managers of small firms, such as tourist attractions, cannot afford the luxury of specialised environmental scanning staff. Small firms are concerned with manipulating a limited amount of resources in order to gain the maximum immediate and short-term advantage. In small firms efforts are not concentrated on predicting future opportunities and threats but on adapting as quickly as possible to current threats and changes in

the environment (Jennings and Beaver, 1997). In their analysis of environmental scanning in small U.S. firms, Smeltzer, Fann and Nikolaisen (1988) found that managers tended to focus on information about the marketplace and ignored competitors as an important source of information. Furthermore, Brouthers, Andriessen and Nicolaes (1998) found that small firm managers in the Netherlands used non-quantitative analytical techniques and relied in their intuition when gathering information about the environment.

Robinson and Pearce (1984), in their review of small business planning literature, identified four broad suggestions for the structuring of planning processes in small businesses:

1. The time horizon in small business planning should be short term (below 2 years)
2. The process should be informal
3. Performance and creativity will be enhanced by the systematic inclusion of several participants
4. Starting the planning process with extensive objective setting may be detrimental.

A further characteristic of small businesses is the inseparability of the roles of manager and owner. As owners of the business, managers often have a personal vision and set of goals that need to be considered when developing the objectives for the business. At the same time, owner/managers of small businesses usually lack formal training in strategic planning (Smeltzer *et al.*, 1988).

Shrader, Mulford and Blackburn (1989) suggested that small businesses did not benefit from strategic plans primarily because they did not take the time or effort to formulate them. However, Robinson and Pearce (1984) argued that if planning enhanced small firm effectiveness but was too complex, or time consuming, then there was a need to design a planning process more appropriate to the needs of small firms.

2.4.2 Strategic and Operational Planning

Smeltzer et al (1988) argued that managers of small firms function at operational and strategic levels concurrently and, in fact, these functions may be served by one person. Hence, in smaller firms operational planning may dramatically influence long-term or strategic planning. Shrader et al (1989) provided a clear distinction between operational and strategic planning. They stated that strategic plans were more general and had longer time horizons than operational plans. Operational planning was defined as the setting of short-term objectives for specific functional tasks. In contrast, strategic planning required a written long-range plan that included a mission, a statement of objectives, and strategies indicating how objectives would be accomplished.

Within this framework, there is recognition of long-term and short-term goals. Long-term planning strategies (i.e. 5-10 years) act as an umbrella under which shorter term operational strategies (i.e. 1 year) can be formulated. Strategies and objectives may be continually reformulated. This ensures that the planning process is continually working toward a long-term outcome. It would be logical to assess organisations according to the extent to which they carry out each of these tasks.

2.4.3 Reasons for Lack of Planning

Robinson and Pearce (1984) proposed that the reasons for a lack of strategic planning in small firms seemed to be fourfold:

1. *Time* – managers report that their time is scarce and difficult to allocate to planning in the face of continual day-to-day operating problems.
2. *Getting started* – small firm owner/managers have minimal exposure to and knowledge of the planning process. They are uncertain of components of the process and their sequence. They are unfamiliar with many planning information sources and with how they should be utilised.

3. *Broad expertise* – small business managers typically are generalists, and they often lack certain specialised expertise that often becomes necessary in a planning process.
4. *Lack of trust and openness* – small firm owners/managers are highly sensitive and guarded about their businesses and decisions that affect them. Consequently they are hesitant to share their strategic planning with employees or outside consultants.

Added to this, Shrader *et al.* (1989) proposed two further barriers: planning is perceived as being *too costly* and the environment is viewed as being *too unpredictable*. Bracker, Keats and Pearson (1988) suggested that the lack of small firm planning may simply be due to apathy. In many instances the manager of successful businesses may have little incentive to look beyond the day-to-day operational aspects of the business.

2.5 STRATEGIC PLANNING STUDIES

The strategic management literature is dominated by research that has sought to investigate the relationship between various management and organisational variables and the success of strategic planning. Mintzberg (1990) suggested that strategic planning research could be divided into three dimensions or perspectives:

1. *Strategy process* - focuses on the strategic decision processes and factors that impact on the formulation of strategies;
2. *Strategy content* - focuses on the characteristics of the output or content of strategies; and
3. *Strategy context* - focuses on the unique characteristics that distinguish one organisation or industry from another and that may impact on the outcome of strategies.

Early research placed much greater emphasis on the organisational process by which strategies are developed than on the content of these strategies. However, the 1980s saw a major shift toward studying the content of business strategies (Robinson and Pearce, 1988). These dimensions of strategy research provide a convenient framework for discussing the major strategic planning research themes. The following review discusses the variables that have been investigated in the strategic planning literature, with specific reference to small firms.

2.5.1 Strategy Process Research

Strategy process research is concerned with the strategic decision processes and factors that impact on the formulation of strategies. It deals with *how* strategic planning is carried out in organisations. The key directions in strategy process research include formality, decision-making, employee and 'outsider' involvement, environmental scanning and sources of information, and timing considerations.

2.5.1.1 Planning Formality, Sophistication and Performance

The *formality* and *sophistication* of the planning process has been the most widely researched aspect of strategic planning (Matthews and Scott, 1995). There are two themes in research dealing with formality and planning. One theme has explored the relationship between planning formality and organisational performance, while the second has explored the formality of the planning process in terms of business success. Formality, in this context, refers to the complexity of the planning process, with the premise being that formal plans are superior to informal plans because they allow for the systematic analysis of the organisation's objectives, resources and environment. The argument that formal strategic planning has a fundamental, positive impact on businesses has strong intuitive appeal (Griggs 2002).

According to Armstrong (1982), *formal* strategic planning requires an *explicit* process for defending an organisation's long-term objectives; procedures for generating and evaluating alternative strategies; and a system for monitoring the outcomes of the plan once it is implemented. He goes on to stress that during each of these steps it is important that a *systematic* procedure is used. Authors who prescribe to this structured planning approach belong to the 'Rational Strategic Model' (RSM) school of strategic planning. A study of strategic planning in the ASEAN region found that while the RSM approach to strategic planning had been widely adopted, strategic options were often developed as part of highly political, ongoing, *ad hoc* processes which were necessitated by an unpredictable future (Check-Teck et al. 1992). This would suggest an element of flexibility, or *informality*, in the formal strategic planning process.

Research into the links between strategic planning formality or sophistication and performance dominate the strategic planning literature. Venkatraman and Ramanujam (1986) suggested that performance improvement was at the heart of strategic management. Despite the volume of studies in this area, researchers have largely failed to reach full consensus on whether formal planning methods yield better results

than non-formal methods. Several studies covering a broad range of industries in North America, Europe and Australia have reported a positive relationship between formal strategic planning and performance (Armstrong, 1982; Jones, 1982; Sexton and Van Auken, 1985; Bracker and Pearson, 1986; Bracker *et al.*, 1988; Robinson and Pearce, 1988; Miller and Cardinal, 1994; Pekar and Abraham, 1995; Hopkins and Hopkins, 1997; Griggs, 2002). These authors have typically argued that formal strategic planning provided structure for decision making, facilitated a long-term planning culture, and generally benefited small firms. Hopkins and Hopkins (1997) found that a reciprocal relationship existed between planning and performance, with one fuelling the other. In contrast, a number of studies have also concluded that there is little or no relationship between formal strategic planning and the financial performance of small firms (Robinson and Pearce, 1983; Robinson, Pearce, Vozikis, and Mescon, 1984; Orpen, 1985; Robinson, Logan and Salem, 1986; Cragg and King, 1988; Shrader *et al.*, 1989; Lyles, Baird, Orris and Kuratko, 1993; Rue and Ibrahim, 1998; Hahn and Powers, 1999). Robinson et al (1986) reported that operational planning, rather than strategic planning, was strongly associated with several indicators of performance. Several authors have found that the *rate of growth*, rather than financial return was an important variable in assessing the financial impact of planning (Bracker and Pearson, 1986; Lyles et al, 1993; Rue and Ibrahim, 1998).

While a number of studies reported no significant performance differences between formal and informal planners, several researchers concluded that formal strategic planning did create indirect advantages for small firms. Ackelsberg (1985) reported that while formal planning activities such as writing goals, plans and budgets were not linked to performance; analytical planning activities such as assessing strengths and weaknesses, identifying and evaluating alternatives and revising plans did have a positive impact on performance. His final conclusion was that planners outperformed non-planners. Orpen (1985), in his study of various small businesses in Australia,

proposed that strategic planning benefits small firms by causing them to explore new alternatives for increasing sales and improving their competitive positions. This is consistent with earlier findings by Robinson and Pearce (1984) who found that the formal planning *process*, not just the outcomes, was recognised by managers in the United States as important to firm performance. Kargar (1996) concluded that financial performance is not a key indicator for a planning system's effectiveness in small firms, and that a more diverse assessment of a planning system's benefits and effects is appropriate. The benefits of planning are more of a process of nature, which may be a necessary but not sufficient condition for improving performance. In this view, planning delivers few financial benefits but significant *process* benefits may be expected from adopting strategic planning.

Lyles et al (1993) suggested that the elements of goal formulation, developing distinctive competencies, determining authority relationships, deploying resources, and monitoring implementation receive more effective attention when small businesses engage in formal planning. They also reported that small businesses engage in less formalised, more operational, and more personal planning. A longitudinal study of large manufacturing organisations in Australia also found that many companies are not concerned with the outcomes of strategic planning but were more interested in the ability of strategic planning to provide a forum for discussion about strategies and company goals (Bonn and Christodoulou, 1996).

A more conclusive meta-analysis of fourteen studies found support for the general assertion that formal strategic planning in small firms does have a significant, positive association with performance (Schwenk and Shrader, 1993). While the study did not establish that planning necessarily improves performance, the findings were consistent with assertions that strategic planning promotes long-range thinking, reduces the focus on operational details, and provides a structured means for identifying and evaluating strategic alternatives. A similar meta-analysis by Miller and Cardinal (1994) involving

26 published studies related to strategic planning and performance incorporated contextual factors such as firm size, capital intensity and environmental turbulence. They determined that even when accounting for all these influences, planning did impact on performance. More intriguing, however, was their conclusion that the contextual factors had little impact on this relationship. These studies strengthened the case for the use of strategic planning in all firms regardless of size. A later analysis by Griggs (2002) identified 80 empirical studies investigating the link between strategic planning and performance. He reports that 49 of the studies identified a link between strategic planning and performance. While the strategic management literature is clearly focused on this theme, Phillips and Moutinho (2000) observed that the strategic planning-performance relationship has been largely overlooked in the tourism and hospitality management literature.

2.5.1.2 Decision Making

Cray, Mallory, Butler, Hickson and Wilson (1988) noted that an understanding of the strategies of organisations inevitably requires a clearer comprehension of the process of decision making. However, consideration of the myriad of factors that impact on the decision making process - such as the individuals involved, the different sources of information, the possible disruptions and so forth - leads to an ever more complex framework of interacting variables. The complexity of the decision making process has meant that it has evolved as a specialisation with a bewildering array of models and theories beyond the scope of this research.

There are, however, three aspects of decision making impacting on the strategic planning process that will be discussed here. These are (1) biases in strategic decision making; (2) strategic decision models; and (3) technology assisted decision-making.

There are a range of biases and *heuristics*, or rules of thumb, that can cause managers not to consider certain strategic options (Kahneman and Lovallo, 1993; Zajac and

Bazerman, 1991; Hammond, Keeney and Raiffa, 1998). Extensive lists of biases and heuristics have been developed (Schwenk, 1988). A number of the most common biases are summarised in Table 2.4. It would be potentially beneficial to identify which of these biases most commonly influence strategic planning practices in tourist attractions.

TABLE 2.4 – Common decision-making traps

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Source - Hammond, Keeney and Raiffa, 1998.

Researchers have developed a number of strategic decision models. Early attempts by Mintzberg, Raisinghani and Theoret (1976) to model the process of strategic decision making resulted in the identification of three major phases which incorporated a number of sub-phases (see Appendix 6). Cray et al. (1988) have developed a typology which include three types of decision making processes: fluid, constricted, and sporadic. A fluid decision process is one that is steadily paced, formally channelled, and speedy. A constricted process is one that is narrowly channelled and is moderately restricted in terms of the effort made to obtain information and in terms of the number of individuals who participate in the decision. A sporadic process is one that is spasmodic, protracted, and contains many interruptions and recycles. The applicability of this typology to small business has yet to be considered. More recently, Kargar

(1996) has provided a summary of five models which have been applied to the strategic decision making process in organisations. These are;

1. *The rational model* – assumes that full information is available and that social-psychological factors such as power, conflict, fear, credibility or employee turnover will not influence the decision making process.
2. *The avoidance model* – assumes that organisations will avoid decision making and uncertainty unless there is a threat or disruption to the status quo.
3. *The adaptive model* – assumes that since the environment is highly uncertain and rapidly changing, new decisions must be introduced slowly and incrementally to avoid major changes.
4. *The political model* – assumes that people are biased and personally motivated and that decisions will be influenced by observable, but often covert, actions and interplay between different parties.
5. *The decisive model* – extends the political model by assuming that there are inherent inconsistencies in the way people experience information and perceive the environment.

Kargar (1996) noted that researchers were unsure about the conditions and extent to which each of these strategic decision-making models accurately described the strategic planning process. Each of the five models are based on different assumptions and introduce specific biases into the planning process.

A further consideration is the use of emerging information technology and artificial intelligence to aid the decision making process. Research by Schwenk and Molloy (1995) suggested that the use of information technology (IT) increases the speed and quality of problem identification and decision-making by facilitating the communication of strategic issues throughout an organisation. It has also been proposed in the

management literature that the use of information technology could encourage firms to focus on long-term business success rather than on operational matters (Chen and Williams, 1993). In reality, Bridge and Peel (1999) found that computers are more widely used for operational, rather than decision making purposes. However, it was also reported that the intensity of strategic planning was positively associated with the use of a greater range of computer packages and applications.

While strategic decision making has been extensively studied in large firms, Brouthers *et al.* (1998) pointed out that research examining strategic decision making in small firms was still at an early stage of development.

2.5.1.3 Employee and 'Outsider' Participation

Several researchers have explored the involvement of employees and 'experts' outside the organisation in the planning process. Research by Shrader *et al.* (1989) indicated that top managers tended to complete planning tasks without the assistance of employees. Shrader *et al.* (1989) also found that most small firm planning was conducted by CEOs and top managers, partly because they felt that strategic planning was costly and time consuming. More recently, Bonn and Christodoulou (1996) observed a longitudinal change in planning participation between 1982 and 1993, with the decentralisation of planning to divisions, and a shift of responsibility from staff personnel to line managers. However, they report that CEO's were still the most influential in the final approval of a strategic plan and in the development of corporate objectives and strategies. It was also noted that Boards of Directors had relatively little influence except in the approval of the final strategic plan. Griggs (2002) found that CEOs, line managers and board members of small organisations placed less emphasis on strategic planning and were less likely to involve all staff. He proposed that this may be the result of lower education levels in small business managers, compounded by the entry of service professionals without management training into management

positions. This perspective has some parallels with the tourism industry, where service personnel may move into management positions.

Research from the tourism literature found that CEO's of large Australian tourism businesses had significantly increased the time spent on planning since implementing strategic planning in their organisations. Furthermore, managers had actually sought the involvement of staff managers in strategic planning, and had increased the number of individuals involved in the planning process (Athiyaman and Robinson, 1995).

Kargar (1996) suggested that the involvement of key personnel in the planning process was an important contributor to planning effectiveness in small firms. Such involvement builds a planning climate and planning culture. Hamel (1996) suggested that the involvement of staff in planning resulted in employees who are 'advocates' of the strategies they developed. This increases the likelihood of staff supporting the organisation's plan. Peters and Waterman (1982) have also recognised the importance of empowering and involving employees in the planning process, while Daniels and Bailey (1999) reported that planning may have ancillary benefits, such as increased job satisfaction. Some authors maintain that the support, skills and knowledge of an organisation's employees are the most important resource for planning (Marsden, 1998; Rhodes, 1988). To this end, Lyles et al (1993) observed in their research that 'formal planners' had an average of 101 employees, while non-formal planners' had an average of 47 employees. However, Check-Teck et al (1992) reported that only 27% of strategic goals emerged from suggestions made by staff.

It must be appreciated that due to their size, small firms are often unable to afford the strategic planning staff and personnel that larger firms possess (Brouthers *et al.*, 1998). Robinson (1982) undertook a study that sought to address the perceived shortcomings of small business planners by investigating the impact that 'outsiders' such as consultants, lawyers, accountants, bankers, and boards of directors had on the

performance outcomes of strategic planning. Robinson (1982) found that outside planners contributed significantly to improvements in small business profitability, sales growth, employment, and productivity. It was suggested that outsiders are important for three reasons: they compensate for a lack of full-time planning staff; they improve the quality of decision making and the likelihood of continued, systematic planning; and they make up for a lack of formal planning skills.

2.5.1.4 Environmental Scanning and Sources of Information

Brouthers et al (1998) suggested that the rational systematic model (RSM) of strategic planning required an extensive information search to provide accurate information about the changes occurring in the environment as well as assessing alternative responses to these changes. Reliable and substantive information concerning the business environment is essential to strategic decision making (Jurowski and Olsen, 1995; Harrison, 2003). It is argued that information gleaned from *environmental scanning* and used to identify important trends can reduce risk and improve strategic decision making.

Smeltzer et al (1988) defined environmental scanning as the gathering and interpreting of information pertinent to the business. Harrison (2003) provided a detailed summary of the various aspects of environmental scanning that should be incorporated into strategic planning in hospitality firms. He proposed a three-tiered approach to environmental analysis: (1) internal resource analysis, (2) analysis of the task environment, and (3) analysis of the broad environment (*Figure 2.3*). In other literature the task environment is frequently referred to as the micro-environment, while the broad environment is referred to as the macro-environment (e.g. Evans et al, 2003).

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Adapted from Harrison, 2003

FIGURE 2.3 – Three levels of Environmental Analysis

Despite these systematic environmental scanning frameworks, the strategic planning literature has recognised that the scanning practices of small businesses may differ to those in large organisations. Smeltzer et al (1988) proposed that the sources of information used in larger organisations became more formalised as systems became more complex. Many large firms employ specialised environmental scanners to analyse the environment and to provide a database for planning. However, most managers of small firms cannot afford the luxuries of specialised environmental planning tasks. They also observed that larger organisations were more likely to belong to trade associations and formal industry organisations, while small businesses may not be able to afford these linkages. Membership or inclusion in trade organisations provides important market intelligence and networking opportunities. Griggs (2002), in his analysis of disability-based organisations in Australia, found that smaller organisations devoted less attention to the analysis of government and political issues, competitive trends, supplier trends, external client and customer preferences, technological trends and market research.

One of the few studies related to tourist attraction planning investigated the information needs of British tourist attractions (Martin and Mason, 1990). The authors found that operators were looking for a range of data including visitor trends and characteristics, visitor spending, promotional budgets and effectiveness, staffing levels and costs and the profitability of different activities.

Early research exploring the link between environmental scanning and planning reported that planners found the environment less threatening to a firm's survival than non-planners (Jones, 1982). However, research dealing with environmental scanning in small businesses has found that managers value informal personal information more than formal impersonal information. Smeltzer, *et al.* (1988) found that small business managers tend not to consider traditional sources of business information or advice from outsiders as being particularly valuable and appear to seek social and psychological support rather than objective information. In contrast, Brouthers *et al* (1998), in their study of small firms in Amsterdam, reported that the extent of information search activities in small firms was comparable to large firms, and that *service* firms tended to engage in more extensive search activities when compared with manufacturing firms.

Once information on the environment has been obtained, it must be analysed to determine its importance to the organisation. In this respect, Brouthers *et al* (1998) found that while small firms tended to be rational in their gathering of environmental information, they appeared to treat this information in a less systematic manner. Information analysis was limited to non-quantitative techniques and a reliance on intuition.

2.5.1.5 Timing Considerations

Several authors have found that the *quality* of planning rather than the *amount of time* spent in long range planning influenced planning outcomes (Orpen, 1985 and Bracker et al, 1988). Orpen also found that the time horizon covered by the planning effort was important. High performance firms tended to update their plans more regularly (once a year) and used longer time horizons (4-8 years) than low performance firms (3-4 years).

2.5.2 Strategy Content Research

Strategy content research centres on the characteristics of the output or content of strategies. It is concerned with *what* makes up the substance of strategic plans. Early strategy content research by Buzzell, Gale and Sultan (1975) proposed that firms can choose to *build, hold, or harvest*. However, it is the work of Porter (1985) that has led research efforts in this field. Porter (1985) suggested that a firm can only pursue one of three competitive strategies: cost leadership, differentiation, and focus. *Cost leadership* emphasises the production of standardised products at a low per-unit cost for a price sensitive market. *Differentiation* is aimed at producing products and services which are considered unique and are directed at markets that are relatively price insensitive. *Focus* is similar to the niche strategies commonly identified by other authors and involves the production of products and services that fulfil the needs of small groups of consumers.

David (1997) provided a more detailed breakdown of strategy content by categorising thirteen strategies into four groups while Kotler (1998) adopted a distinctly militaristic approach when grouping strategies according to attack, defence, follower and niche. These strategies and their descriptions are presented in *Table 2.5*.

TABLE 2.5 – Common strategy types and their content

TYPE	STRATEGY	CONTENT DESCRIPTION
David, 1997		
1. <i>Integration Strategies</i>	<ul style="list-style-type: none"> · Forward integration · Backward integration · Horizontal integration 	<ul style="list-style-type: none"> Gaining ownership or increased control over distributors or retailers Seeking ownership or increased control of a firm's suppliers Seeking ownership or increased control over competitors
2. <i>Intensive Strategies</i>	<ul style="list-style-type: none"> · Market penetration · Market development · Product development 	<ul style="list-style-type: none"> Increasing existing market share through greater marketing efforts Introducing present products or services to new markets Increasing sales by improving existing products or developing new ones
3. <i>Diversification Strategies</i>	<ul style="list-style-type: none"> · Concentric diversification · Conglomerate diversification · Horizontal diversification 	<ul style="list-style-type: none"> Adding new, but related, products or services Adding new, unrelated products or services Adding new, unrelated products or services for present customers
4. <i>Defensive Strategies</i>	<ul style="list-style-type: none"> · Joint venture · Retrenchment · Divestiture · Liquidation 	<ul style="list-style-type: none"> Two or more firms forming a separate organisation for cooperative purposes Reducing costs and assets to reverse declining sales and profits Selling a division or part of an organisation Selling all of a company's assets, in parts, for their tangible worth
Kotler, 1998		
1. <i>Defence Strategies</i>	<ul style="list-style-type: none"> · Position defence · Flanking defence · Pre-emptive defence · Counter-offensive defence · Mobile defence · Contraction defence 	<ul style="list-style-type: none"> Building fortifications around current markets or products Protecting weak markets and products from competitors Striking competitors before they can move against the company Countering an attack from competitors Moving to new markets that can serve as future bases of defence & offence Withdrawal from markets or products that can no longer be defended
2. <i>Attack strategies</i>	<ul style="list-style-type: none"> · Frontal attack · Flanking attack · Encirclement attack · Bypass attack · Guerilla attack 	<ul style="list-style-type: none"> Matching a competitor's product, and marketing efforts Attacking a competitor's weaker markets or products Attacking all products and markets - requires superior resources Bypassing competitors by moving into new unrelated products and markets Small, periodic attacks to harass and demoralise the competitor
3. <i>Follower strategies</i>	<ul style="list-style-type: none"> · Cloning · Imitating · Adapting 	<ul style="list-style-type: none"> Closely copying a market leader's product and market efforts Retain some parts of a leader's product & market, but differentiate on others Build on a leader's products and markets, often improving them
4. <i>Niche Strategies</i>	<ul style="list-style-type: none"> · End-use specialist · Vertical specialist · Customer size specialist · Specific customer specialist · Geographic specialist · Product or feature specialist · Quality-price specialist · Service specialist 	<ul style="list-style-type: none"> Specialises in serving one type of end-use customer Specialises at some level in the production-distribution cycle Serving customers who are neglected by major players Serving one major customer Selling only in a specific location Specialises in producing a certain product, product line or product feature Operating in the low or high end of the market Offering one or more services not available from other firms.

Clearly a number of these strategies are only relevant to large organisations. Most small businesses, and indeed most attractions, tend to adopt focus or niche strategies such as those identified by Kotler (1998). Check-Teck et al (1992) assessed the functional areas of management that were considered in the strategies of firms in the ASEAN region. They observed that strategies dealing with marketing, finance and operations were most common, while product development and human resource strategies received less attention.

Interestingly, none of the strategies outlined above explicitly recognise cooperative strategies or strategic alliances. Jurowski and Olsen (1985) have noted the importance of strategic alliances in delivering higher standards of quality and improving efficiency. In the tourism literature Robinson (1994) suggested that it will become essential for small attractions to cooperate by sharing management and marketing expertise, to achieve an adequate level of competitive performance. Similarly, Lavery and Van Doren (1990) recognised the importance of clustering in terms of convenience for suppliers and visitors. An example of this is the proliferation of theme parks on the Gold Coast, Australia and in Orlando, Florida.

In the tourism literature Murphy and Pritchard (1997) have recognised the importance of pricing and the concept of value for money. A significant point of strategic differentiation is the sense of value that a tourism business or destination can develop in a consumer's mind. Braun and Soskin's (1998) review of pricing strategies in Florida theme parks found that attractions have moved from a market led strategy, where a leader set the price, to more independent behaviour. A further strategy of relevance to attractions is product development which seeks to enhance existing attractions or add new attractions. This strategy relies on convincing potential visitors that previous visits were inferior substitutes for the experiences at the new, improved attraction (Braun and Soskin, 1998). New or enhanced attractions can increase overall demand, especially among price sensitive repeat visitors. Furthermore, Hodgson (1990) claimed that attractions which did not develop new elements would fail to keep up with changing consumer requirements and would become the targets for increased competition.

Another branch of content research has sought to classify organisations according to the strategies they pursue, as opposed to categorising specific strategies. Early work by Miles and Snow (1978) developed a typology of three strategic types: *defenders*, *prospectors* and *analysers*. Defender organisations serve only a portion of their potential markets, pursue technological efficiency, maintain tight internal controls and

are likely to make a some strategic adjustments. In contrast, prospectors continually search for new market opportunities, maintain technological flexibility, have loose internal controls and frequently make strategic changes. Analysers display the characteristics of both defenders and prospectors by focussing on efficiency in some areas of operations and on innovation in others. They compete in some markets as a defender and in others as a prospector.

2.5.3 Strategy Context Research

Strategy context is concerned with the unique characteristics that distinguish one organisation or industry from another and that may impact on the outcome of strategies. Kim and Choi (1994) suggested that research in this area could be grouped according to organisational characteristics, managerial characteristics and environmental characteristics.

2.5.3.1 Organisational Characteristics

Characteristics such as firm age, size, location and the nature and structure of the industry may impact on strategic planning (Thomas and Ramasway, 1994). Lindsay and Rue (1980) found that the size of the organisation plays a key role in the strategic planning process. More planning is needed as organisations grow in size and become more structurally complex. This is clearly evident from the preceding review of small firm planning characteristics. It has also been suggested that the focus and formality of planning efforts may differ according to the firm's age or stage of development (Vozikis and Glueck, 1980; Robinson et al 1984; Lindsay and Rue, 1980). Specifically, Cragg and King (1988) have indicated that younger firms tend to perform better than older firms. In contrast, prior research had suggested that firms with a longer history of planning outperform those with shorter planning histories (Orpen, 1985; Bracker and Pearson, 1986). Hofer (1975) maintained that a firm's stage in the product life cycle

was the most important variable for determining the suitability of various levels of strategic planning.

Jennings and Beaver (1997) recognised that organisational stakeholders also influence the strategic planning process. Stakeholders typically have varied interests in an organisation and as such may seek to influence planning outcomes. Figure 2.4 illustrates some of the stakeholders and their likely success requirements



Source- Jennings and Beaver, 1997

FIGURE 2.4 – The stakeholder web of the small firm

The issue of stakeholders has been discussed in the tourism literature. Most notably, several authors have written about the need for stakeholder involvement in planning for sustainable tourism initiatives (Getz and Jamal, 1994; Ryan, 2002; Burns and Howard, 2003). Ryan's (2002) evaluation of stakeholders expanded on the groups presented in figure 2.4 by also including communities, media organisations and other sectors of the tourism industry. The nature of the tourism industry accentuates the need to involve local communities and residents in planning.

2.5.3.2 Management Characteristics

Several authors have noted that 'senior management' in small firms usually means one or two individuals, rather than a group or team of managers (Brouthers *et al.*, 1998; Patterson, 1986). This places much greater emphasis on the need to examine the impact of manager characteristics on the planning process. This argument is reinforced by several authors who suggest that the strategic planning process in small firms is characterised by highly personalised preferences, prejudices, attitudes and idiosyncrasies of the manager (Jennings and Beaver, 1997; Hambrick and Mason, 1984). Ansoff (1987) referred to the concept of a *success model* to describe a manager's set of beliefs about what constitutes success. In recognition of the relationship between management characteristics and the strategic planning process, Hambrick and Mason (1984:193), formulated the *upper echelons* theory, which states that: "organisational outcomes – strategic choices and performance levels – are partially predicted by managerial background characteristics." They further assert that career experiences partially shape the lenses through which managers view current strategic opportunities and problems.

Figure 2.5 illustrates how managerial characteristics act as a series of filters to limit the output of strategic choices. It is evident from the model that the decision maker brings to the situation a *cognitive base* and a set of *values* which impact on the flow of information. The manager's *field of vision*, those areas to which attention is directed, is restricted and a number of choices are eliminated. Information is further constricted due to the process of *selective perception*, which creates an inability or unwillingness to interpret or accept information. The information that is eventually selected for processing is *interpreted* through a filter woven by the manager's cognitive base and values. The manager's *perception* of the situation acts as final screen before the output of strategic choices (Hambrick and Mason, 1984).

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Source - Hambrick and Mason, 1984

FIGURE 2.5 – Strategic choice under conditions of bounded rationality

A number of studies have also linked managerial demographics such as age, functional tracks, education, socioeconomic roots, tenure, and financial position to strategic choices, which in turn are related to performance (Schwenk, 1995; Hambrick and Mason, 1984; Brouters *et al.*, 1998). Ownership may also have an impact on the success of planning, with Begley and Bond (1986) reporting that owners who continued to manage the organisations they founded performed better than firms managed by non-founder owners.

Jones (1982) found that planners were older and had a higher level of education than non-planners. Hambrick and Mason (1984) report that research into the educational background of managers has been limited to studies of innovation. Similarly, Westhead and Storey (1996) have concluded that the relationship between management training and small business planning activities is currently not well established.

In terms of age, it has been found that younger managers tended to outperform older managers (Cragg and King, 1988; Miller and Toulouse, 1986). Miller and Toulouse (1986) also found that the length of tenure in an organisation correlated negatively with performance and surmised that executives grow stale in their jobs. Foley (1985) reported that the age at which managers joined the firm was a most important variable and proposed that motivation may decline with age.

It has been suggested in the tourism literature that management style will impact on the types of strategies adopted by organisations (Dimmock, 1999). Dimmock (1999) applied the *competing values framework (CVF)* to a study of 12 tourism firms to investigate the relationship between core management competencies and the strategies adopted. Thomas and Ramasway (1994) suggested that future research examining the relationship between strategic planning and manager characteristics should incorporate psychological approaches and personality theory to add subtlety and richness. Measures such as locus of control, tolerance for ambiguity and attribution can also be of use in assessing the impact of manager characteristics on the planning process (Hambrick and Mason, 1984).

2.5.3.3 Environmental Characteristics

Environmental characteristics such as industry features and uncertainty can influence the strategic and operational planning process. The process of gathering and interpreting pertinent information about the environment is known as environmental scanning (Smeltzer, *et al.*, 1988). Research in large firms indicate that when there is uncertainty about the environment managers tend to increase the sophistication of their planning efforts (Lindsay and Rue, 1980). Milliken (1987) isolated three types of environmental uncertainty and proposed that their effects on managerial response would differ:

1. *State uncertainty* - the inability to understand or to predict the state of the environment due to a lack of information or a lack of understanding of the interrelationships among environmental elements;
2. *Effect uncertainty* - uncertainty over what the consequences of environmental changes will be on the organisation; and

3. *Response uncertainty* - decision-makers are uncertain about the firm's response options, and/or they are uncertain of the likely consequences of pursuing a particular option.

Matthews and Scott (1995) found that small firms do not react in the same way as large organisations to uncertainty because they are constrained by their resources and their range of responses. Consequently, the sophistication of strategic and operational planning in small firms *declined* in response to increasing environmental uncertainty. In contrast, Shrader *et al.* (1989) found that as competition dealing with customers became more uncertain, small firms adopted more strategic plans. Powell (1992) observed that strategic planning was a source of advantage in an industry where few firms planned, but not in industries where planning was widely practiced. However, it could also be argued that companies that did not plan in these industries would be disadvantaged.

Gilbert and Kapur (1990) provided some indication of the environmental conditions experienced by tourism and hospitality firms when they proposed that these organisations compete in a volatile, fragmented market place characterised by low share and many operators. This was further reinforced by Jurowski and Olsen (1995), who suggested that travel and tourism organisations operated in an unstable environment.

2.6 METHODOLOGICAL APPROACHES AND CONSIDERATIONS

A consideration of the methodological approaches employed by researchers in the strategic planning field provides a useful benchmark and is a valuable source of inspiration for this thesis. A variety of methodologies have been employed by researchers to assess planning in organisations over the last 30 years. The research within the scope of this thesis can be categorised into three themes:

1. Descriptive studies of the links between organisational characteristics and planning (see *Table 2.6*).
2. Research exploring environmental scanning and the links between environmental characteristics and planning (see *Table 2.7*).
3. Studies exploring the relationship between planning formality and organisational performance and/or business success (see *Table 2.8*).

A number of key studies from these three themes are summarised in the tables below to facilitate further discussion. Given that the list of studies in some areas is quite exhaustive, only key studies conducted after 1980 have been included here.

TABLE 2.6 – Selected planning and organisational characteristics studies

Year	Authors	Study Focus	Instrument	Sample Description	Sample Size (Response Rate)
1982	Jones	Planning characteristics of small firms	Mail Questionnaire	Various small firms, Virginia, United States	69 (34%)
1985	Sexton and Van Auken	Longitudinal study of strategic planning in small business	Structured Interview	Various small businesses, Texas, United States	278 (78%)
1992	Powell	Strategic planning as a competitive advantage	Mail Questionnaire	Wooden upholstered furniture and women's apparel, United States	113 (20.8%)
1992	Check-Teck et al.	Strategic planning characteristics in the ASEAN Region	Mail Questionnaire	Large organisations and subsidiaries of multinationals in Singapore, Malaysia, Thailand, Indonesia	325 (25%)
1993	Lyles et al.	Level of planning formality in small business	Structured telephone interview	Various small firms (less than 500 employees) in Mid-west United States	188 (-)
1994	Hart and Banbury	Strategy-making processes	Mail Questionnaire	Various businesses, Mid-west United States	720 (20%)
1996	Bonn and Christodoulou	Longitudinal study of planning characteristics	3-4 hour structured interviews	Large manufacturing organisations, Australia	63 (1982) 35 (1993)
1998	Boyd and Reuning-Elliott	Developing a measurement model of strategic planning	Mail Questionnaire	Hospitals, United States	60 (49%)
1998	Brouthers et al.	Strategic decision-making on small companies	Mail Questionnaire	Various small firms, Amsterdam, Netherlands	80 (23.4%)

TABLE 2.7 – Selected studies exploring planning, organisational environment and environmental scanning

Year	Authors	Study Focus	Instrument	Sample Description	Sample Size (Response Rate)
1980	Lindsay and Rue	Impact of organisational environment on planning process	Mail Questionnaire	Various industries, Canada and United States	198 (50.7%)
1988	Smeltzer et al.	Environmental scanning in small business	Semi-structured interviews	Service and retail firms, Kansas and Phoenix, United States	88 (-)
1995	Matthews and Scott	Environmental uncertainty and planning in small firms	Mail survey	Various small firms (less than 500 employees) in Mid-west United States	130 (17%)

TABLE 2.8 – Selected Planning and Business Performance / Success Studies

Year	Authors	Study Focus	Instrument	Sample Description	Sample Size (Response Rate)
1980, 1982	Robinson	Impact of 'outsiders' on planning and performance in small firms	Interview Questionnaire	Service, retail and manufacturing firms, United States	101 (-)
1983	Robinson and Pearce	Impact of formality on small firm planning and performance	Interview and questionnaire	Small banks, United States	52 (-)
1984	Robinson et al.	Relationship between stage of development and planning and performance in small firms	Case file analysis	Clients at Georgia Small Business Development Centre, United States	51 (-)
1985	Orpen	Longitudinal study of the effects of planning on small firm performance	Management Dairies, and Questionnaire	Various small businesses, Australia	58 (-)
1986	Miller and Toulouse	Strategy, structure, CEO personality and performance in small firms.	Interview	Various small firms, United States	97 (-)
1986	Robinson et al.	Planning and performance in small retail firms	Mail Questionnaire	Independent food retailers, United States	81 (-)
1988	Bracker, Keats and Pearson	Planning sophistication and financial performance in small firms	Mail Questionnaire	Electronics industry, United States	73 (34%)
1988	Cragg and King	Organisational characteristics and small firm performance	Mail Questionnaire	Small metal goods manufacturers, United Kingdom	179 (15.5%)
1989	Shrader et al	Longitudinal study of strategic planning / performance relationships in small firms	Interview Questionnaire	Manufacturing, retail and service organisations, Iowa, United States.	97 (87%)
1993	Schwenk and Shrader	Relationship between strategic planning and financial performance in small firms	Meta-analysis of existing research	14 studies dealing with firms of less than 100 employees	-
1994	Kim and Choi	Strategic types and performance in small firms	Mail Questionnaire	Electronic parts, textile, machine tools and paint industries, South Korea	79 (-)
1996	Kargar	Strategic planning characteristics and effectiveness in small firms	Mail Questionnaire	Small commercial banks, North Carolina, United States	41 (59%)
1997	Hopkins and Hopkins	Relationship between strategic planning and financial performance	Mail Questionnaire	Banks, United States.	112 (32%)
1998	Rue and Ibrahim	Relationship between planning sophistication and performance in small businesses	Mail Questionnaire	Various small businesses, Georgia, United States	253 (23.7%)
1999	Hahn and Powers	Impact of strategic planning and implementation on performance	Mail Questionnaire	Banks, New England, United States	93 (21%)
2002	Griggs	Strategic planning and organisational effectiveness	Mail Questionnaire	Disability Sector Organisations, Victoria and Tasmania, Australia	137 (23.3%)

Four broad observations can be drawn from all three areas of research. Firstly, while some of the earlier research methodologies employed interviews, there is a strong reliance on mail surveys as a method of data collection. A study of planning characteristics in tourist attractions may benefit from a mixed-method approach that utilises both interviews and questionnaires. Secondly, the research is drawn from a number of locations, including North America, Europe and Australia. However, there is a strong emphasis on the United States. Thirdly, the research covers a wide range of industries, from non-profit organisations to commercial companies in the manufacturing, service and retail sectors. Studies in the tourism and hospitality industries have been summarised previously in *Table 2.1*. Fourthly, research draws on a range of sample sizes (35-720), with an equally broad range of response rates (15.5 percent to 87.0 percent). Finally, several researchers have adopted a longitudinal approach to the evaluation of strategic planning, with one study evaluating the changes in planning practices over an 11-year time frame (Bonn and Christodoulou, 1996). These studies assist in the understanding of how strategic planning has changed, and help to explain the evolution of arguments in this field.

The planning-performance research summarised in *Table 2.8* exhibits a few unique approaches to data collection. Orpen (1985) developed an unusual methodology by combining diary entries and questionnaires to collect information about the planning activities of managers in small Australian firms. Managers were asked to complete daily diary entries over a six-week period and were also provided with a short questionnaire at the end of the study. The two measures were compared to indicators of performance (sales growth and return on assets). Interestingly, Orpen observed some inconsistencies between diary entries and questionnaire responses and attributed these to memory lapses and distortions. He cautioned that the method of estimating the extent and nature of planning relied on the manager's capacity to

accurately recall the time spent on activities that were completed at some point in the past.

The study undertaken by Robinson et al (1984) is widely cited in the strategic management literature, but it employs a methodology that would be difficult to replicate. The study used case files of 51 small business clients at the Georgia Small Business Development Center. The files were reviewed by three researchers who independently judged each firm's stage of development, management and strategic planning intensity. Similarly, the meta-analysis employed by Schwenk et al (1993) provided useful review material, but given the lack of similar studies in the tourism industry the methodology is of limited use in this thesis.

An additional approach to evaluating the various methodologies employed by researchers involves an assessment of how planning has been measured or characterised. Similarly, some consideration of common measures of organisational and environmental characteristics would also be appropriate. Few studies have measured strategic and operational planning in ways that have been replicated. Similarly, organisational characteristics such as performance have been measured in many ways.

2.6.1 Planning and Formality Measures

There are two issues associated with the measurement of business planning characteristics. The first is concerned with the confusion of various terms used to describe the extent of planning in organisations. The second issue is the availability of a number of scales, categories and methods used to measure planning activities.

A key issue in the measurement of planning in organisations involves the use of the terms planning formality, planning sophistication, planning comprehensiveness and planning intensity. While many authors appear to use these terms interchangeably, Piercy and Morgan (1999) distinguished between these concepts. According to these

authors, sophistication was perceived as an 'analytical conceptual construct' that was typically measured based on how widely a comprehensive spectrum of analytical *techniques* were used in an organisation. Formality was viewed as a 'procedural behavioural concept' focussing on the completion of a predetermined series of planning *tasks*. Phillips and Moutinho (1999) have further delineated these terms by identifying four strategic planning design parameters:

1. *Formalization* – explicitly systematic *procedures*, so as to gain the commitment of all those involved
2. *Participation* – improve communication, build an multi-functional perspectives, and develop a shared vision for the direction of the firm
3. *Sophistication* – use of a wide range of managerial *techniques*
4. *Thoroughness* – the extent to which a firm uses experience from a number of management levels.

Nevertheless, there continues to be confusion amongst researchers about the difference in these terms, and while this confusion continues, it is argued that the semantic differences in these terms are less important to this research. This thesis will distinguish between planning formality and planning sophistication, as defined by Piercy and Morgan (1999). Having clarified this issue, it becomes apparent that there are a variety of methods to measure the formality of planning.

Early approaches to investigating the relationship between planning formality and performance were based on arbitrarily classifying organisational planning efforts as formal or informal. Orpen (1985) was critical of these studies and argued that they employed no consistent definition of formal planning, or how it contrasts with informal planning. Lyles et al (1993) surmised that the typical approach used by previous researchers when assessing the formality of planning in *large* businesses involved:

1. a determination of planning elements
2. a measurement of the formality of elements

3. the development of a formality scale
4. the categorisation of firms based on a formality scale.

However, they suggest that the direct application of formality measurements developed in large bureaucratic companies is inappropriate in small businesses. Consequently, *small* business research has focussed on identifying broad, formalised planning categories, rather than on measuring differences on a planning formality scale.

Empirical studies in small firms have generally employed single dimension measures such as the presence or absence of planning, or its degree of formality to explain variations in organisational performance. For example, research by Jones (1982) explored differences between “planners” and “non-planners” based on the time horizon of planning activities. This involved an assessment of the extent to which planning was oriented toward the goals and strategies of the immediate future, as compared to those of the long-term future. This limited focus failed to integrate the complexity of variables that impact on the planning process. Consequently, more rigorous classification schemes based along various continua have been developed. *Table 2.9* summarises some these approaches. Planning classification schemes typically measure the extent to which certain activities or steps are incorporated in the planning process. These stages are found in the ‘Rational Systematic Models’ (RSM) traditionally prescribed by authors in strategic planning and promoted in many texts (Check-Teck, 1992).

Many of the planning classification schemes developed by researchers are based on the work of Lindsay and Rue (1980). Lindsay and Rue (1980) measured the ‘completeness’ of the planning process using a questionnaire that incorporated a series of normative planning tasks identified by the authors. The planning questions are summarised in *Appendix 7*. Some of the questions in the Lindsay and Rue instrument are useful for this study, however others are either irrelevant to the tourism industry or poorly worded or structured. Lindsay and Rue’s (1980) questions were used to categorise organisations into one of three planning classes presented in *Table 2.9*.

TABLE 2.9 – Classification schemes for assessing planning formality and sophistication

Authors	Planning Categories	Description
<i>Lindsay and Rue (1980)</i>	Class 1	Firm has no written long-range plan covering at least 3 years into the future
	Class 2	Firm has a written long-range plan covering at least 3 years into the future. Plan includes the specification of objectives and goals, the selection of long-range strategies and a determination of future resources required.
	Class 3	All of the requirements for class 2, plus procedures for anticipating or detecting error in, or failures of, the plan and for preventing or correcting them on a continuing basis. Some attempt to account for factors outside the immediate environment of the firm.
<i>Robinson and Pearce (1983)</i>	Level 1	No written plan
	Level 2	A written plan that includes objectives, strategies and resource requirements for at least 3 years into the future.
	Level 3	A written plan that includes objectives, strategies, and resource requirements as well as control procedures and data regarding factors from outside the immediate firm environment for at least 3 years into the future.
<i>Sexton and Van Auken, 1985</i>	Level 0	No knowledge of next year's sales, profitability, or profit implementation plans
	Level 1	Knowledge only of next year's sales, but no knowledge of coming industry sales, company profit or profit implementation plans
	Level 2	Knowledge of next year's company and industry sales and anticipated profit, but no profit implementation
	Level 3	Knowledge of company and industry sales and anticipated profit, but no profit implementation plans
	Level 4	Knowledge of next year's company and industry sales, anticipated company profits, and profit implementation plans.
<i>Bracker and Pearson (1986)</i>	Structured strategic planning	Formalised, written long-range plans covering the process of determining major outside interests focused on the organisation; expectations of dominant inside interests; information about past, current and future performance; environmental analysis; and determination of strengths and weaknesses of the firm and feedback. Typically 3-15 years in nature
	Structured operational planning	Written short-range operation budgets and plans of action for current fiscal period. The typical plan of action would include basic controls such as production quotas, cost constraints, and personnel requirements.
	Intuitive planning	Plans based on operational decisions and short-range operational budgets, with no performance measurement or controls.
	Unstructured planning	No measured structured planning in the firm.
<i>Odom and Boxx (1988)</i>	Informal planners	No formal plan, or a written plan covering one year, but with no specification of goals, programs, budgets or responses required to meet goals.
	Operational planners	A written plan covering one year and including goals, programs, budgets or responses required to meet goals.
	Long-range planners	A written plan covering one year and including goals, programs, budgets or responses required to meet goals; <i>plus</i> a written long-range plan covering at least 3 years including goals and a plan of action for accomplishing goals.
<i>Shrader et al. (1989)</i>	Class 1	Firms that had no written strategic plan covering at least one year into the future
	Class 2	Firms that had a written strategic plan covering one year, plus having plans that included the specification of objectives, the allocation of resources, and the selection of long-range strategies
	Class 3	Firms that met the planning criteria of class 2, plus having strategic plans which made some attempt to account for factors outside the immediate environment of the firm; and which included procedures for anticipating differences between the and actual performance, and procedures for correcting for these differences.
<i>Bonn and Christodoulou (1996)</i>	Non-formalised planning	Companies who developed their strategies without making use of a formalised strategic planning system
	Financial planning Strategic planning	Companies whose formal plans are predominantly financial in orientation Formal plans with a strategic orientation
<i>Rue and Ibrahim (1998)</i>	Class 1	No written plan
	Class 2	Moderately sophisticated planning including a written plan <i>and/or</i> some quantified objectives, some specific plans and budgets, identification of some factors in the external environment, procedures for anticipating or detecting differences between the plan and actual performance
	Class 3	Sophisticated planning, including a written plan with <i>all</i> of the following: some quantified objectives, some specific plans and budgets, identification of some factors in the external environment, procedures for anticipating or detecting differences between the plan and actual performance

Shrader et al (1989) adopted a modified version of Lindsay and Rue's (1980) strategic planning items, also resulting in three planning classes, although the criteria for the classes are different to those employed by Lindsay and Rue, as evidenced by the descriptions. Odom and Boxx (1988) used a multiple cut-off system similar to that employed by Lindsay and Rue (1980) to classify the formality of planning in organisations. However, they termed their categories as informal planning, operational planning and long-range planning. These categories were based on a simplified six-item questionnaire developed from Lindsay and Rue's (1980) instrument. Matthews and Scott (1995) developed a 12-item measure to assess the extent to which specific types of strategic and operational plans were used by businesses. Sophistication was measured using five-point Likert scales of items used in previous research by Lindsay and Rue (1980) and Shrader et al (1989). These items are presented in *Appendix 7*. In contrast with previous research, Matthews and Scott treated the sophistication of strategic and operation planning as continuums.

Classifications that differ from the various permutations of the Lindsay and Rue (1980 framework) include those offered by Robinson and Pearce (1983), Sexton and Van Auken (1985); Rhyne (1985) Bracker and Pearson (1986), Robinson and Pearce (1988) and Bonn and Christodoulou (1996). Robinson and Pearce (1983) grouped small firms into broad planning categories based on the extent of written documentation and inclusion of various planning steps. Sexton and Van Auken (1985) conducted interviews with 278 owners and managers of small firms in Texas and used the responses to categorise firms into 5 levels of planning. In another attempt to categorise strategic planning, Rhyne (1985) developed a continuum of corporate level planning systems based on level of openness and the length of the planning horizon. He identified five points on the continuum: (1) short-term forecasting, (2) budgeting, (3) annual planning, (4) long-range planning and (5) strategic planning.

In a content analysis of the literature relating to small firm planning practices, Bracker and Pearson (1986) identified eight planning components: objective setting, environmental analysis, SWOT analysis, strategy formulation, financial projections, functional budgets, operating performance measures, and control and corrective procedures. Based on these components they identified four distinct levels of planning sophistication in order to study its relationship with performance. A weakness of the Bracker and Pearson (1986) framework is that the categories are mutually exclusive, while reality would suggest that it is possible for a business to have both structured strategic plans and structured operational plans.

In a departure from their earlier classification, Robinson and Pearce (1988) used a six-step Gutman scale adapted from early work by Wood and LaForge (1979) to classify the sophistication of planning as high, moderate and low. The six-point planning sophistication question is presented in *Appendix 7*. Hahn and Powers (1999) used an adaptation of this classification in their recent research.

Bonn and Christodoulou (1996) defined planning sophistication in terms of the following major dimensions: the existence of a formal corporate or second-level plan, the content of the formal plan as shown by its headings and the extent of effort devoted to long range planning. This resulted in companies being categorised as non-formalised planners, financial planners and strategic planners. Using this scheme, it could be argued that tourism, with its strong customer focus, may have *marketing* planning companies.

The discussion of these approaches is useful for two reasons. Firstly, it demonstrates that the questionnaire items employed by researchers are broadly similar and well developed, thus providing a fertile source of questions for this research. Secondly, it is possible to identify the logic that underlies the development of planning formality and sophistication classifications. A key variable in the classification schemes is the

presence or absence of a written planning document. Some researchers also distinguish between written documents with a short-term, operational focus and a long-term strategic focus, suggesting that the planning horizon is an important variable. These conclusions provide a useful structure for measuring the planning characteristics of tourist attractions.

2.6.2 Business Characteristics, Size and Performance Measures

A key theme in the strategic planning research involves the measurement of business and environmental characteristics. It is generally accepted that variables such as the number of employees and business age are useful characteristics to measure. Matthews and Scott (1995) have claimed that employee numbers is frequently used in the business literature to represent firm size. However, the assessment of organisational performance appears to have generated the most debate. Despite the conclusiveness of many studies investigating the positive relationship between planning and performance, researchers continue to reject this conclusion because of the variance in research methodologies employed across studies. According to Dess and Robinson (1984), the consideration of organisational performance should be based on the identification of accurate available measures that operationalise performance.

Table 2.10 provides a summary of the business characteristics commonly measured in strategic planning studies. It is immediately apparent that many studies do in fact employ the 'number of employees' as a key measure of organisational size. There is some disagreement, however, about whether all employees should be counted, or whether only full-time employees should be included. A compromise may be to count the number of full-time equivalent employees, however this creates complexities in data collection.

TABLE 2.10 – Common business measures used by key strategic planning studies

Author	Size and Performance Measures
Orpen (1985)	Sales growth, ROA
Robinson et al (1984)	Sales (revenue), Return on Sales (ROS), employees (full-time), growth in sales, sales / employee, profitability
Robinson and Pearce (1988)	ROA, ROS, sales growth (5 years), overall performance
Shrader et al (1989)	Sales, employees (full-time), after tax profits
Powell (1992)	Employees (full-time), Age of firm
Lyles et al, (1993)	Return on assets (ROA), return on equity (ROE), sales growth, employees
Waalewijn and Segaar (1993)	Employees, Return on Investment (ROI)
Kim and Choi (1994)	Employees, total assets, ROA
Matthews and Scott (1995)	Age of firm, employees (full-time and part-time), type of ownership, gross sales
Marshall, Alderman, Wong and Thwaites (1995)	Employees, median sales, median age of firm.
Rue and Ibrahim (1998)	Employees (full-time), Age of firm, sales growth, ROI, subjective performance (below industry average, equal to industry average, above industry average)
Hahn and Powers (1999)	ROA

It is also evident that a variety of profitability ratios have been used, including ROA, ROI, ROS and ROE. Robinson et al (1984) offered a more sophisticated measure of financial performance in their calculation of sales per employee. The use of this ratio effectively acts a control variable by reducing the underlying effects of firm size. There is some potential to employ more ratios of this nature.

Several authors have expressed support for measuring *rate of growth*, rather than financial return (Bracker and Pearson, 1986; Lyles et al, 1993; Rue and Ibrahim, 1998). Rate of growth can be calculated by asking managers for financial data at two points in the organisation's history (i.e. sales in 1999 versus sales in 2003), or by asking managers to estimate the sales growth of their companies over a predefined period. Another alternative is to ask managers to use a scale anchored by growth and decline.

Rather than seeking exact performance measures, Robinson and Pearce (1988) asked managers to compare their firms with competitors in the same industry region along four measures: return on assets, return on total sales, sales growth and overall performance. Similar measures of 'perceived' or subjective performance have been

employed by several other researchers (Hart and Banbury, 1994; Rue and Ibrahim, 1998).

Venkatraman and Ramanujam (1986) are strong proponents of both *financial* measures and *operational* measures of business performance. While they are rarely recorded in the academic tourism literature, tourism operators utilise a number of operational measures when evaluating business performance. These include visitor numbers, proportion of visitors by region of origin, composition of visitors (i.e. group, independent) and visitor yield. These measures, when combined with the financial measures above provide a solid base for evaluating the organisational characteristics of tourist attractions.

2.7 KEY POINTS IDENTIFIED FROM THE LITERATURE

The following points emerged from the literature:

1. Despite the recognition that attractions include an element of management there has been little attempt to integrate managerial considerations into tourist attraction frameworks
2. Limited research has been carried out to identify the managerial and organisational characteristics of tourist attractions.
3. While the strategic planning literature is well advanced in terms of generic findings, there has been little research into industry specific planning practices.
4. There have been no attempts to assess the planning practices or long-range strategies of tourist attraction businesses.
5. It is unclear whether the planning processes developed in the traditional planning literature are widely applicable to the attraction sector or whether a less formal approach is needed.

2.8 THE RESEARCH PROBLEM

A number of shortcomings have emerged from the literature. The tourism research has given very little attention to strategic planning while the planning literature has tended to focus on larger non-service organisations. There is clearly an opportunity to contribute to the literature in both areas by investigating the planning activities of smaller service-oriented organisations. Tourist attractions provide an excellent opportunity for study. As noted in the review of literature, although attractions are at the core of the tourism industry, they have not been studied to the same extent as other industry sectors.

The research problem can therefore be stated as follows: *There is a general lack of understanding about how tourist attractions plan for the future and what that future entails.* This problem is made up of several elements that must be investigated in order to provide a comprehensive evaluation. These elements are:

1. **Organisational Characteristics** – a study investigating the planning activities of attractions is clearly reliant on background data concerning organisational characteristics. Information about the characteristics of tourist attractions is not available and it is necessary to develop a profile of Australian attraction characteristics before planning activities can be investigated.
2. **Planning Activities** – the planning activities of attractions are at the core of the problem and are the main focus of the study.
3. **Forces shaping the future of attractions** – the literature identified a number of forces that will shape the future of attractions. These forces are highly relevant to planning activities in attractions and add an extra dimension to the research.

In simple terms, this study seeks to determine (1) where Australian attractions are now; (2) how they plan for the future; and (3) what that future might entail.

2.9 AIMS AND RESEARCH APPROACH

2.9.1 Primary Aim

The purpose of the research is to examine how tourist attractions plan for the future in the context of emerging trends identified in the literature. The research investigates whether tourist attractions make use of strategic planning, and how formalised the planning process is. With this in mind, the primary aim of the research is:

- *To evaluate and understand how Australian tourist attraction operators plan for the future.*

The fulfilment of this aim is dependent on a number of sub-aims, which can be grouped according to three research studies. The model presented in *Figure 1.1* provided a summary of the proposed research, with each of the three studies clearly identified. The following discussion summarises the three studies of the research in terms of sub-aims, methodology and research questions. A more detailed description of the methodologies employed is provided in later chapters.

2.9.2 Mixed-Method Approach

This thesis utilises a mixed-method approach that combines elements of both quantitative and qualitative research to describe the phenomenon of planning in tourist attractions. While there is little discussion of mixed-method approaches in tourism research, it is widely accepted that tourism is a multi-disciplinary area of study. Tourism researchers frequently have to adapt methodologies from disciplines in both the natural sciences and social sciences (Gunn, 1994; Graburn and Jafari, 1991). Consequently a variety of methods and approaches are evident in the tourism literature.

In the organisational research literature, and particularly the strategic planning literature, the use of quantitative mail questionnaires is dominant. However, there is criticism from some commentators that many quantitative organisational research

studies are “unreal”, “useless” or “number-crunching” (Lee, 1992). There is often a gap between what researchers describe in academic journals and what members of an organisation experience. Lee (1992) observes that organisational phenomena are complex and variables classified as “independent” are often highly intercorrelated and influenced by the variables that are being explained. There is thus a growing interest in the use of qualitative and mixed-method approaches in organisational research. Lee (1999) argues that both quantitative and qualitative research traditions offer valuable and useful research techniques that can help researchers understand organisations better.

A more comprehensive discussion of mixed-method approaches is provided in the social sciences literature, however, to assess all that has been written in these spheres would require a book in itself. The work of two authors is noteworthy. In the social research arena, Neuman (2002) is a proponent of both qualitative and quantitative methods and suggests that a mixed-method approach is beneficial in avoiding specific sources of error inherent in a single methodology. In his view, a mixed-method approach benefits from the complementary strengths offered by qualitative and quantitative methods. Creswell (2003) provides a thorough discussion of the unique characteristics offered by qualitative and quantitative approaches from an education research design perspective. While there is a clear distinction between quantitative and qualitative research and the resulting differences in the research design process, Creswell also discusses the value of mixed methods. He suggests that a key benefit of mixed-method approaches is the ability to demonstrate convergence in results through the process of triangulation rather than relying on only one research design. Creswell further identifies three models of mixed research designs from the literature. The first type of mixed design is a two-phase design approach, in which the researcher conducts a qualitative phase followed by a quantitative phase. The second is referred to as a ‘dominant-less dominant’ design, in which the researcher uses one research

method as the main source of information with a small amount of data collected using the other type of design. The third type of mixed design is a mixed-methodology design, in which the researcher combines qualitative and quantitative approaches in roughly equal proportions throughout the study.

The methodology proposed for this thesis is strongly modelled on Creswell's second design. The approach involves a large quantitative study, followed by smaller qualitative studies to explore finer details. This approach was selected because an initial quantitative study supports the analysis of broad planning characteristics in the attraction sector. A follow-up qualitative study then provides an opportunity to explore the planning characteristics of individual businesses in more detail.

2.9.3 Study 1: Attraction and Planning Characteristics

Study 1 Aims

As noted in the preceding analysis, before the planning activities of attractions can be evaluated, it is necessary to develop a profile of the sector. In addition, the first study will provide a comprehensive overview of business planning in Australian attractions. The study provides a comprehensive view of the attractions sector as a whole, rather than examining individual tourist attractions. Thus the aims of the first study are as follows:

Aim 1.1: To examine the broad organisational and environmental characteristics of the Australian tourist attraction sector;

Aim 1.2: To conduct an empirical assessment of the nature and extent of business planning in the tourist attraction sector; and

Aim 1.3: To investigate the relationship between attraction characteristics and formal planning activities.

Research Questions

The research questions pertinent to the first study can be summarised under three broad categories: attraction characteristics, environmental characteristics and planning characteristics. These are summarised in *Table 2.11*.

Methodology

A four-page self-administered mail questionnaire will be used to collect information about individual attractions. The questionnaire will be accompanied by a cover letter and brochure outlining the value of the research. Dillman's (1978) Total Design Method technique will be used in an attempt to maximise the response rate. This technique involves the use of follow-up postcards to remind managers to complete the

questionnaire. Pre-paid postage envelopes will also be included with all questionnaires to facilitate ease of return.

TABLE 2.11 – Study 1 Research Questions

Organisational Characteristics

- What is the age structure of Australian attractions?
- What types of attractions characterise the Australian tourism landscape?
- How big are Australian tourist attractions in terms of visitor numbers and number of employees?
- Are visitor numbers growing?
- What are the financial characteristics of attractions?
- What are the market characteristics of attractions?
- How are Australian attractions performing?

Environmental Characteristics

- Do Australian tourist attractions operate in a complex business environment?
- Are competitors aggressive or hostile?
- Is the future outlook positive or negative?
- Are customers demanding and/or unpredictable?

Planning Characteristics

- Do tourist attraction managers/owners plan for the future?
 - Does the formality of planning vary with age, size, type of attraction, performance, or other categorical variables?
 - Does the application of planning differ between large attractions and small, static (Mum and Dad) attractions?
 - What are the key factors that encourage or discourage planning?
 - Who is involved in the planning process?
 - What are the most prevalent sources of information used to inform the planning process?
-

The research will focus on attractions in Australia. Attraction contact details will be obtained from state tourism authorities in the first instance. In the event of this information not being available, regional tourism authorities will be approached. Due to the disparate nature of the attraction sector it is not expected that a complete list of Australian attractions will be compiled. The sample will therefore be targeted on a non-random, convenience basis. The questionnaires will be addressed to the general manager or CEO of the attraction. Based on previous studies, it is expected that a response rate of more than 20% will be achieved, with some scope to increase this rate as indicated above.

2.9.4 Study 2: Planning Systems in Tourist Attractions

Study 2 Aims

The second study focuses on *how* attractions plan for the future and seeks to provide a detailed framework of planning tasks. In contrast with study 1, this study focuses on the planning techniques of individual businesses. The aims of the second study are:

Aim 2.1: To explore the planning tasks, procedures and systems in tourist attractions in order to develop a framework of attraction planning.

Aim 2.2: To investigate how managers perceive trends that are relevant to the future operation of tourist attractions.

Research Questions

The research questions emerging from the literature are summarised in *Table 2.12*.

TABLE 2.12 – Study 2 Research Questions

-
- Does the application of planning differ between large attractions and small, static (Mum and Dad) attractions? If confirmed by study 1, why?
 - How do attraction managers gain an understanding of the planning process?
 - How do managers perceive tourist attraction planning?
 - What specific activities and tasks comprise the planning process?
 - How is planning structured within the organisation?
 - What role do individuals within the organisation play in terms of planning?
 - Does planning generate morale and commitment from staff that are involved in the process?
 - What are the most prevalent environmental scanning patterns and sources of information?
 - How will the functional/operational aspects of attraction management change in the next 20 years?
-

Methodology

A series of case studies will be conducted to collect detailed information about attraction planning practises. The case studies will rely on data from in-depth interviews with 12 attraction managers. Cases will be selected based on responses to the questionnaire in the first study. Selection will be based on a stratified sampling technique that considers the characteristics of attractions to try and identify a diversity of respondents. Factors of differentiation will include location (urban, rural, state), attraction type, size, planning formality and age.

2.9.5 Study 3: Trends Influencing the Future of the Attractions Sector

Study 3 Aims

This study is predominantly concerned with identifying a set of future trends that have the potential to impact on the attraction sector. While the previous two studies make up the core of the thesis, this study seeks to supplement the findings by exploring the future of tourist attractions. Future trends will be synthesised from the literature and from information provided in the second study. The aims for the third study are:

Aim 3.1: To determine the relative importance and certainty of broad trends that may impact on the future of Australian tourist attractions.

Aim 3.2: To explore the consequences of the most important but least certain trends in order to identify more specific attraction management themes and concepts.

Aim 3.3: To compare the attraction management themes with the broader literature and with comments from attraction managers presented in Chapter 6.

Aim 3.4: To evaluate the use of the *Futures Wheel* concept as a planning tool for managers and researchers.

Research Questions

A number of research questions have been identified and are summarised in *Table 2.13*.

TABLE 2.13 – Study 3 Research Questions

-
- What environmental trends will impact on the future of tourist attractions?
 - What is the relative importance of these trends?
 - What is the certainty of these trends?
 - How might these trends impact on tourist attractions?
 - What can tourist attractions do to plan for these trends?
-

Methodology

A detailed set of trends are identified based on the extensive literature presented in *Chapter 1* and the views of attraction managers in study 2. These trends will investigate forces in the micro and macro-environments of attractions. Three informed focus groups of each consisting of ten tourism students and academics will be asked to respond to these trends by identifying their relative importance and certainty. Following a methodology employed by scenario planners, only the most important and least certain trends will be extracted for further discussion by each focus group. Focus groups will use a mind-mapping technique known as the *Futures Wheel* to suggest outcomes and managerial responses to the identified trends. The final mind maps will be subjected to further analysis.

2.10 DEFINITION OF KEY TERMS

There is a clear need to delineate a number of key terms pertinent to the research. The title of the research, *Planning for the future: a profile of Australian tourist attractions*, suggests three terms that need to be clarified. These being the terms planning, future and attractions.

2.10.1 Attractions

While the review of literature in Chapter 1 provides a number of broad definitions for tourist attractions, a more concise definition is needed in recognition of the time and resource constraints of the research. The disparate nature of the attractions sector necessitates the need for a more rigorous definition. While the value of broader definitions is recognised, the following definition has been adopted for the purpose of this study:

A tourist attraction is a permanent human or natural feature which derives all or part of its income from visitors and which is managed for the primary purpose of leisure and visitor enjoyment.

Like some of the definitions presented in Chapter 1, this definition considers attractions as site-specific features that are managed primarily for visitors. The definition draws heavily on the definitions proposed by Middleton (1988) and Pearce (1990) and captures elements of the more comprehensive definition proposed by Walsh-Heron and Stevens (1990).

The focus of the definition is deliberately narrow and this limits the scope of this research by excluding precincts, towns, cities or destinations that may sometimes be described as 'attractions'. The definition expressly excludes temporary attractions such as events and festivals. It further excludes 'line' or 'area' attractions such as national parks, as well as attractions such as churches, which are primarily managed for preservation or religious purposes. The definition implies that attractions can derive income from visitors through admission charges and/or other activities such as donations or the sale of related products.

A key implication of this definition is the fact that the attractions discussed throughout this dissertation are mainly stand-alone businesses managed by public or private sector interests. A number of these businesses are small enterprises, hence the previous discussion of planning in small firms.

2.10.2 Planning

The use of the term *planning* is viewed as analogous to *strategic planning*, which for the purposes of the study, is defined as:

A disciplined set of actions and decisions that shape the present and future position of an organisation based on its resources and forces in the environment.

2.10.3 Future

It is necessary to establish a time horizon to allow managers and readers to conceptualise the term *future*. The future in the context of the research is arbitrarily defined as:

The time between the conclusion of the research and the year 2020.

Given this definition, it is recognised that the planning efforts of most attractions will probably not extend beyond 2010, however, the study of future trends will examine the future up to 2020.

2.10.4 Time Horizon

Related to the above definition of the future is the need to clearly identify what is meant by the terms 'short-term' planning and 'long-term' planning. Various researchers and practitioners use these terms in different ways, with short-term planning ranging from 12 months or less to 5 years! Similarly, descriptions of long-term planning appear to cover time horizons of 1 to 10 years. For the purpose of this research, *short-term* planning includes activities that will occur within 12 months. *Long-term* planning is used in this research to describe planning activities that cover a time period of 3 to 5 years.

CHAPTER 3

An Exploratory Analysis of Tourist Attraction Characteristics

OUTLINE OF CHAPTER

- 3.1 Introduction**
Highlights the purpose of this chapter and introduces the research approach.

 - 3.2 Methodology**
Describes the multi-disciplinary nature of the research, the study aims, limitations and key assumptions, research apparatus, procedure and sample.

 - 3.3 Tourist Attraction Characteristics**
Presents an exploratory analysis of the planning context by examining tourist attraction characteristics such as size, income characteristics, market characteristics, age and performance.

 - 3.4 Environmental Characteristics**
Provides a brief analysis of the business environment in which tourist attractions operate.

 - 3.5 Summary of Findings**
Reviews the key research outcomes of the chapter.
-

3.1 INTRODUCTION

The purpose of chapter 3 and chapter 4 is to present the methodology and findings of an exploratory analysis of tourist attraction characteristics and planning practices. This is achieved by analysing data based on the three strategic planning dimensions identified in the review of literature:

1. *Planning context* - focuses on the unique characteristics that distinguish one attraction from another and that may impact on the outcome of strategies (eg. size, market characteristics).

2. *Planning process* - focuses on the strategic decision processes and factors that impact on the formulation of strategies (eg. planning responsibility, sources of information, planning assistance).

3. *Plan content* - focuses on the characteristics of the output or content of strategies (eg. strategic focus, environmental forces).

Before the planning activities of attractions can be evaluated it is necessary to develop an understanding of the planning context. Context is operationalised in this research by developing a profile of the tourist attraction sector, as well as describing management perceptions of the environment in which Australian attractions operate. This chapter, therefore, presents descriptive information about tourist attraction size, age, market characteristics, financial measures, revenue sources, perceived performance and the business environment.

3.2 METHODOLOGY

3.2.1 Multi-Disciplinary Approach

The study of tourism is often said to be multi-disciplinary in nature due to the many industries and sectors that are involved in catering for the needs of travellers (Gunn, 1994). Indeed, it has been argued that the study of tourism is a specialism rather than a discipline (Pearce and Sofield, 1990). These comments can be attributed to the fact that tourism is a relatively new field of study. These characteristics mean that tourism researchers often have to adapt methodologies from other disciplines (Gunn, 1994; Graburn and Jafari, 1991).

This research adopts a multi-disciplinary approach by applying methodologies from the management and strategic planning fields to a tourism research setting. This offers several benefits. Firstly, existing approaches to researching strategic planning can be evaluated and adopted based on their success. Secondly, the availability of a diverse range of methodologies allow for the selection of component parts that best meet the needs of the research. Lastly, these methodologies allow for benchmark comparisons.

The main disadvantage of using existing planning research is that most planning studies have traditionally focussed on manufacturing and retail industries and cross-industry differences rather than service industries. The study methodologies are rarely applied specifically to the tourism industry. Furthermore, many of the studies date back

to the 1980s and may have limited applicability to today's tourism industry. The challenge is to adapt various planning studies to modern tourism research to provide new perspectives on tourist attraction management.

3.2.2 Study Aims

As noted in the preceding chapter the thesis is split into three research studies. The following chapter deals with study one of the research. To reiterate, the aims of the first study are:

Aim 1.1: To examine the broad organisational and environmental characteristics of the Australian tourist attraction sector;

Aim 1.2: To conduct an empirical assessment of the nature and extent of business planning in the tourist attraction sector; and

Aim 1.3: To investigate the relationship between attraction characteristics and formal planning activities.

3.2.3 Limitations and Key Assumptions

The study was restricted to Australian tourist attractions in operation between April 2000 and July 2000. Furthermore, the types of organisations qualifying as attractions were strictly controlled for this study as outlined in *section 3.2.6.1*. No limitations were imposed on the size of attractions. Due to the disparate nature of the attraction sector it was not expected that a complete list of Australian attractions would be compiled.

The study was intended to be completed by tourist attraction managers. It is assumed that responses were provided by managers rather than employees who may ordinarily not have sufficient knowledge of some of the items assessed. It is also assumed that all attraction operators replied to each question with honesty and to the best of their ability.

3.2.4 Apparatus

A self-administered mail questionnaire was used to collect information about individual attractions. This method was chosen as it was relatively cost effective and allowed for the collection of detailed information on a national scale. The questionnaire also allowed a certain degree of anonymity. The questionnaire was three pages in length and is presented in *Appendix 8*. The questionnaire was accompanied by a cover letter explaining the value of the research. Pre-paid postage envelopes were also included with all questionnaires to increase the response rate, as suggested by Dillman (1978) and Forsgren (1989).

The questions were grouped according to content and were ordered with the questionnaire ending with the most sensitive questions. A summary of questionnaire items follows:

- *Attraction Characteristics (Questions 1-14)*

These questions provided core data intended to satisfy the first aim of the study. The purpose of these questions was twofold. Firstly, the questions provided demographic data that was unavailable at the time of the study. Secondly, the data allowed for a greater depth of analysis by providing independent variables against which various responses to later questions could be compared. The questions included a mix of closed and open-ended responses as well as categorical questions. Question 14 required attraction managers to rate their performance on ten items using a five point Likert scale (1 = very good, 5 = very poor). A five point scale was chosen because it was felt that this would adequately separate responses, while maintaining simplicity for survey respondents.

- *Environmental Characteristics (Question 15)*

Question 15 contained 10 statements that addressed the complexity and nature of the environment in which the attraction was operating. A five point Likert scale was used to measure the respondent's level of agreement to each question (1 = strongly agree, 5 = strongly disagree).

- *Planning Characteristics (Questions 16-28)*

These questions required the respondent to provide details about the nature and level of planning activity within the attraction. Questions 16 and 17 firstly ascertained whether a business plan was prepared by the attractions. Those attractions which did not prepare a long-term business plan were diverted to question 28, which required them to select a reason for not planning. Those attractions that did have a long-term business plan were required to provide more details about their planning activities by answering questions 18 to 27. These questions were adapted from existing literature in the strategic management field (see *Appendix 9* for sources).

- *Financial Characteristics (Questions 29-33)*

This section was designed to provide financial details about the attraction. These financial details were useful for classification purposes and offered further opportunities for comparison. It was recognised that questions 31 to 33 in particular requested information that may be seen as sensitive by some operators. Consequently operators were instructed to leave these questions blank if they were not comfortable in providing the requested information. As a result response rates to these questions were expected to be lower in comparison to other questions.

- *Question 34*

This question served an administrative function by requiring respondents to indicate which of the two incentives they wished to receive and to provide contact details so that the publications could be mailed to them.

3.2.5 Procedure

A guide on how to establish an Internet presence was offered as an incentive for completing the questionnaire. Further incentives included the opportunity to receive an industry summary of the study. The questionnaire was addressed to the general manager of the attraction. Confidentiality was assured by stating that attractions would not be individually identified in the research unless explicit permission had been obtained from the individual establishment. A return address was added to the back of each envelope so that undelivered questionnaires could be eliminated from the study.

An adaptation of Dillman's (1978) Total Design Method was used in an attempt to maximise the response rate. This technique involved the use of follow-up postcards to remind managers to complete the questionnaire. One follow-up mailing of postcards was initiated to act as a reminder and to encourage further response. The postcard thanked operators for their participation and encouraged managers to complete the survey if they had not already done so. The postcard also asked operators to contact the researcher if they had not received the initial questionnaire.

3.2.6 Sample

3.2.6.1 Subjects

The research focussed on Australian tourist attractions in operation between April 2000 and July 2000. The sample was selected on a non-random, convenience basis. Databases of tourist attraction contact details for each state and territory were obtained from various sources. Contact details for attractions in Queensland, South Australia, New South Wales, the Australian Capital Territory and the Northern Territory were obtained from the Internet. Contact Information for attractions from Tasmania and Western Australia were received from direct correspondence with respective state tourism organisations. Victorian attraction details proved more difficult to obtain and had to be extracted from a comprehensive tourist directory prepared by the Royal Automobile Club of Victoria. The complete database resulted in over 2000 attractions.

The complete database was subjected to a filtering process to eliminate attractions that were inappropriate for the study. This filtering process was necessary because individual state databases varied in detail and classification of attractions. The filtering process allowed for a more valid sample and ensured that the study was conducted in a cost-effective manner. The types of attractions that were removed from the database included:

- *Non-managed attractions and landscape features* (such as lookouts, parks, gardens, lighthouses and picnic grounds) - It was highly unlikely that responses would be received from these attractions.
- *National Parks* – National parks are managed by a central administration in each state and it was felt that their organisational structure and responses would introduce statistical irregularities.
- *Craft shops, souvenir stores, tearooms and retail outlets* (including retail galleries) - These operations were, by definition, not considered to be attractions.

- *Markets and Festivals* – The temporary and sporadic nature of markets and festivals excluded these attractions from the study.
- *Wineries* – After careful deliberation wineries were excluded from the sample as they were viewed as not being representative of most attractions. It was felt that the large number of wineries in the original database would have introduced highly irregular results. In support of this conclusion, several authors have in recent times discussed the notion that wine tourism is a separate and emerging tourism sector with its own characteristics, markets and issues (Hall, Sharples, Cambourne and Macionis, 2000; Getz, 2000).

The filtered database resulted in a total sample of 1665 attractions. The distribution by state is summarised in *Table 3.1*. Values for state population, international visitor numbers and domestic visitor numbers are also provided as a basis for comparison. The figures indicate that population size and visitor numbers are closely related to the number of attractions each state can support. To further explore this argument a simple Pearson correlation was performed. The correlation, presented in *Appendix 10*, indicates that the number of attractions per state is highly correlated with population, international visitor numbers and domestic visitor numbers, with all correlation coefficients being higher than 0.90. This provides support for the argument that the study sample has been accurately represented.

TABLE 3.1 – State by state comparison of attraction numbers, population and visitor numbers.

	Attractions (2000)	Population (1999)	International Visitors (1999)	Overnight Domestic Visitors (1999)
<i>New South Wales and ACT</i>	441	6 762 900	1 574 378	28 525 000
<i>Victoria</i>	350	4 741 500	787 189	16 670 000
<i>Queensland</i>	254	3 539 500	952 913	16 362 000
<i>Western Australia</i>	246	1 873 800	455 741	5 426 000
<i>South Australia</i>	168	1 495 800	165 724	6 443 000
<i>Tasmania</i>	155	469 900	82 862	2 047 000
<i>Northern Territory</i>	51	194 300	124 293	991 000
TOTAL	1665	19 077 700	4 143 100	76 464 000

3.2.6.2 Profile of Responses

A total of 1665 questionnaires were sent by standard mail in April 2000. At the conclusion of the study in July 2000, 430 responses had been received. Of these, 23 were deemed to be invalid. Questionnaires were deemed to be invalid if they were returned by establishments that were excluded from the study. A further 55 (3.3%) questionnaires were returned undelivered, indicating that 1610 questionnaires reached their destination. This was a good indication that the database was largely accurate. A summary of responses is provided in *Table 3.2*.

TABLE 3.2 – Response rates to tourist attraction questionnaire

	Dispatched	Delivered	Responses	
	<i>n</i>	<i>n</i>	<i>n</i>	%
New South Wales and ACT	441	426	90	21.1
Victoria	350	333	92	27.6
Queensland	254	249	67	26.9
Western Australia	246	236	49	20.8
South Australia	168	167	46	27.5
Tasmania	155	153	35	22.8
Northern Territory	51	46	11	23.9
State not indicated			17	1.1
Invalid			23	1.4
TOTAL	1665	1610	430	26.7

The response rate for the questionnaires that were delivered was 26.7%. This was within the expected response range of 20% to 30%.

3.2.6.3 Attraction Type

A large number of attractions (49.6%) responding to the questionnaire were museums. *Table 3.3* provides a more detailed breakdown of responses. The categories presented are not mutually exclusive. Attraction managers were able to select any number of categories that best described their attraction. Consequently many museums may have selected both *Museum* and *Australian Culture and History*. This approach recognises that many attractions are diversifying to provide tourists with a compelling mix of entertainment and education and thus cannot be restricted to a single category.

TABLE 3.3 – Comparison of responses by attraction type

Attraction Category	N	%
<i>Listed Categories</i>		
Museums	186	49.6
Australian culture / history	140	37.3
Galleries	48	12.8
Farming	47	12.5
Nature-based attractions	45	12.0
Wildlife parks / aquaria	40	10.7
Gardens	37	9.9
Theme parks	31	8.3
National trust	28	7.5
Action / adventure	24	6.4
Factory / manufacturing	20	5.3
Military	17	4.5
Casinos	1	0.3
<i>Other</i>		
Specialist attractions	43	11.2
Interpretive / information	12	3.1
Railway-based	9	2.3
Mining / fossicking	6	1.6
Science / astronomy	4	1.0

While the number of *museums* appears to be disproportionate to other types of attractions anecdotal evidence supports the findings. It is not uncommon to find small museums administered by historical societies in many Australian towns. Many typical small Australian towns often boast a museum as their only attraction. In comparison a Tourism New South Wales (1999) study of 100 attractions found that museums and historical sites (18%) were the second most common category after nature-based attractions (27%). Many larger regional centres also support art *galleries* (12.8%) managed by a local society or shire council. This compares with 16% for the Tourism New South Wales Study.

The questionnaire also received a high response from *farming* attractions (12.5%). This value excludes wineries, as indicated in the methodology. The inclusion of wineries would no doubt result in a large number of attractions that could be placed under a broader 'agriculture' banner. Typical farming attractions include larger establishments, such as the Big Pineapple, as well smaller operations, such as local strawberry farms, animal farms and other agricultural attractions. The Tourism New South Wales study found that 8% of attractions were based on agriculture (excluding wineries).

Nature-based attractions also account for 12% of responses to the questionnaire. Continued visitor interest in ecotourism and nature-based attractions has created strong demand for this type of attraction. While National Trust attractions and protected areas were specifically excluded from the study, as indicated in the methodology, some attractions were noted in these categories. Such attractions were only included in the results if they were also listed in other categories. Therefore, attractions that only selected National Trust or protected areas on the questionnaire were excluded.

Wildlife attractions (10.7%) and gardens (9.9%) also accounted for a surprisingly high number of responses while military attractions (4.5%) accounted for fewer establishments. Only one casino responded to the questionnaire.

Attractions in the 'other' category (19.6%) included information, educational and interpretive centres (3.1%), railway-based attractions (3.3%), mining and fossicking (1.6%), science and astronomy (1.0%) and various specialist attractions (11.2%).

3.2.7 Data Analysis

3.2.7.1 Parametric and Non-Parametric Data

To ensure that the data is appropriately interpreted a distinction has been drawn between parametric and non-parametric data. Diekhoff (1992, p.211) indicates that parametric data include 'normally distributed variables measured at the interval or ratio scales' whereas non-parametric data 'involve ordinal or nominal scale variables and do not assume normal distributions'.

Many conventional statistical means tests assume a normal distribution and are therefore better suited to parametric data. Much of the data in this study is heavily skewed or measured as ordinal scales. The data analysis and findings presented below therefore distinguish between parametric and non parametric data by applying the most appropriate statistical tests. Non-parametric tests were applied in cases where data were collected as ordinal scales, or were found to be heavily skewed. In

instances where distributions were not found to be heavily skewed conventional parametric analysis was carried out. A brief summary of statistical means tests employed in this study are summarised in Table 3.4.

TABLE 3.4 – Parametric and Non-parametric tests employed in the study

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Source: Diekhoff, 1992

The Wilcoxon signed rank test is a nonparametric procedure used with two related variables to test the hypothesis that the two variables have the same distribution. It is well suited to skewed data because the test makes no assumptions about the shapes of the distributions of the two variables. This test takes into account information about the magnitude of differences within pairs and gives more weight to pairs that show large differences. Similarly, the Mann-Whitney test uses rankings to offer a nonparametric equivalent to the independent t-test. Observations from two groups are combined and ranked, with the average rank assigned in the case of ties. The number of times a score from group 1 precedes a score from group 2 and the number of times a score from group 2 precedes a score from group 1 are calculated. The Kruskal-Wallis test offers a non-parametric alternative to the oneway ANOVA by testing the relationship between several independent samples. The Kruskal-Wallis statistic, like the Wilcoxon and Mann-Whitney tests requires at least an ordinal level of measurement. These statistics are therefore well suited to analysing the type of data used in this study. Further discussion of these statistics is presented throughout this chapter in the context of the research results.

3.2.7.2 Treatment of Statistical Outliers

The diverse nature of the attraction sector inherently results in individual establishments that stand out or are inconsistent with general trends and patterns. These 'outliers' can skew and bias findings and frustrate attempts to draw inferences about the original population. Barnett and Lewis (1994, p.7) define outliers as: "an observation or subset of observations) which appears to be inconsistent with the remainder of that set of data."

The issue of outliers is important because researchers are faced with making an objective judgement about whether a particular case is an outlier or a *bona fide* member of the sample. Outliers can be a valuable source of information simply because they are different from the rest of the sample. However, the scope of this study is to provide an undistorted view of the average Australian visitor attraction. The presence of a few extreme outliers creates statistical inconsistencies which can grossly distort measures of central tendency and associated statistical analyses.

Barnett and Lewis (1994) identify three approaches to processing outliers: they can be rejected, adjusted or simply left unaltered. The authors also note that opinion regarding the treatment of outliers is divided.

Given the aims of this study the approach that has been adopted is to reject outliers. While there are many methodologies for rejecting outliers (Barnett and Lewis, 1994), the method employed in this study involved the elimination of cases that deviated from the mean by more than two standard deviations. According to the *empirical rule*, about 95% of values in any distribution will lie within two standard deviations of the mean (Freund and Simon, 1992). Thus, the methodology employed in the study resulted in the elimination of cases in the lower 2.5 percent and upper 2.5 percent of a distribution. This procedure was only applied to variables where outliers were clearly apparent. These included the number of visitors, financial measures and employment measures.

3.3 TOURIST ATTRACTION CHARACTERISTICS

3.3.1 Aim One

The first aim of the study was "...to examine the broad organisational and environmental characteristics of the Australian tourist attraction sector". The fulfilment of this aim requires an exploratory analysis of tourist attraction characteristics. An understanding of attraction characteristics is imperative to advancing our understanding of this sector of the tourism industry. The results are not only central to this study, but also provide previously unavailable information about the attraction sector in Australia.

The absence of previous large-scale studies to act as a basis for comparison has led to the adoption of an exploratory approach. While the findings for several attraction characteristics are compared to a recent Tourism New South Wales (1999) report, analysis is mainly limited to reporting descriptive statistics. More advanced analysis is applied in *Chapter 4* when investigating the relationship between planning and attraction characteristics. Descriptive statistics are commonly used in social science research as an effective method for presenting quantitative information in a manageable form (Babbie, 2004; Pagano, 1994). The importance of exploratory and descriptive studies in tourism research has also been recognised by commentators such as Gunn (1994). The organisational characteristics examined include attraction size, income sources, market characteristics, age, perceived performance and environmental complexity.

3.3.2 Attraction Size

3.3.2.1 Visitor Numbers

Attraction attendance is a key measure of the size and performance of a tourist attraction. As *Figure 3.1* indicates, the study sample consisted of a mix of small and large attractions. Over 75% of attractions received less than 50 000 visitors per annum, while almost 25% received less than 5 000 visitors.

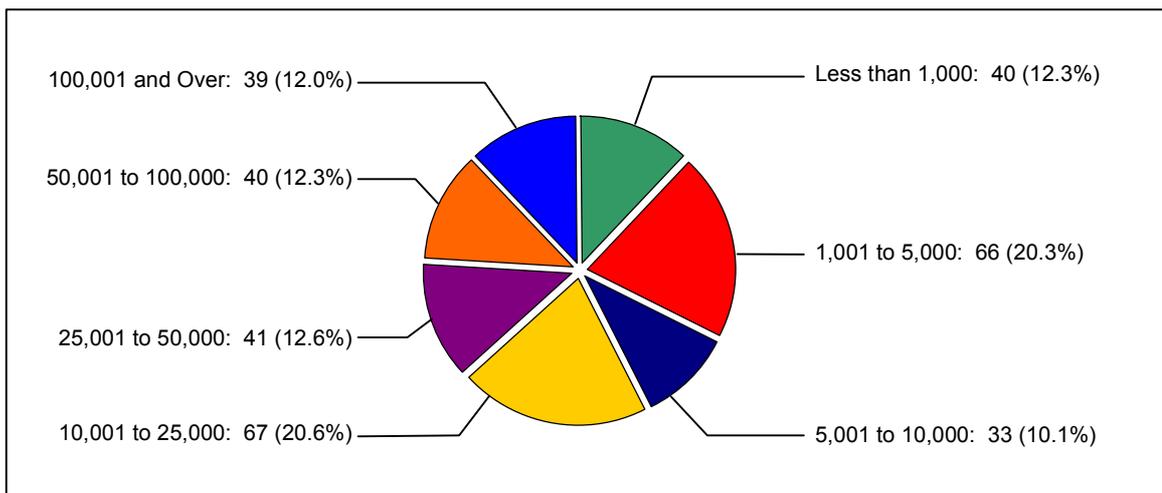


FIGURE 3.1 – Distribution of visitor numbers in Australian attractions

The *mean* number of visitors for all attractions was 38 596 (*sd* = 59 061), while the *median* was 15 000. As expected, the sample was skewed (2.56) toward smaller attractions. The smallest attraction received only 290 visitors per year while the largest received 346 453 visitors. A small number of theme parks and aquaria received in excess of one million visitors and were treated as outliers in this data.

3.3.2.2 Visitor Growth

The growth stage of tourist attractions was assessed to gain an appreciation of visitor trends in various parts of the sector. Overall 223 attractions (56.7%) indicated that visitor numbers were increasing, while 135 (34.4%) revealed that visitor numbers were stagnant. The remaining 35 (8.9%) attractions were experiencing declining visitor numbers. These trends provide a positive outlook for the Australian attraction sector.

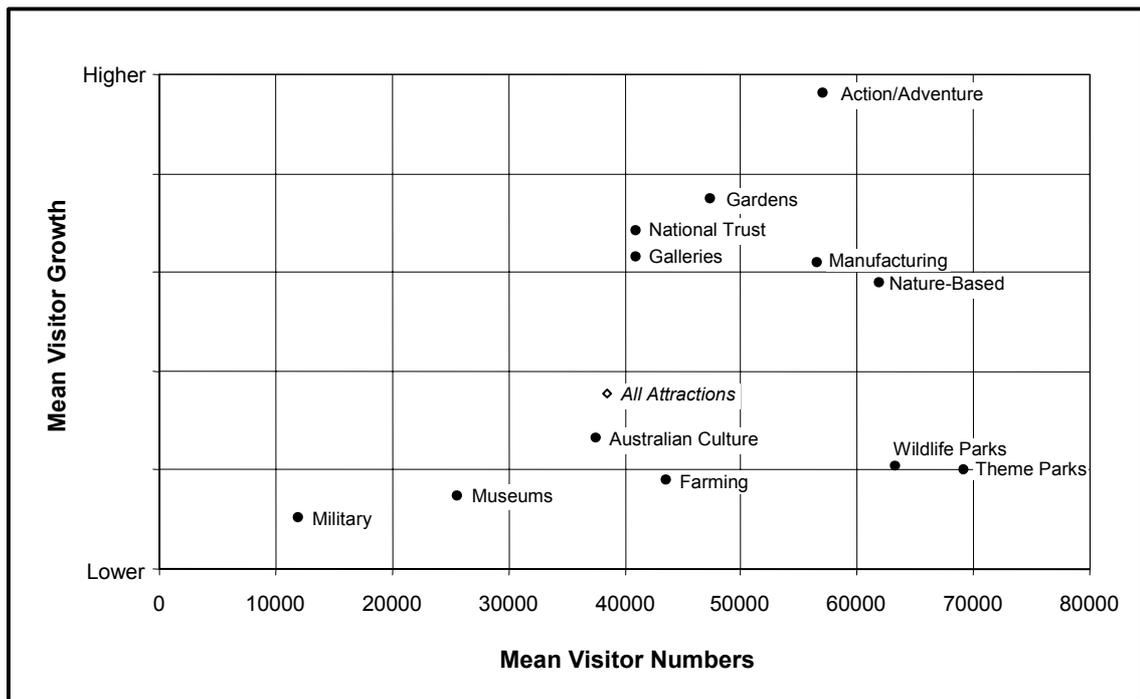


FIGURE 3.2 – Visitor numbers/visitor growth matrix for attraction categories

Further analysis, using a visitor growth/attendance matrix indicates how groups within the attraction sector are performing (*Figure 3.2*). The matrix uses mean growth and attendance values to present a visual model of the attraction sector. It should be noted that due to only one response, the casino category has been excluded from the matrix to maintain the integrity of the data. All other categories received more than ten responses.

The matrix approach is adapted from the Boston Consulting Group's (BCG) concept of a 'growth-share matrix'. The growth-share matrix was originally conceived to evaluate the strategic business units (SBUs) of a company based on their market growth rate and relative market share (Kotler et al, 2001). It is suggested that the basic fundamentals of this framework can be applied not just to SBUs but also to homogenous groupings of businesses within an industry or sector. The BCG growth-share matrix classifies organisational units as *stars* (high-growth, high- share); *cash cows* (low-growth, high-share); *dogs* (low-growth; low-share); and *question marks* (low-share, high growth).

It is clearly evident that *wildlife* attractions and *theme parks* have a unique set of growth/attendance values. At a holistic level, It is suggested that the visitor market for such attractions is nearing maturity or saturation, with high visitation and only modest growth. These attraction groups can be identified as 'cash cows'. According to the BCG growth-share matrix, these types of attractions should generate high returns, but require few resources for growth.

Action/adventure attractions are experiencing both high growth and good visitor numbers. These types of attractions would appear to be the 'stars' of the attraction sector. According to the BCG framework, these types of attractions require heavy investment in order to continue attracting visitors and to grow into cash cows. It is worth noting that no attraction categories showed high growth in a climate of low visitor numbers.

Military attractions, *museums* and *farms* are experiencing relatively low growth and have comparatively low visitor attendance figures. These attraction categories are the 'dogs' of the attraction sector. They may generate enough revenue to support themselves, but they are not a source of growth or profits. Furthermore, the high response received from museums also suggests that this group of attractions is somewhat dispersed with many small attractions receiving relatively few visitors. This contrasts with a more consolidated group of attractions, like wildlife parks. Recent efforts to create larger regional museums or historical theme parks rather than small local museums may indicate that this group of attractions is beginning to consolidate. Examples of newer developments with high visitor attendance include the Stockman's Hall of Fame and the Waltzing Matilda Centre.

3.3.2.3 Financial Size

An assessment of gross revenue, total profit and the asset value of attractions provide additional information about the performance of the sector. *Table 3.5* indicates that an average attraction grossed \$365 799 in the 1998-1999 financial year. From this an average of \$38 306 was taken as profit. The median values for both gross revenue and total profit were substantially lower than the mean. As with other data in the study, this indicates a skewed sample with many smaller, low-income attractions and a few large attractions with substantial gross revenue earnings. Due to the nature of the data the median is clearly a more accurate measure of central tendency.

TABLE 3.5 – Descriptive statistics for financial measures of attraction size

	Mean	Median	Mode	Std. Deviation	Skewness	Minimum	Maximum	<i>n</i>
Gross Revenue	365 799	70 072	15 000	848 081	4.01	1000	5 700 000	213
Total Profit	38 306	4 000	0	96 145	3.23	-150 000	600 000	170
Asset Value	2 045 582	600 000	200 000	3 923 978	3.36	30 000	23 000 000	150

The highest gross revenue figure recorded was \$5.7 million, while the highest profit was over \$600 000. The lowest gross revenue figure was \$1 000, possibly representing those attractions that do not charge admission or receive income from other sources. A number of attractions also indicated that they suffered a loss in the financial year.

The asset value of an attraction also provides an indication of the attraction's size. The median value indicates that the value of an average Australian attraction is \$600 000. It should be noted that due to the sensitive nature of this information a number of attractions declined to provide financial details.

The use of matrices provide a more detailed breakdown of the financial characteristics for various types of attractions. This level of observation highlights the heterogeneity of the attraction sector. *Figure 3.3* indicates that military attractions, national trust attractions and museums operate with small profit margins, while wildlife attractions, theme parks and nature-based attractions boast larger profit margins. Manufacturing attractions also perform relatively well in terms of profits. In many instances

manufacturing attractions derive a large proportion of profits from non-tourism related business interests. For example, the Bundaberg Rum Distillery in Queensland derives a large amount of income from the sale of its products rather than from tourism.

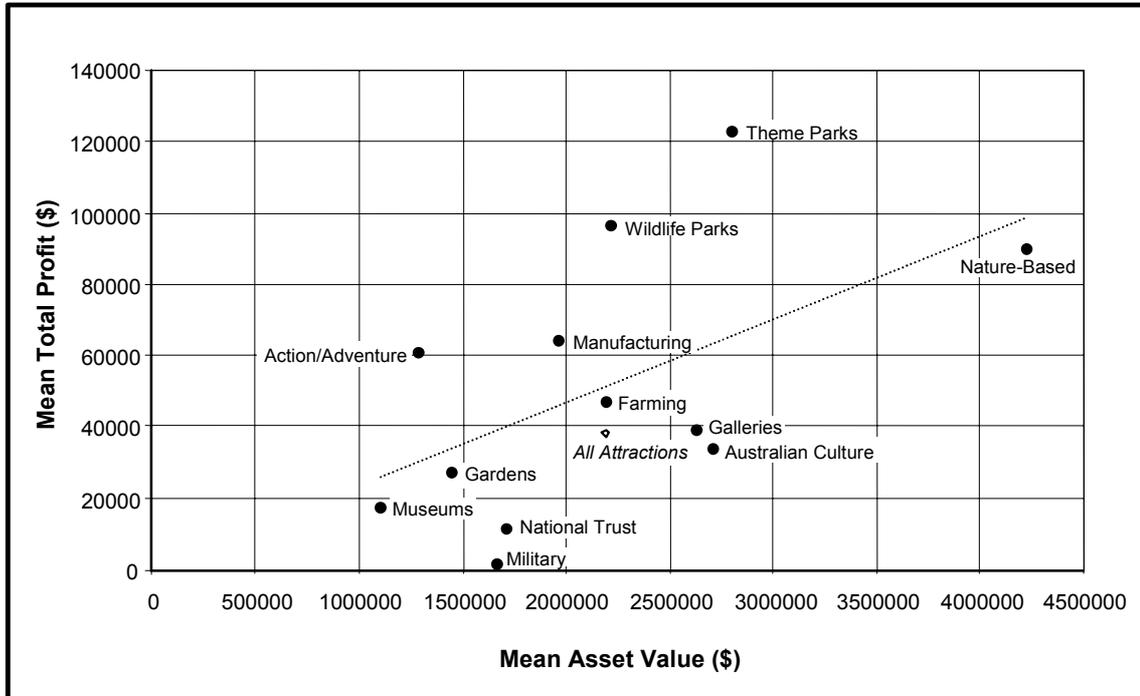


FIGURE 3.3 – Mean total profit/mean asset value matrix for attraction categories

The value of assets required to generate profits also varies according to attraction type. Military attractions and National Trust attractions have a low asset value. Interestingly, the mean asset value of action/adventure based attractions is lower than military and national trust attractions, but action/adventure attractions are able to maintain a higher profit margin. While a causal relationship between profit and asset value is not formally explored in this study, a trend line suggests that as the asset value of an attraction increases, its profits also increase. The dispersal of points on the matrix suggests that this relationship is weak. *Appendix 11* provides an indication of the correlation between these measures.

A matrix of mean gross revenue and mean asset value (*Figure 3.4*) indicates a more convincing trend. The matrix indicates that an increase in asset value generally results in an increase in gross revenue. Once again nature-based attractions stand out from

other attraction groupings, with high gross revenue and a large asset value. Wildlife attractions also exhibit financial characteristics that distinguish them from other attractions. Both of these attraction types generate more revenue from a smaller asset base. The mean asset value of wildlife attractions is close to the mean asset value of farming attractions, yet wildlife attractions generate notably more revenue. The same comparison applies to gardens and military attractions.

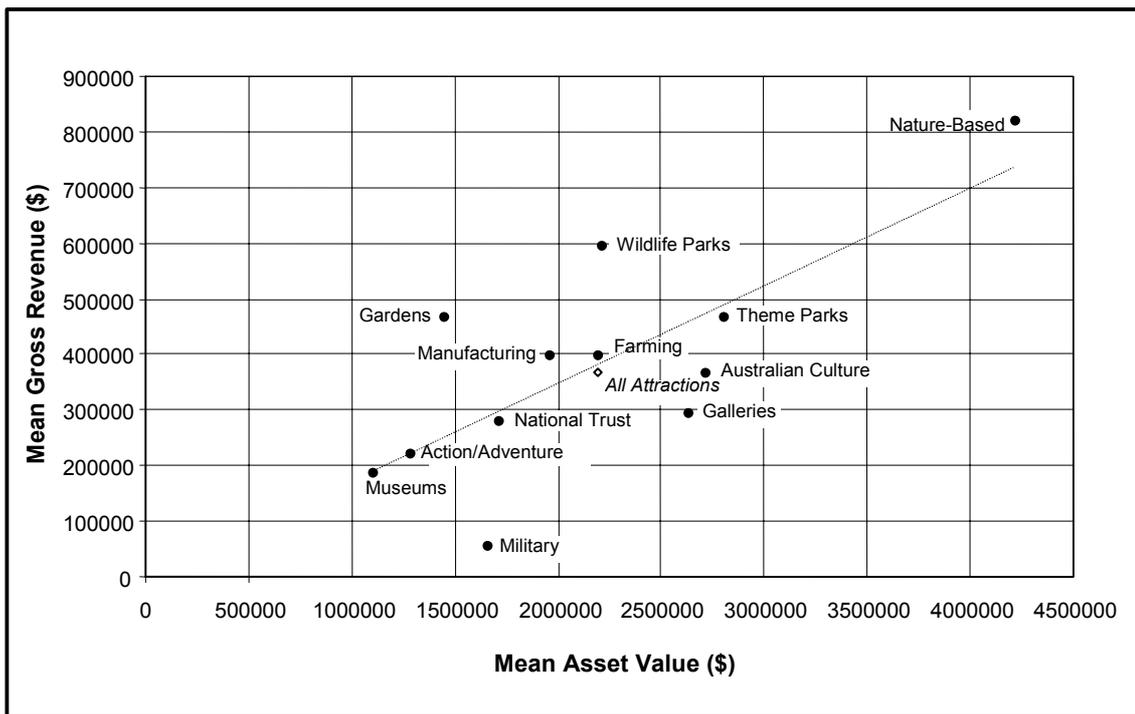


FIGURE 3.4 – Mean gross revenue/mean asset value matrix for attraction categories

The relationship between profit and revenue was expected to be positive, as profit is generally derived from revenue minus expenses. The trend line in *Figure 3.5* indicates a positive relationship, however the relationship was not as strong as expected. It is suggested that the weak relationship is due to the fact that different types of attractions typically have different overhead costs and expenses that impact directly on total profit.

It is noteworthy that many attractions above the trend line can be classed as ‘private’ sector attractions, operated for commercial interests. Conversely, most attractions below the trend line can be classified as ‘public’ sector attractions. These attractions are at least partially funded by the public sector and are largely operated to preserve

and present culture and heritage. While not conclusive, the matrices do highlight a disparity between 'private' and 'public' sector attractions. Private-sector attractions typically perform better financially than their public-sector counter-parts. It is suggested that this disparity may be due to differing aims and objectives. For example, the aims of a theme park may be quite different to those of a museum.

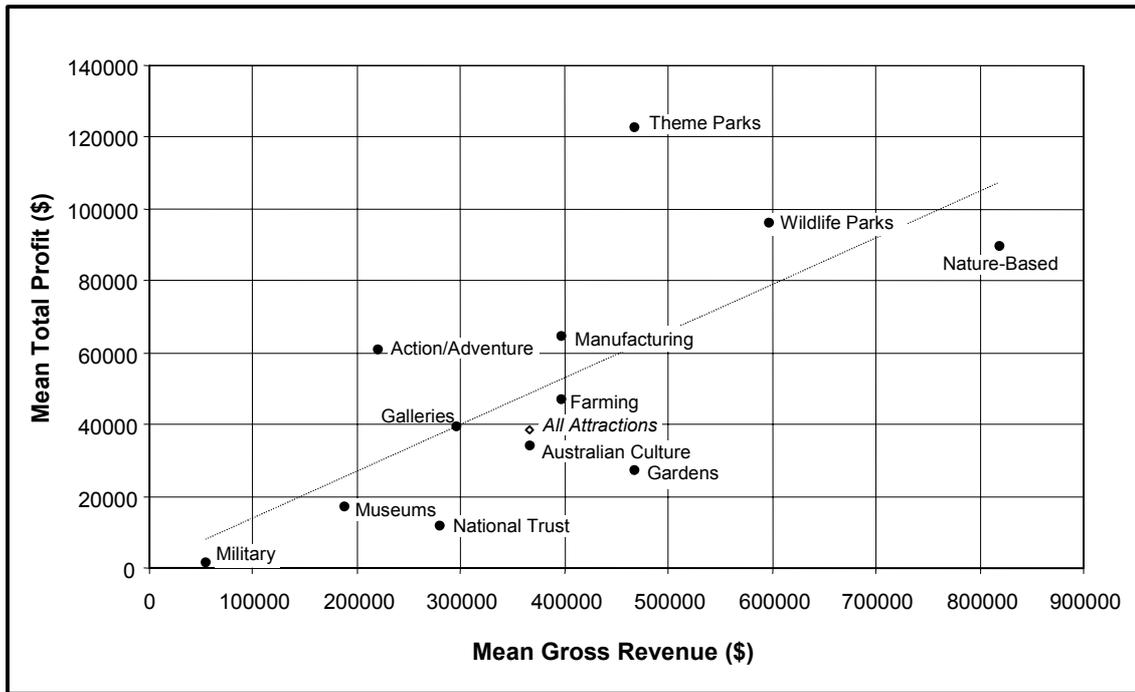


FIGURE 3.5 – Mean total profit/mean gross revenue matrix for attraction categories

There are also notable differences within the public and private sector groupings. For example, the financial performance of military attractions and museums is not as strong as the performance of other publicly funded attractions, such as galleries and gardens. Within the private sector attractions, wildlife parks, theme parks and nature-based attractions clearly stand out from action/adventure attractions, farming attractions and manufacturing attractions.

These findings perhaps raise more questions than they answer, and it is beyond the scope of this thesis to explore the detailed relationships between the various financial measures. However, the findings do suggest that this is a topic worthy of further research. Research exploring the relationship between asset value and financial return,

as well as profit and revenue has practical implications for optimising the yield of tourist attractions. Research which is able to identify the influences or reasons for discrepancies between attractions with different characteristics may also provide applications for optimising managerial decision making, financial modelling, inventory management and budgeting.

3.3.2.4 Employment

The number of workers employed by an attraction is a good indicator of its size and its ability to survive. The employment capacity of tourist attractions is demonstrated by *Table 3.6*. Of particular interest is the high number of volunteers employed by attractions. The mean number of volunteers per attraction was 11, with a median of one, indicating that the data is positively skewed towards the lower spectrum. The high mean is in part explained by the fact that the maximum number of volunteers was 100, which suggests that a few attractions with an unusually high number of volunteers are influencing the results. The large number of museums in the sample may also account for a higher than expected number of volunteers as many museums are managed and staffed by volunteers from local historical societies.

TABLE 3.6 –Number of employees for all attractions.

	Mean	Median	Std. Dev.	Skewness	Minimum	Maximum	N
Volunteers	10.6	1	18.1	2.5	0	100	393
Casuals	3.1	0	5.5	2.3	0	27	395
Part time	1.2	0	2.4	3.4	0	16	395
Full time	2.6	1	5.3	4.0	0	38	394
Paid Employees	6.3	3	9.6	2.7	0	67	380

The results suggest that most attractions are relatively small, with a mean of three full time employees and a median of one employee. In total, those attractions which responded to the questionnaire employed 6 239 volunteers, 1 747 casual employees, 793 part time employees and 2 092 full time employees.

Descriptive statistics for '*paid employees*' is also provided in *Table 3.6*. The number of full time employees, part time employees and casual employees were combined in this

measure to facilitate analysis. The number of paid employees was included as a measure of size as it is a reflection of long-term performance and an attraction's ability to survive. The number of volunteers was deliberately excluded from this measure because volunteer positions require no remuneration and do not accurately reflect the number of employees an attraction is able to support financially.

Figure 3.6 provides more detail regarding the mean number of volunteers and paid employees for different types of attractions. The matrix indicates that museums, military attractions and national trust attractions typically rely on a large number of volunteers, while theme parks, farms and manufacturing attractions support fewer volunteers. Conversely, manufacturing, theme parks and nature-based attractions have a higher number of paid employees, while military attractions, museums and farms are less likely to support paid staff. A trend line indicates an inverse relationship between the number of volunteers and paid employees.

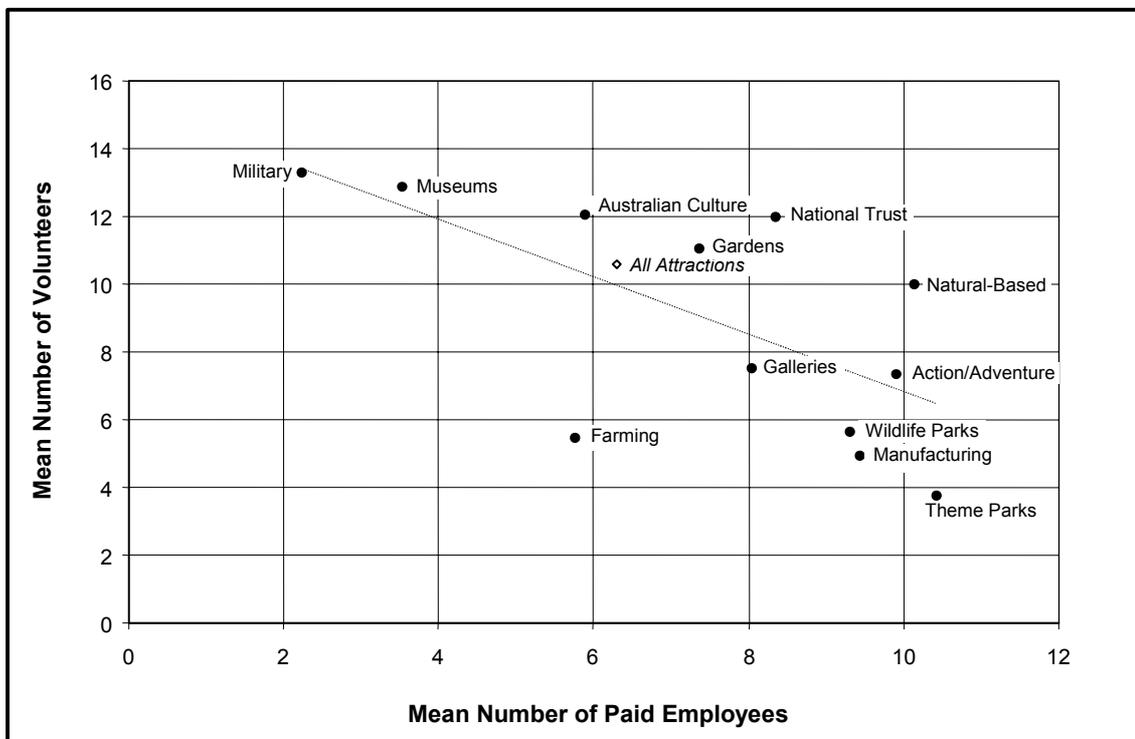


FIGURE 3.6 – Volunteers/paid employees matrix for attraction categories

Once again, it can be observed that 'private' sector attractions are separated from 'public' sector attractions. With the exception of nature-based attractions, private sector

attractions are below the trend line, while public sector attractions are above the trend line. Private sector attractions tend to employ a higher number of paid staff, while public sector attractions appear to rely on volunteers.

Nature-based attractions show some defiance of this trend by employing a high number of paid employees and also supporting a moderate number of volunteers. A reliance on a large group of paid staff, supported by a group of volunteers, may explain why nature-based attractions are able to maximise profits and revenue as shown later. In comparison to other commercial attractions, farms and wildlife parks appear to carry out their operations with a lower number of both paid employees and volunteers. These attractions appear to be less human-resource intensive.

3.3.3 Income Characteristics

3.3.3.1 Revenue Sources

Sources of attraction revenue provide a valuable insight into the pricing structures prevalent in Australian attractions. *Table 3.7* indicates that gate admissions accounted for the highest mean percentage of revenue, followed by sales of ‘souvenirs’ and ‘merchandise and food’. These three sources represent the core income generators for many attractions. Local councils, government grants and donations were also important sources of revenue, mostly due to the high proportion of museums in the sample.

TABLE 3.7 –Revenue sources (percentage) for all attractions.

	Mean	Median	Std. Dev.	Skewness	Min.	Max.	N
<i>Admissions</i>	31.37	20	33.55	0.60	0	100	407
<i>Souvenirs/Merchandise</i>	18.48	6	28.20	3.33	0	100	407
<i>Food and refreshments</i>	7.78	0	16.79	3.04	0	95	407
<i>Local Council</i>	6.84	0	20.28	3.27	0	100	407
<i>Government Grants</i>	5.70	0	16.97	3.60	0	100	407
<i>Donations</i>	4.29	0	13.35	4.98	0	100	407
<i>Venture Capital</i>	1.80	0	13.11	7.14	0	100	407
<i>Investments</i>	0.49	0	3.42	10.41	0	50	407
<i>Heritage Trust</i>	0.35	0	3.67	13.87	0	60	407
<i>National Parks</i>	0.24	0	3.68	13.68	0	45	407
<i>Financial Institutions</i>	0.21	0	2.89	15.39	0	50	407
<i>Other</i>	4.66	0	14.52	3.76	0	100	407

Frequently mentioned revenue sources in the 'other' category included accommodation, functions, fundraising, membership fees and rental tenant income. The values presented in *Table 3.6* are relatively low due to the fact that measures of central tendency were calculated for *all* attractions to provide an accurate representation of revenue sources.

3.3.3.2 Admission Prices

Visitor admissions were the main source of revenue for many attractions and warrant further attention. Admission prices were assessed to gain an appreciation of the per unit earning capacity of Australian attractions. The mean adult price was \$6.01 while the mean admission price per child was found to be \$3.50. This reflects a policy by many attractions to set children's prices at 50% of adult admission prices. Family admission prices are generally three times more than adult prices. *Table 3.8* also shows relevant statistics for concessions, group visitors and season passes. Attractions offering free entry are not included in the values presented in the table.

TABLE 3.8 – Descriptive statistics for attraction admission prices.

	Mean (\$)	Median (\$)	Mode (\$)	Std. Dev. (\$)	Skewness	Min (\$)	Max (\$)	N
<i>Adult</i>	6.01	5.00	2.00	5.00	3.48	0.50	35.00	285
<i>Child</i>	3.50	3.50	1.00	3.53	3.66	0.20	35.00	256
<i>Concession</i>	5.11	4.00	3.00	3.80	3.17	0.20	28.00	189
<i>Family</i>	18.53	15.00	10.00	13.19	1.89	1.00	87.00	166
<i>Group</i>	4.40	3.50	3.00	3.29	3.28	0.50	23.20	124
<i>Season pass</i>	35.33	30.00	10.00	23.23	0.57	2.00	90.00	29

Figure 3.7 indicates that military attractions and museums provide the lowest admission charges, while the mean admission prices for nature-based attractions, action/adventure attractions, wildlife parks and theme parks are more than twice as high.

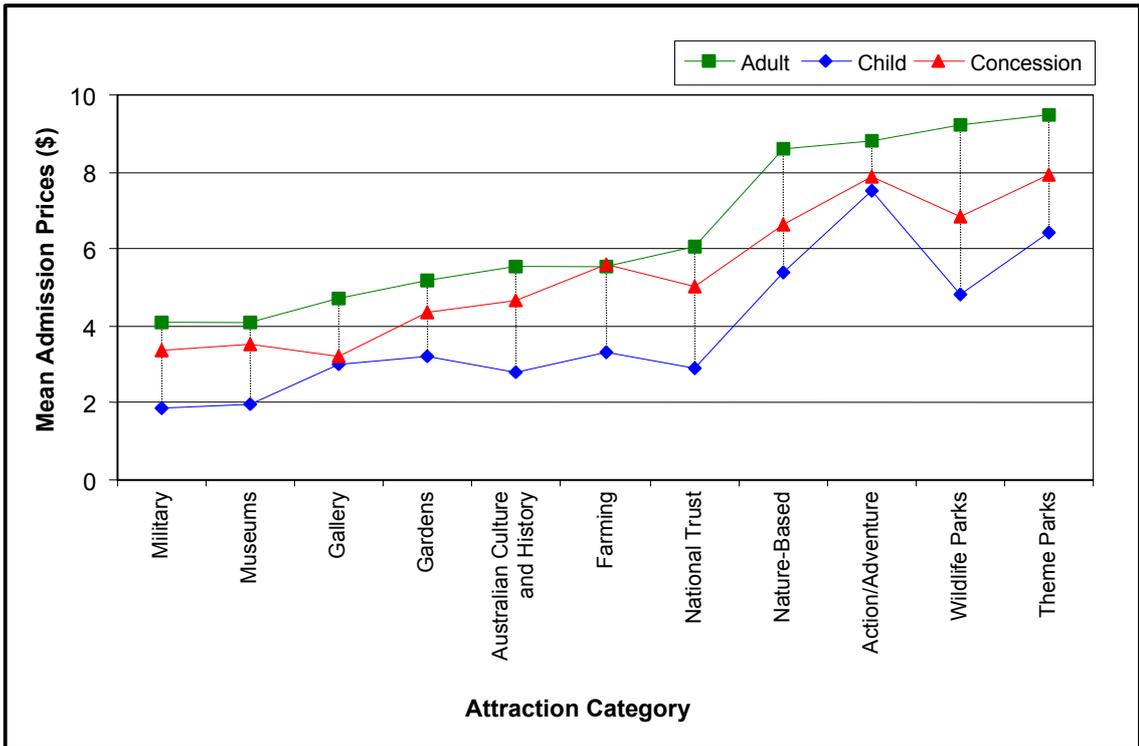


FIGURE 3.7 – Mean admission prices for adults, children and concessions split by attraction type

3.3.4 Market Characteristics

3.3.4.1 Length of Stay

The length of stay can be influenced by a number of factors, including the size and number of activities offered by an attraction and the location of the attraction. The average length of stay for visitors to the attractions surveyed was 87.0 minutes (sd = 61.4), with a median of 60 minutes. The length of stay ranged from a minimum of one minute to a maximum of 360 minutes (six hours). In contrast, the Tourism New South Wales (1999) study found the median length of stay for attractions in that state to be 120 minutes.

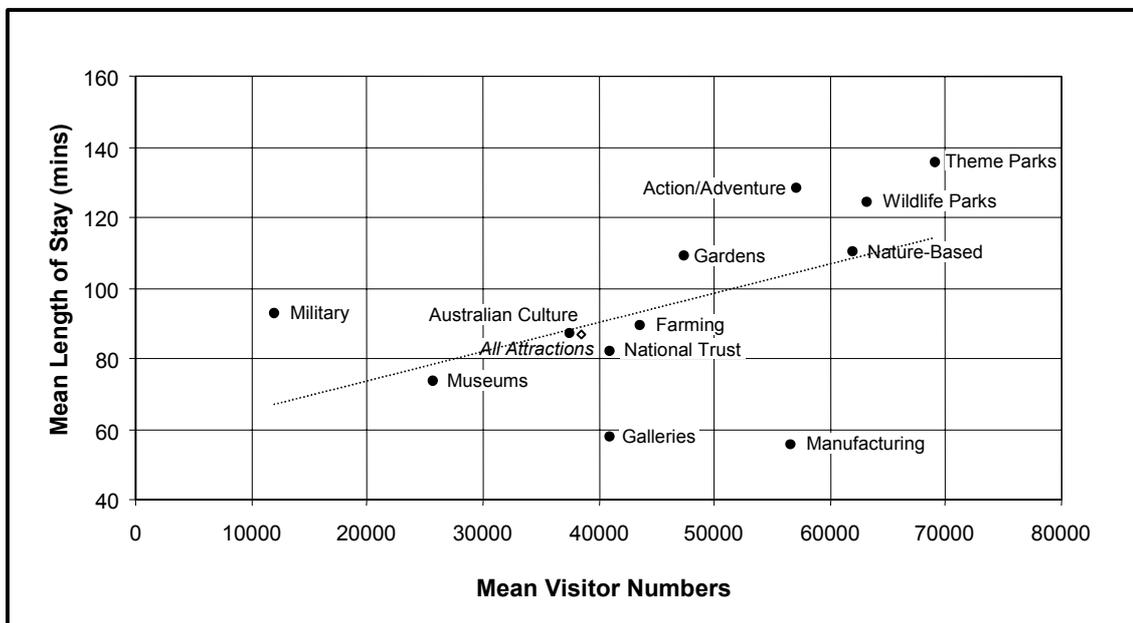


FIGURE 3.8 – Visitor numbers/length of stay matrix for attraction categories

An assessment of length of stay, segmented by attraction type, shows that visitors to galleries and manufacturing attractions typically spend less than an hour at these attractions (Figure 3.8). Visitors to highly commercialised attractions such as theme parks, wildlife parks and action/adventure attractions typically stay for more than two hours. It is interesting to note that this grouping of attractions also tend to have higher mean admission prices. A trend line indicates a positive relationship. As the number of visitors to an attraction increases, the length of stay becomes longer. The relationship is weakened by outlying values for manufacturing-based attractions and theme parks.

3.3.4.2 Market Origin

Table 3.9 provides a summary of the origin of visitors to tourist attractions. On average, 38.7% of visitors were locals, defined as being less than two hours from the attraction. A further 24.6% of visitors originated from the same state while 19.0% of visitors were from other states. International visitors accounted for an average of 10.9% of all visitors. These findings correspond well with Tourism New South Wales (1999), which report that international visitors account for 10% of attendance.

TABLE 3.9 –Descriptive statistics for market origin

	Mean	Median	Std. Deviation	Skewness	Minimum	Maximum	N
<i>Local</i>	38.65	30	30.56	0.35	0	100	373
<i>State</i>	24.56	20	20.89	0.97	0	95	372
<i>National</i>	19.07	14	19.40	1.52	0	90	372
<i>International</i>	10.88	5	14.20	1.98	0	70	374

Figure 3.9 provides a breakdown of the origin of visitors to different attraction categories. The results appear to support the concept of *distance decay* for most attraction categories. Distance decay is the tendency for inbound tourist flows to decline as origin regions become more distant from the destination (Weaver and Lawton, 2002). Wildlife attractions, national trust establishments and manufacturing attractions appear to deviate from this generalisation. Wildlife attractions are noteworthy due to the fact that visitors are more likely to come from national origins than locations within the same state. A reason for this discrepancy may be that many wildlife parks are typically large attractions with greater drawing power. It may also be the case that inter-state travellers visit these types of attractions to see endemic wildlife that they cannot experience in their own state. Another unusual finding is that manufacturing attractions, and to a lesser extent, museums are more likely to draw a greater proportion of international visitors than domestic visitors outside the same state. This may reflect a desire by international visitors to learn more about Australian culture and the production of iconic Australian products (e.g. manufacture of Akubras, ginger processing, distillation of rum and brewing of beer). However, further research is needed to fully explore the reasons for these types of discrepancies.

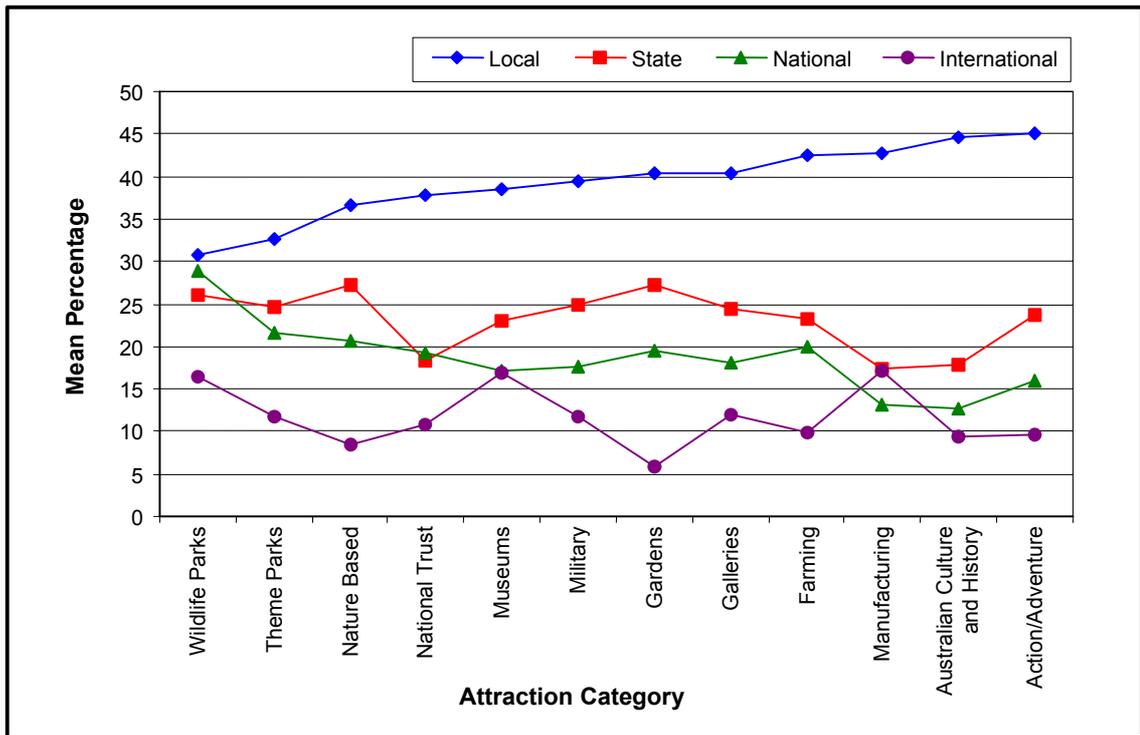


FIGURE 3.9 – Origin of visitors based on attraction type

3.3.4.3 Market Access

Market access was examined in this instance from a temporal perspective rather than a geographic perspective. The number of open days per week is an important measure of the level of dedication and resources available to attraction managers. *Figure 3.10* shows that 65.0% of attractions operate every day of the week. The mean number of open days per week was 6.04 ($sd = 1.8$) days, while the median was 7 days.

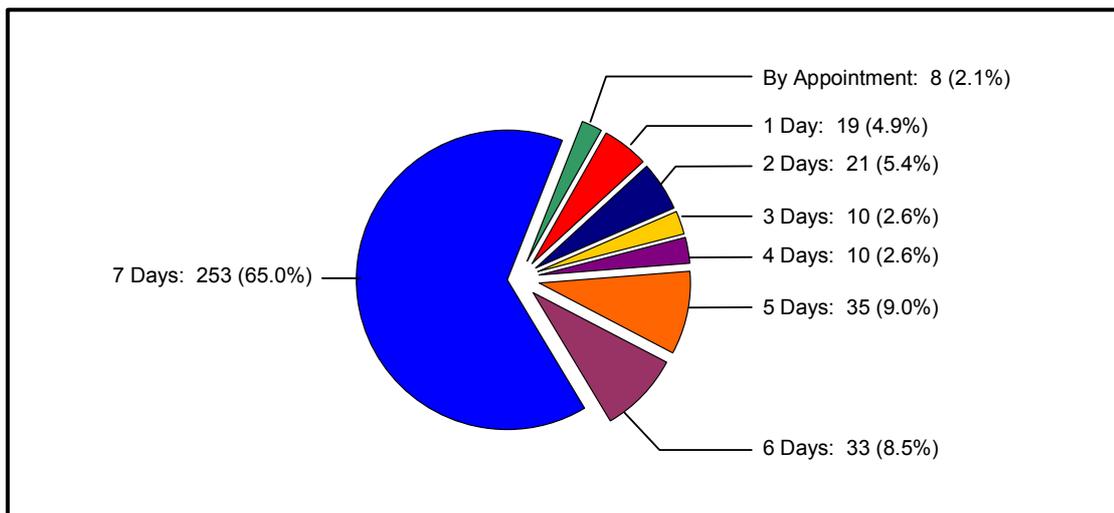


FIGURE 3.10 – Number of open days per week for all attractions

Figure 3.11 shows that wildlife parks, nature-based attractions and gardens have the highest mean number of open days while museums and natural trust properties clearly have less open days. The mean value for museums is influenced by a number of individual establishments which are open only on weekends. While an increased number of open days cannot be identified as the sole determinant of higher visitor numbers, the matrix does suggest that greater market access is positively related to higher visitor numbers.

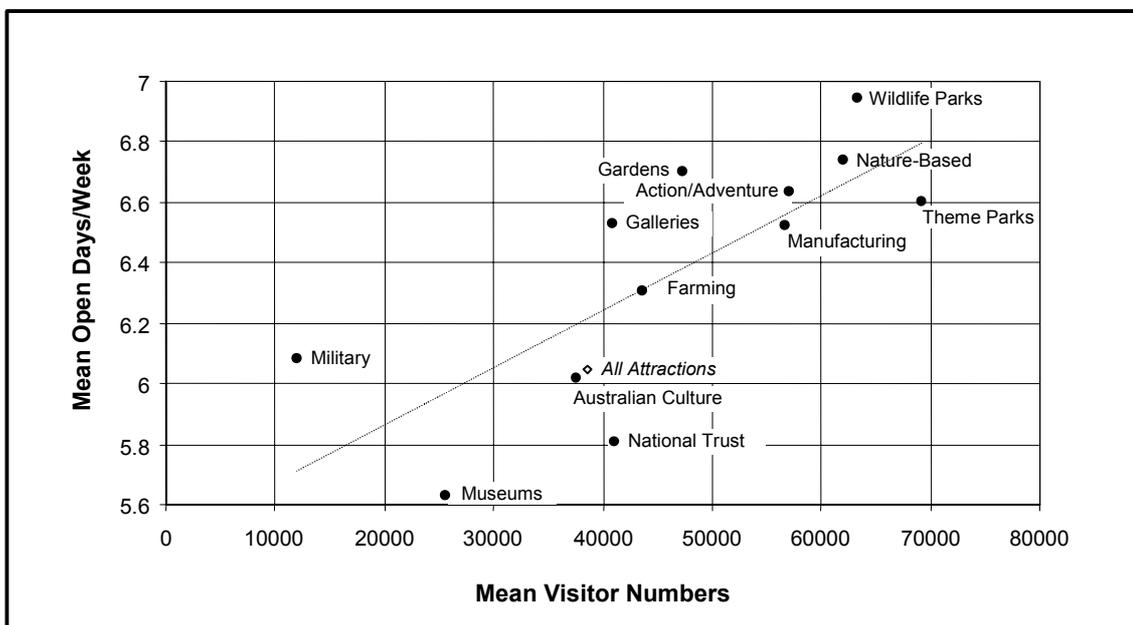


FIGURE 3.11 – Visitor numbers/open days per week matrix for attraction categories

3.3.4.4 Group Visitation

Group visitation provides a means for many small attractions to attract business and increase revenue. The group market, consisting of coaches, tour groups, school groups and other special interest groups accounted for 24.9% of attraction attendance. Once again this compares favourably with findings from Tourism New South Wales (1999), which reported a value of 23%.

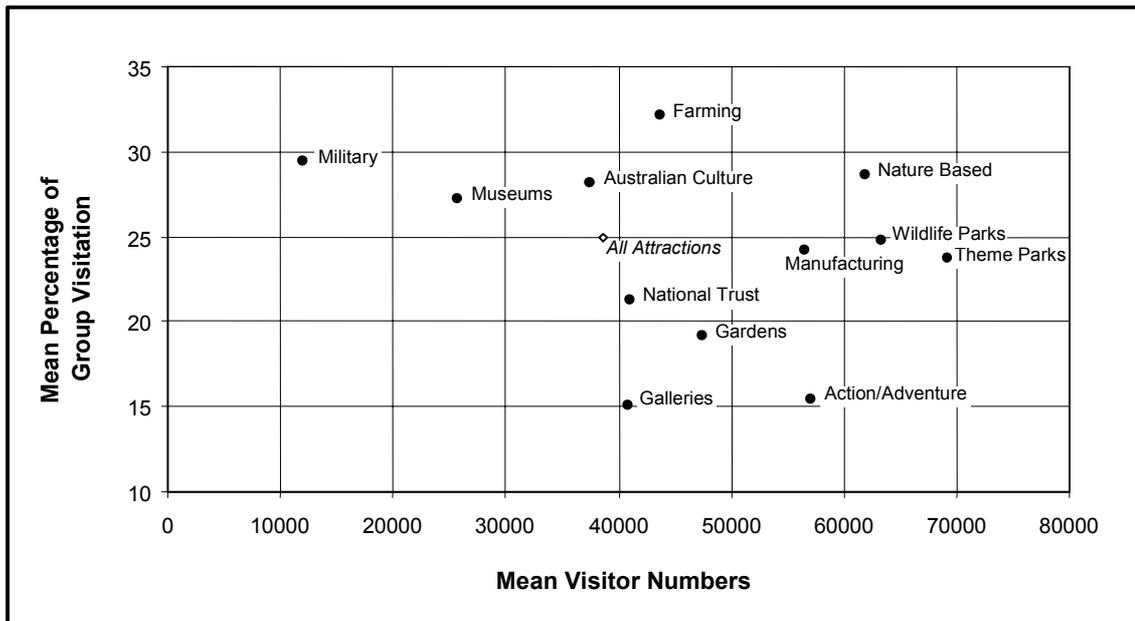


FIGURE 3.12 – Visitor numbers/group visitation matrix for attraction categories

An evaluation of group visitation based on attraction type reveals mixed results. No clear trends can be discerned from the points presented in *Figure 3.12*. It could be argued that a higher percentage of group visitation may be reflected by increased visitor numbers, however several of the points on the matrix challenge this assertion. Action/Adventure attractions clearly stand out with an unusually low level of group visitation and high visitor numbers. The low percentage of group visitation for action/adventure attractions may in part be explained by the composition of target markets and the fact that many adventure attractions tend to offer a mix of high-involvement and low-interaction activities. Conversely, farming attractions actively target educational markets, resulting in a high level of group visitation.

3.3.5 Attraction Age

3.3.5.1 Attraction Age

Attraction age can be an important indicator of the sustainability and appeal of an attraction. Two measures were used to examine the age characteristics of tourist attractions in Australia. The overall age of attractions was obtained and this information was supplemented by asking operators to indicate the tenure of current management.

The mean age of attractions in Australia was found to be 20.6 (sd = 24.8) years, with a median of 15 years. Attraction age ranged from less than one year to 200 years. The age was positively skewed (4.14) toward younger attractions, indicating the emergence of a large number of new attractions in recent years.

3.3.5.2 Tenure of Current Management

The average tenure of attraction managers was 11.2 (sd = 13.1) years with a median of 8.5 years. Tenure ranged from less than one year to 123 years. These figures show that the tenure of current management is on average about half of the attraction age. This would suggest that many attractions have experienced at least one change of management.

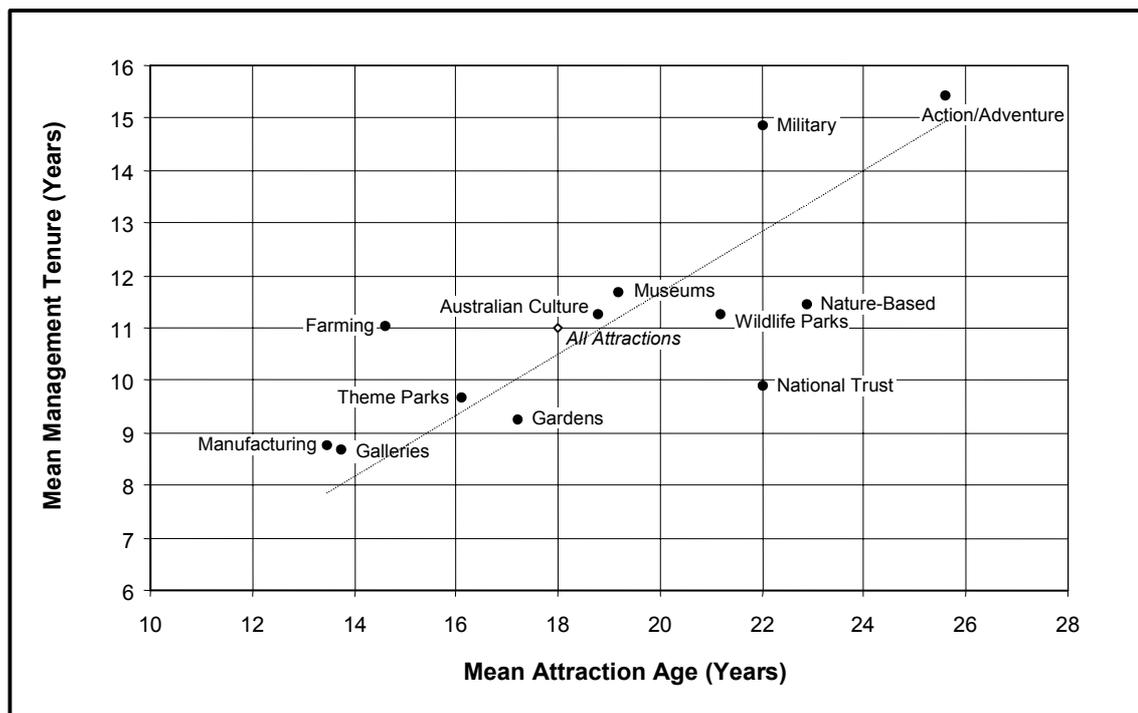


FIGURE 3.13 – Attraction age/management tenure matrix for attraction categories

A matrix of management tenure and attraction age indicates a clear positive relationship. National trust attractions appear to defy the general trend, with the highest average age, but relatively low management tenure. The average management tenure of gallery managers is just eight years, while managers of action/adventure attractions and gardens have an average tenure of over 14 years.

3.3.6 Attraction Performance

3.3.6.1 Objective measures of performance

A number of objective financial performance ratios were calculated based on attraction size. These performance measures were:

1. Profit Ratios

- return on assets (total profit ÷ asset value),
- return on sales (total profit ÷ gross revenue).
- yield (total profit ÷ visitor numbers) and
- return per employee (total profit ÷ paid employee numbers)

2. Revenue Ratios

- gross revenue on assets (gross revenue ÷ asset value)
- gross revenue per visitor (gross revenue ÷ visitor numbers)
- gross revenue per employee (gross revenue ÷ paid employee numbers)

3. Visitor Ratio

- visitors per employee (visitor numbers ÷ paid employee numbers)

Table 3.10 provides a profile of financial performance measures for the attraction sector. It is evident that all of the measures except ROS are positively skewed. This suggests that a large number of attractions will perform below the mean values indicated and that the median would be a better indication of central tendency.

TABLE 3.10 – Descriptive statistics for financial performance measures

	Mean	Median	Mode	Std. Dev.	Skewness	Min.	Max.	N
<i>Return on assets (ROA)</i>	0.08	0.02	0	0.24	5.35	-0.34	2.00	120
<i>Return on sales (ROS)</i>	0.15	0.11	0	0.34	-1.31	-1.50	1.00	160
<i>Yield</i>	2.32	0.71	0	6.52	5.21	-19.67	60.00	151
<i>Return / employee</i>	6 350.75	2000.00	0	12 697.12	1.53	-43 500.00	75 833.33	103
<i>Gross revenue on assets</i>	0.61	0.23	0.4	1.42	4.77	0.00	10.0	124
<i>Gross revenue / employee</i>	43 115.05	33 333.33	15000	33 465.40	0.87	500.00	133 333.33	139
<i>Gross revenue / visitor</i>	12.42	7.26	2	17.49	3.49	0.06	120.00	183
<i>Visitors / employee</i>	5 295.52	3 255.43	2500	5 833.22	2.86	23.68	40 000.00	206

The calculations of performance ratios account for attraction size (based on asset value, gross revenue, visitor numbers or paid employee numbers) and allows for further cross-sectional analyses between groups of attractions.

Table 3.11 shows comparative benchmarks for several of the measures calculated. The benchmarks are provided by the Australian Bureau of Statistics (1997). The ABS provides comparative data in a number of business categories, however, the most appropriate category for comparison was found to be 'cultural and recreational services'.

TABLE 3.11 –Comparison of financial performance benchmarks

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Source: Australian Bureau of Statistics (1997)

It is apparent that the ROA and ROS ratios for attractions compare favourably with other businesses in the cultural and recreational services category. However, attractions yield a little more than half the gross revenue per employee when compared to all cultural and recreational services. The value for tourist attractions is similar to cultural and recreational services employing 1-4 employees. The gross revenue per employee is much lower for attractions than for all businesses, perhaps highlighting the importance of human resources in the tourism industry. A lack of benchmarks for other measures employed in this study limits further comparative analysis.

3.3.6.2 Subjective measures of performance

Perceived performance is a key measure in identifying how attraction managers view themselves in relation to their competitors. Attraction managers were asked to rate the performance of their attraction with their competitors using a set of 10 scales ranging from very good (1) to very poor (5). The information gathered by managers is

presented in *Figure 3.14* with the assumption that managers completed the items honestly and to the best of their ability. Previous studies by Venkatraman and Ramanujam (1987), Robinson and Pearce (1988), and Hart and Banbury (1994) have indicated that subjective measures of performance obtained from managers correlate strongly with objective measures.

The items presented in the figure were tested for their reliability by using Cronbach's alpha model to test for similarity. An alpha of 0.8023 was obtained, indicating a high similarity in the content being measured. While the rating scales provide data that are technically ordinal, it is not uncommon for tourism research to treat these scales as interval data. Thus, means are provided as a basis for comparison.

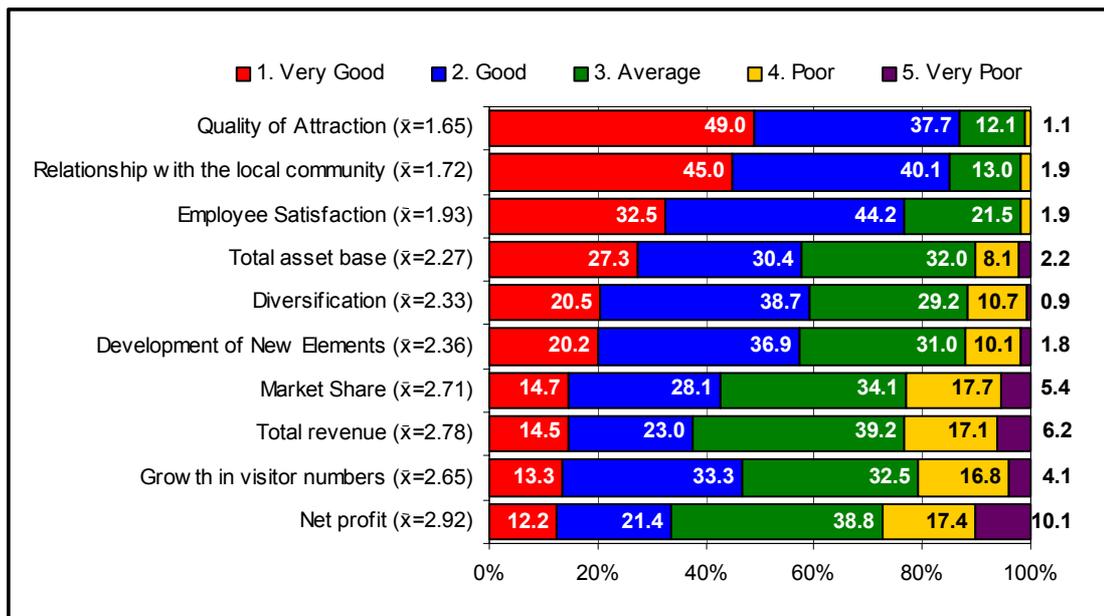


FIGURE 3.14 – Cumulative chart of perceived attraction performance

The results provide an interesting summary of how attraction managers view the performance of their attractions. A majority (86.7%) of managers felt that the quality of their attraction was either very good or good in comparison to competitors. 85.1% of managers also felt that their attraction had a good relationship with the local community. This indicates that many attractions have an ability to integrate themselves with the local community. This is not always the case with other tourism developments,

particularly in the accommodation sector. Interestingly many attractions did not rate themselves highly in terms of the tangible measures of comparison such as market share (visitor numbers), total revenue, visitor growth and net profits. In terms of market share, total revenue and net profits, a majority of operators rated their performance as average.

In order to simplify the data and to identify underlying patterns the ten rating scales were subjected to a principal component factor analysis. The results are summarised in *Table 3.12*.

TABLE 3.12 – Factor Analysis for perceived performance rating scales

Factor	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.663	36.627	36.627	3.505	25.046	25.046
2	1.473	14.727	51.354	2.067	20.669	45.715
3	1.040	10.396	61.750	1.604	16.035	61.750

Three clear performance factors were identified after five iterations using the varimax rotation method with Kaiser normalisation. These factors were named ‘size’; ‘growth’ and ‘social responsibility’ based on the item correlations presented in *Table 3.13*. ‘Quality of the attraction’ was the only item that was not strongly correlated with any of the three factors.

TABLE 3.13 – Rotated factor correlation matrix for perceived performance scales

Perceived Performance Measures	Mean ^a	Performance Factors		
		Size	Growth	Social Responsibility
Total revenue	2.78	0.850	0.121	0.095
Net profit	2.92	0.848	0.028	0.046
Market Share (Number of Visitors)	2.71	0.671	0.215	0.193
Total asset base	2.27	0.550	0.245	-0.028
Diversification	2.33	0.164	0.860	0.040
Development of New Elements	2.36	0.058	0.799	0.261
Growth in visitor numbers	2.65	0.387	0.568	0.095
Relationship with the local community	1.72	-0.003	-0.001	0.863
Employee Satisfaction	1.93	0.127	0.278	0.739
Quality of Attraction	1.65	0.337	0.410	0.428
Aggregate Factor Mean ^a		2.67	2.45	1.78

a. Mean is based on the following scale: 1=Very Good, 5=Very poor

When the three factors are compared with the 10 performance rating scales from which they are derived it becomes apparent that managers rate the three items making up the ‘social responsibility’ factor most highly. Managers have a social responsibility to maintain a good relationship with their local community, to ensure that their employees are satisfied, and to maintain a high quality attraction for patrons. It is clear that managers believe that the social responsibility element of attraction performance is generally better than performance in terms of growth or size. Results for the growth and size factors are somewhat mixed but management perceptions of these performance factors are lower than for social responsibility. A calculation of aggregate means for the three factors supports this interpretation (*Table 3.14*).

TABLE 3.14 – Aggregate statistics for size, growth and social responsibility performance factors

	Mean*	Median	Mode	Std. Dev.	Skewness	Min.	Max.	N
<i>Size</i>	2.7	2.8	3.0	0.8	0.01	1.0	5.0	303
<i>Growth</i>	2.5	3.3	3.3	0.8	0.17	1.0	4.7	317
<i>Social Responsibility</i>	1.8	1.7	1.7	0.6	0.66	1.0	3.7	311
<i>Total</i>	3.3	3.3	3.1	0.6	-0.05	1.0	3.7	263

* 1=Very Good, 5=Very poor

Social responsibility received the lowest aggregate mean rating (1.8), followed by growth (2.5) and size (2.7). The differences between these means were explored using the Friedman test. The results are presented in *Table 3.15*.

TABLE 3.15 – Friedman results for size, growth and social responsibility performance factors

Paired Variables	Mean*	N	df	Chi-Square	Sig.
<i>Size</i>	$\bar{x} = 2.7$				
<i>Growth</i>	$\bar{x} = 2.5$				
<i>Social Responsibility</i>	$\bar{x} = 1.8$	263	2	198.49	0.000

* 1=Very Good, 5=Very poor

While the difference in means between the size and social responsibility factors is most apparent the results indicate that there are significant differences between the means for all three factors. Managers felt that their attractions performed significantly better in terms of social responsibility when compared to size and growth. These differences are not unexpected, given that the purpose of factor analysis is to group relatively

homogenous items together, thus resulting in groups that may contrast from each other. The three factors form the basis for further analysis in *Chapter 4*.

Figure 3.15 indicates the aggregate mean ratings for the range of attraction types. While there appears to be little variation in terms of social responsibility, the size factor shows a broader range of responses. In particular, nature-based attractions and wildlife parks rated their performance in terms of size more negatively. An assessment of attraction size (*section 3.3.5*) indicates that this perception is unwarranted, especially among nature-based attractions. The aggregate mean ratings for the growth factor generally appear to support the findings presented previously in *Figure 3.2*.

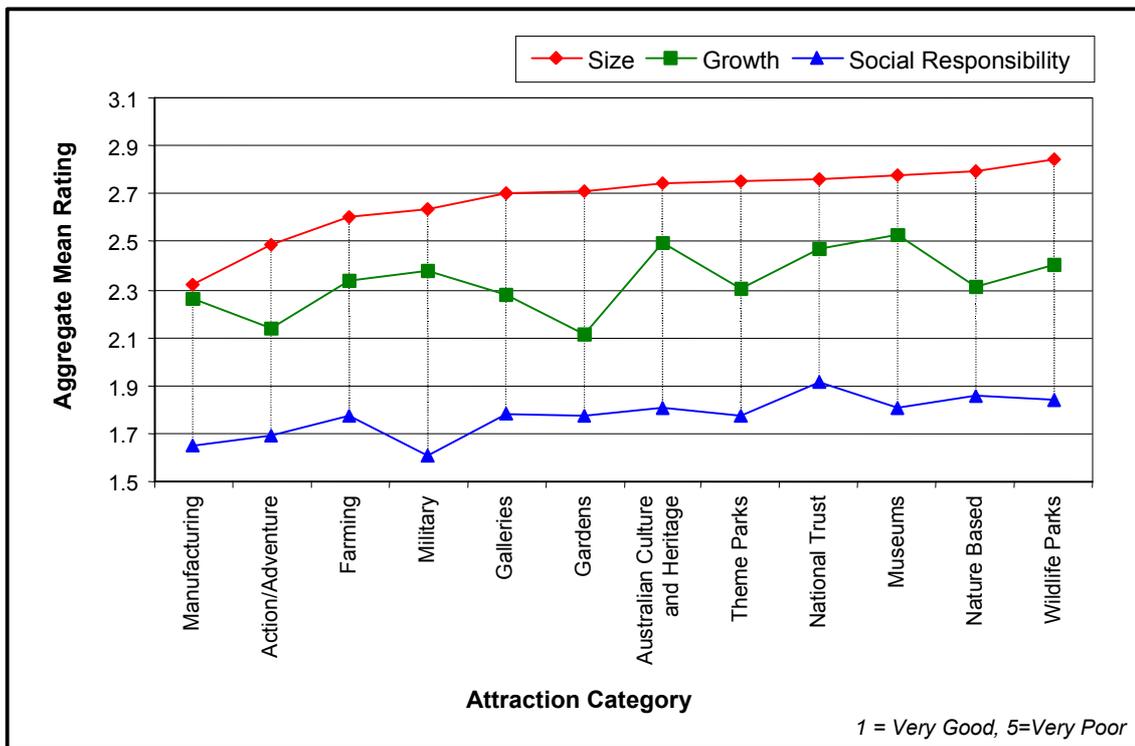


FIGURE 3.15 – Aggregate size, growth and social responsibility performance ratings by attraction type

3.4 ENVIRONMENTAL CHARACTERISTICS

The complexity of the environment in which tourist attractions operate can have a strong influence on the performance and management practices adopted by operators. As noted in the review of literature, companies that operate in a complex environment are more inclined to plan than those organisations that operate in a relatively simple environment. Attraction managers were asked to rate the complexity of the business environment by responding to a set of 10 five point rating scales. The information gathered by managers is presented in *Figure 3.16* with the assumption that managers completed the items honestly and to the best of their ability.

The items presented in the figure were tested for their reliability by using Cronbach's alpha model to test for similarity. An alpha of 0.7423 was obtained, indicating a moderate to high similarity in the content being measured.

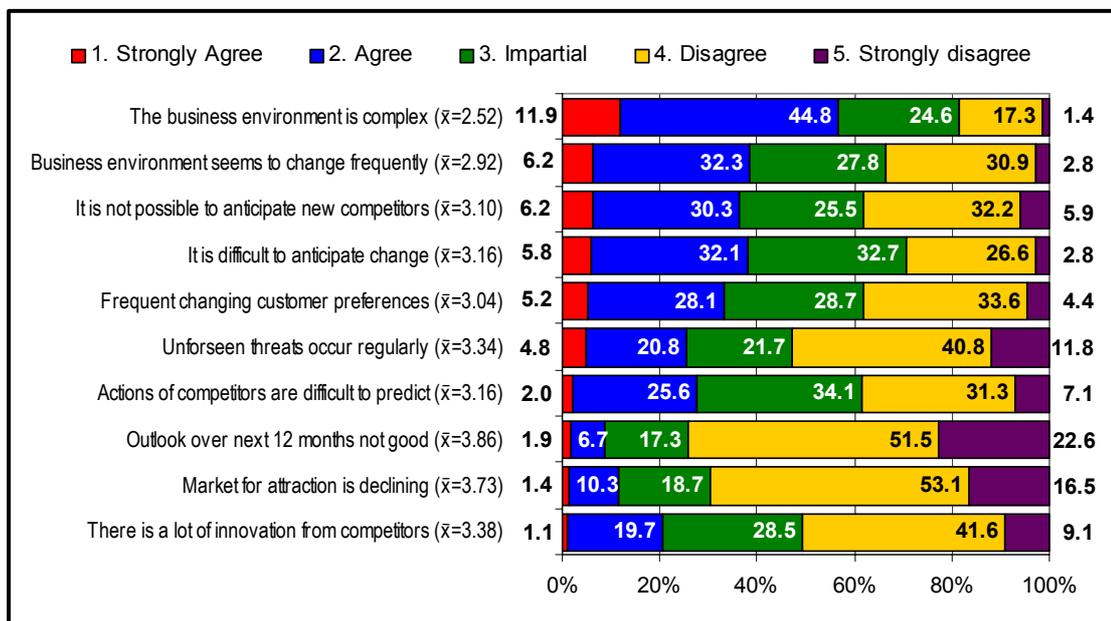


FIGURE 3.16 – Cumulative bar chart of environmental characteristics

The results indicate that more than half (56.7%) of the attractions surveyed either strongly agreed or agreed that the business environment is complex. In contrast just over than half (50.7%) of attraction managers strongly disagreed, or disagreed that there was a lot of innovation from competitors. *Change* emerges as a theme amongst

the statements that received greater agreement from managers. Changes in the business environment, new competitors and customer preferences all appear to contribute to environmental uncertainty.

In contrast, negative statements that deal with the market outlook for attractions were less likely to receive agreement. Almost three-quarters (74.1%) of managers either disagreed or strongly disagreed that the twelve month outlook or their attraction was not good. In addition, 69.1% of managers disagreed or strongly disagreed that the market for the attraction was declining. These two measures need to be placed in context given that the survey was conducted prior to, and during, the introduction of Australia's Goods and Services Tax (GST) and a few months before the Sydney Olympic Games. Some attractions indicated that they had a negative outlook for the next 12 months as a result of the GST, while others noted that the Sydney Olympics created a positive outlook. Overall, however, these measures suggest that attractions are reasonably confident about their short-term future.

In order to simplify the data and to identify underlying patterns the ten rating scales were subjected to a principal component factor analysis. The results are summarised in *Table 3.16*.

TABLE 3.16 – Factor Analysis for business environment rating scales

Factor	Initial Eigenvalues			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.095	30.947	30.947	3.247	23.466	23.466
2	1.622	16.216	47.163	1.959	19.594	42.060
3	1.188	11.883	59.046	1.699	16.987	59.046

Three clear environmental factors were identified after five iterations using the varimax rotation method with Kaiser normalisation. These factors were named 'competition'; 'change' and 'confidence' based on the item correlations presented in *Table 3.17*. The only environmental complexity statement that was not strongly correlated with any of the three factors was 'The business environment is complex'.

TABLE 3.17 – Rotated factor correlation matrix for business environment rating scales

Environmental Complexity Measures	Mean ^a	Environmental Factors		
		Competition	Change	Confidence
The actions of competitors are difficult to predict	3.16	0.768	0.193	0.064
There is a lot of innovation from competitors	3.38	0.705	0.030	-0.070
Unforeseen threats occur regularly	3.34	0.698	0.175	0.104
It is impossible to anticipate when and where new competitors will emerge	3.10	0.613	0.145	0.211
The business environment seems to change frequently	2.92	0.198	0.848	-0.012
The attraction is frequently faced with changing customer preferences	3.04	0.030	0.843	-0.032
It is difficult to anticipate change	3.16	0.276	0.528	0.273
The business environment is complex	2.52	0.399	0.401	-0.071
The market for the attraction is declining	3.73	-0.011	0.044	0.891
The outlook over next 12 months is poor ^b	3.86	0.146	-0.015	0.872
Aggregate Factor Mean ^a		3.23	2.83	3.80

a. Mean is based on the following scale: 1=Strongly Agree, 5=Strongly Disagree

b. The study was conducted between April-July 2000.

A calculation of aggregate means for the three factors produced mixed results (*Table 3.18*). Perhaps the clearest pattern is that attraction managers are confident about the environmental outlook for attractions. Managers generally indicated disagreement with the two negative statements that make up the environmental confidence factor (ie. ‘The market for the attraction is declining’ and ‘The outlook over the next 12 months is poor’).

TABLE 3.18 – Aggregate statistics for environmental competition, change and confidence factors

	Mean*	Median	Mode	Std. Deviation	Skewness	Minimum	Maximum	N
Competition	3.2	3.25	3.00	0.72	0.11	1.50	5.00	337
Change	2.8	2.75	3.00	0.68	0.20	1.00	5.00	335
Confidence	3.8	4.00	4.00	0.82	-0.76	1.00	5.00	366
Total	3.28	3.25	3.08	0.52	-0.03	1.33	4.92	263

* 1=Strongly Agree, 5=Strongly Disagree

Environmental confidence received the highest aggregate mean rating (3.8), followed by environmental competition (3.2) and environmental change (2.8). The differences between these means were explored using the Friedman test. The results are presented in *Table 3.19*.

TABLE 3.19 – Friedman results for environmental competition, change and confidence factors

Paired Variables	Mean*	N	df	Chi-Square	Sig.
Competition	$\bar{x} = 3.2$				
Change	$\bar{x} = 2.8$				
Confidence	$\bar{x} = 3.8$	320	2	199.81	0.000

* 1=Strongly Agree, 5=Strongly Disagree

While the difference in means between the change and confidence factors is most apparent the results indicate that there are significant differences between the means for all three factors. Managers showed a significantly lower level of agreement with negative statements about *confidence*. Conversely, managers showed a significantly higher level of agreement regarding the prevalence of *changes* in their business environment. As previously stated, such differences are not unexpected when dealing with the results of a factor analysis. The three factors identified form the basis of further analysis in *Chapter 4*.

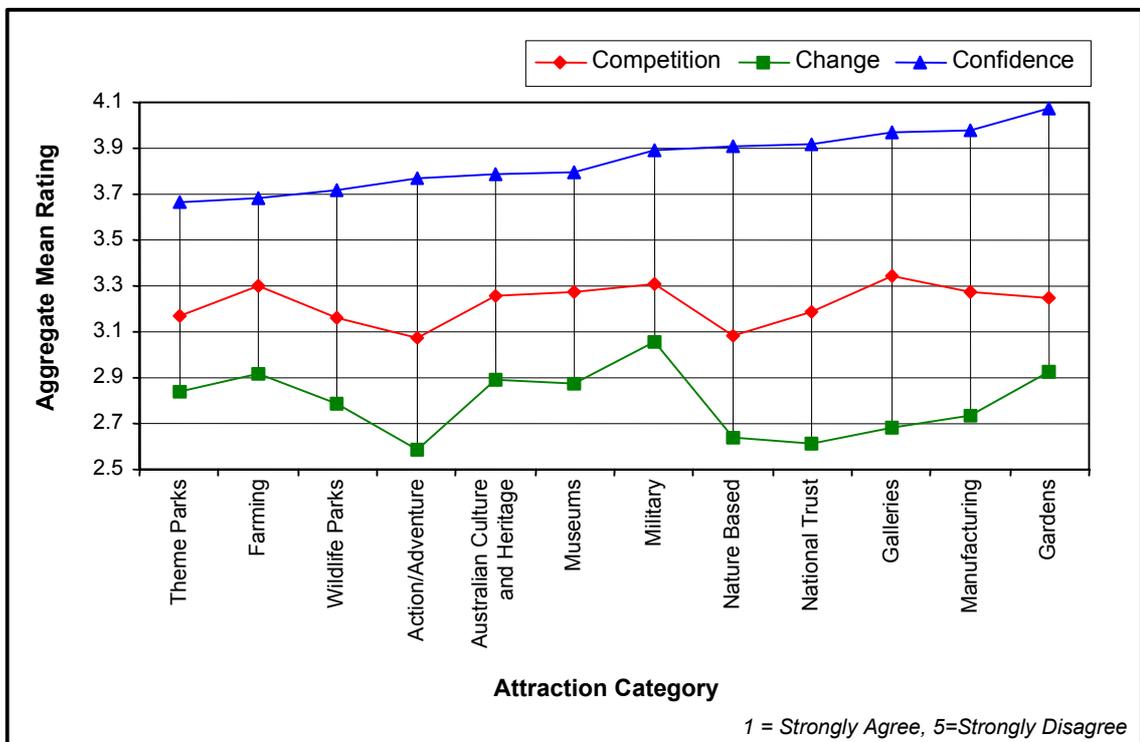


FIGURE 3.17 – Aggregate environmental complexity ratings split by attraction type

Figure 3.17 displays the aggregate mean ratings for the three environmental complexity factors based on attraction type. The change factor shows the greatest amount of variation amongst different attraction types. Action/adventure attractions received the lowest rating while military attractions received the highest rating. Since a lower rating reflects a greater level of agreement, it is proposed that attractions in the lower spectrum (such as action/adventure attractions, nature based attractions, National Trust, galleries and manufacturing attractions) either experience more

changes, or are more acutely aware of changes in the business environment than attractions in the higher spectrum (such as museums and farm-based attractions).

The aggregate ratings for the confidence factor also present an interesting picture. They suggest that attractions such as wildlife parks and theme parks are less confident about their short-term future than attractions such as gardens and manufacturing. Despite these findings, the data cannot accommodate further analysis of the differences in environmental complexity between different attraction types.

3.5 SUMMARY OF FINDINGS

The purpose of this chapter was to present the methodology and findings of an exploratory analysis of tourist attraction characteristics and planning practices. This was achieved by presenting the findings of a tourist attraction planning questionnaire that was completed by over 400 managers. By satisfying *Aim 1.1*, the chapter sought to address the lack of information about tourist attraction characteristics by presenting descriptive information.

The findings for the planning context (attraction characteristics) suggest that Australian attractions are generally small operations with a low profit margin and a small number of employees. *Table 3.20* summarises some of the characteristics of a typical Australian attraction.

While these summative results do offer a useful profile of the attraction sector they should be interpreted with caution. A detailed analysis of different types of attractions would be more instructive, and would further distinguish the clusters of attractions that make up the attraction sector. However, such an analysis deviates from the main concern of this thesis and as such, would be better suited to future research endeavours.

TABLE 3.20 – Summary of tourist attraction characteristics

	Findings	Comments
Attraction size	<p><i>Median Values</i></p> <ul style="list-style-type: none"> • Visitors: 15 434 • Gross revenue: 70 072 • Total profit: 4 000 • Asset value: 600 000 • Volunteers: 2 • Paid Employees: 3 	<ul style="list-style-type: none"> ▪ Based on this information most attractions can be classed as ‘micro-businesses’ as defined by the Australian Bureau of Statistics. ▪ There are key differences between public and private organisations in terms of financial size and employee composition.
Income	<p><i>Top 5 Revenue Sources</i></p> <ul style="list-style-type: none"> • Admissions • Souvenirs • Refreshments • Local Council • Government Grants <p><i>Admission (Median)</i></p> <ul style="list-style-type: none"> • Adult: \$5.00 • Child \$3.50 	<ul style="list-style-type: none"> ▪ Confirms the view that admission is a key source of revenue. Some attractions not selling souvenirs or refreshments may be able to increase their revenue. Local and State/Federal Government are also major contributors to attraction income. ▪ Highly commercialised attractions such as theme parks, nature-based attractions, wildlife parks and adventure-based attractions have higher mean admission prices.
Market Characteristics	<p><i>Duration of Stay (Median)</i></p> <ul style="list-style-type: none"> • 60 minutes <p><i>Market Origin</i></p> <ul style="list-style-type: none"> • 90% domestic, 10% International <p><i>Market Access</i></p> <ul style="list-style-type: none"> • 65% open 7 days/week 	<ul style="list-style-type: none"> ▪ A Tourism New South Wales study of 100 attractions found the length of stay to be 120 minutes. ▪ Mostly domestic visitation. ▪ Attractions are open more often than many businesses in other industries. ▪ Highly commercialised attractions such as theme parks, nature-based attractions, wildlife parks and adventure-based attractions show a higher mean length of stay.
Age	<p><i>Median Age: 15 years</i></p> <p><i>Management Tenure: 8.5</i></p>	<ul style="list-style-type: none"> ▪ The mean age reflects the start of a period of growth in Australian tourism. ▪ Most attractions have undergone at least one management change ▪ The average age and tenure of current management varies greatly according to attraction type.
Performance	<p><i>Objective measures (financial)</i></p> <p><i>Subjective Measures (perceived)</i></p> <p>Three factors:</p> <ul style="list-style-type: none"> • Size • Growth • Ethics 	<ul style="list-style-type: none"> ▪ Several objective measures were found to compare favourably with recreation industry standards. ▪ Attractions rated themselves highly in terms of ethical attributes but were less confident about growth and size measures.
Environment	<p>Three factors:</p> <ul style="list-style-type: none"> • Change • Competitors • Confidence 	<ul style="list-style-type: none"> ▪ Managers appear to be concerned about competition and change in the environment but are generally confident about the short-term future.

Table 3.21 seeks to provide a holistic comparison of key attraction characteristics based on attraction type. To achieve this attractions were assigned a ‘+’ or a ‘-’ depending on whether they ranked above or below the overall mean for the characteristic being measured. To obtain an overall measure the signs were simply added together, with a ‘+’ equating to 1 and ‘-’ equating to -1.

TABLE 3.21 – Summary of attraction characteristics by attraction type

	Visitor Numbers	Visitor Growth	Gross Revenue	Profit	Asset Value	Paid Employees	Volunteers	Open days	Length of Stay	Overall
<i>Museums</i>	-	-	-	-	-	-	+	-	-	-7
<i>Australian Culture</i>	-	-	-	-	+	-	+	-	+	-3
<i>Military</i>	-	-	-	-	-	-	+	+	+	-3
<i>National Trust</i>	+	+	-	-	-	+	+	-	-	-1
<i>Action/Adventure</i>	+	+	-	+	-	+	-	+	+	3
<i>Manufacturing</i>	+	+	+	+	-	+	-	+	-	3
<i>Farming</i>	+	-	+	+	+	-	-	+	+	3
<i>Galleries</i>	+	+	-	+	+	+	-	+	-	3
<i>Gardens</i>	+	+	+	-	-	+	+	+	+	5
<i>Theme Parks</i>	+	-	+	+	+	+	-	+	+	5
<i>Wildlife Parks and Aquaria</i>	+	-	+	+	+	+	-	+	+	5
<i>Nature-Based</i>	+	+	+	+	+	+	-	+	+	7

[+] above overall mean; [-] below overall mean

While the results are rudimentary, they provide a good summary of a number of the patterns discussed in this chapter.

CHAPTER 4

Strategic Planning in the Australian Tourist Attractions Sector

OUTLINE OF CHAPTER

- 4.1 Introduction**
Highlights the purpose of this chapter and introduces the research approach.
 - 4.2 Planning Characteristics of the Attraction Sector**
Provides an overview of the planning characteristics of tourist attractions, including the proportion of planners and non-planners and the reasons why attraction do or don't plan.
 - 4.3 The Planning Process**
This section reports on the planning processes in the attraction sector by describing aspects such as the planning horizon, planning responsibility, the sources of information used to inform the planning process and the sophistication of planning.
 - 4.4 Planning Content**
Planning content is examined by detailing the strategies and environmental forces considered in attraction business plans.
 - 4.5 Relationships Between Attraction Characteristics and Planning**
Investigates the relationship between attraction characteristics (planning context) and planning practices (process and content) using a range of statistical analyses.
 - 4.6 Summary of Findings**
Reviews the key research outcomes of the chapter.
-

4.1 INTRODUCTION

The previous chapter provided a profile of the planning context by describing the organisational and environmental dimensions that characterise the Australian attractions sector. This satisfied Aim 1.1 of the research. Chapter 4 provides information about the proportion of attractions engaging in short-term planning and long-term planning, and examines the planning *process* and *content* characteristics of long-term planners. The relationship between attraction characteristics and planning practices is explored to determine key differences between various levels of planning. The distinction between these planning levels provides a useful basis for identifying whether planning impacts on attraction characteristics or whether certain characteristics predispose attractions to engage in planning activities.

4.2 PLANNING CHARACTERISTICS OF THE ATTRACTION SECTOR

4.2.1 Aim Two

The second aim of the study was “to conduct an empirical assessment of the nature and extent of business planning in the tourist attraction sector.” As with attraction characteristics, this overview will be exploratory in nature. More detailed analysis of attraction planning practices follows in *section 4.5*.

The preceding section dealing with attraction characteristics and the business environment provided information about the context dimension of planning. The following discussion examines planning characteristics from the perspectives of the planning process and plan content. The process characteristics that are examined include the planning period, planning responsibility, plan availability, sources of information and planning assistance. The content elements consist of the strategies and environmental forces detailed in tourist attraction plans. Other characteristics, such as planning sophistication, reasons for long-term planning and reasons for not planning are also examined.

4.2.2 Planners and Non-Planners

The study identified that 263 (64.6%) attractions engaged in short-term planning while 221 (54.3%) engaged in long-term planning. These groups provide the basis for further analysis in *section 4.5*. It was encouraging to find that more than half of the attractions examined were actively involved in considering and planning for the future.

4.2.2.1 Reasons for Planning

Central to examining the planning practices of tourist attractions, is an understanding of why attractions engage in long-term planning activities. Managers were asked to select the reasons for planning from a list of 15 items derived from previous studies (Kargar, 1996; Wilson, 1994; Ramanujam and Venkatraman, 1987; Orpen, 1985). The desire to gain an understanding of the attraction’s future seems to be a key motivator with 84.0%

of long-term planners indicating that planning provides a clearer sense of vision (Table 4.1). A common side effect of planning is that the process of assessment and strategy formulation often results in new ideas that may not otherwise have surfaced. Stimulating new ideas was cited by 83.5% of managers as the second most common reason for planning. The intrinsic role of long-term planning as a tool for improving the long-term performance of attractions ensured that this reason was rated third by 82.0% of managers.

TABLE 4.1 – Reasons for developing a long-term plan

Reasons for Planning	N	%
Provides a clearer sense of 'vision'	173	84.0
Stimulates new ideas	170	82.5
Improves long term performance	169	82.0
Allows us to identify key problem areas	159	77.2
Allows us to explore alternatives	139	67.5
Leads to efficient resource allocation	121	58.7
Improves short term performance	112	54.4
Helps to predict future trends	110	53.4
Reduces feeling of uncertainty	95	46.1
Facilitates faster decision-making	89	43.2
Increases employee commitment	88	42.7
Improves our competitive position	79	38.3
Reduces our vulnerability to surprises	71	34.5
Creates greater flexibility	69	33.5
Strengthens managerial control	61	29.6

Multiple Response Format

Interestingly the improvement of an attraction's competitive position was only cited by 38.4% of attraction managers as a reason for planning. This would suggest that 61.6% of managers do not view long-term planning as a tool for outperforming competitors.

The 'other' category received only four responses: planning was 'required for funding' (2), planning was 'required by law' (1), and planning was conducted as a 'self disciplinary exercise' (1). The first response highlights the fact that some attractions are coerced into long-term planning in order to secure funding. Shraeder (2002) also recognised that businesses may develop strategic plans to appease funding sources or lending institutions. Overall, these findings compare favourably with studies by Orpen (1985) and Wilson (1994).

4.2.2.2 Reasons for not planning

Just as important as the reasons for planning, are the reasons why non-planners do not plan (see *Table 4.2*). The most common reason for not planning was: 'lack of time for planning' (39.9%). This reinforces the view by Robinson and Pearce (1984) that managers have difficulties in allocating time for planning activities in the face of ongoing day-to-day problems. The second most commonly cited reason for not planning was that 'the attraction is too small' (36.2%). This reinforces the enduring perception among some managers that planning is an activity that is only appropriate for larger organisations.

TABLE 4.2 – Reasons for not developing a long-term plan

Reasons for Not Planning	N	%
<i>Listed Reasons</i>		
Lack of time for planning	55	39.9
The attraction is too small	50	36.2
We don't have the skills or expertise for planning	42	30.4
Planning is not appropriate for the attraction	42	30.4
The boss has a mental plan or 'mud map'	41	29.7
Too expensive to do properly	35	25.4
Too difficult to coordinate the planning process	22	15.9
Too difficult to obtain trustworthy data	16	11.6
The business environment is too unpredictable	13	9.4
Lack of commitment from employees	7	5.1
<i>Other</i>		
The attraction is a volunteer organisation	11	8.0
Currently under development	8	5.8
The future is uncertain	5	3.6
The attraction is being sold	2	1.4
Other Reasons	31	22.5

Multiple Response Format

The third most common reason was shared between 'planning is not appropriate for the attraction' (30.4%), and a lack of skills for planning (30.4%). Once again this finding supports the view expounded by Robinson and Pearce (1984). Furthermore, 25.4% of attraction managers also believed that planning was too expensive. This is often not the case in Australia, as attraction managers have access to government resources and assistance at little or no cost. Shrader et al (1989) also suggests that perceived cost can be a barrier to planning. However, the findings do not support a suggestion by Shrader et al (1989) that an unpredictable business environment is a major impediment to planning.

It was interesting to note that many small museums staffed by volunteers responded to the questionnaire in a unique way. Many stated that they have not introduced planning because they do not wish to be “greedy” or “competitive”. Many local museums appear to exist solely as a service to the local community.

4.3 THE PLANNING PROCESS

4.3.1 Planning Horizon

The median long-term planning period was 5 years, with the mean being 4.9 years (sd = 4.2). The minimum planning horizon for a long-term plan was 1 year and maximum was 50 years. *Figure 4.3* provides a summary of the responses. The results reflect the common practise of developing long-term plans of either three or five years as part of the strategic planning process. The relationship between the panning period and performance is explored further in *Section 4.5.7.3*.

TABLE 4.3 – Length of period covered by long-term plans

Planning Horizon	N	%
1 Year	5	2.4
2 Years	15	7.1
3 Years	63	29.7
4 Years	5	2.4
5 Years	102	48.1
6 Years	2	0.9
7 Years	1	0.5
10 Years	15	7.1
More than 10 Years	4	1.9

4.3.2 Planning Responsibility

Attraction managers were asked to indicate who was responsible for long-term planning efforts within the organisation. The findings indicate that 39.9% of operators delegate planning to all employees. A further 39.5% of attractions assign planning responsibility solely to managers, while 20.6% have a planning unit that is responsible for planning. *Section 4.5.7.4* examines the relationship between planning responsibility and performance.

4.3.3 Plan Availability

Attraction operators were asked about the availability of their business plan to determine whether it was being used solely by management or by other individuals who have an interest in the attraction. Of the 221 operators that engaged in long-term planning, 197 (89.1%) made their planning document available to managers. Business plans were available to employees at 151 attractions (68.3%); to other stakeholders at 72 attractions (33.6%); and to the general public at 55 attractions (24.9%). However, 10.9% of attractions did not select any categories, indicating that they either did not make their plans available or that they declined to answer the question.

4.3.4 Sources of Information

The sources of information used by managers during the planning process were assessed. The results, presented in *Table 4.4*, highlights the importance of primary research, with 83.6% of attractions undertaking their own research for planning purposes. Primary research undertaken by the attraction operator has the benefit of being relatively cost effective and provides the manager with a greater degree of control and customisation.

TABLE 4.4 – Information sources used by tourist attraction planners

Information Sources	N	%
Own Research	175	82.5
Industry Intelligence	156	73.6
Competition	144	67.9
Mass Media	128	60.4
Government	107	50.5
Educational Institutions	65	30.7
Consultants	57	26.9
Internet	8	3.8
Customers	5	2.4
Museum Authorities	4	1.9
Other	3	1.4

Multiple Response Format

There was also heavy reliance on tourism industry intelligence. Interestingly competitor information, such as annual reports and promotional material was used by 67.9% of attractions. This appears at odds with the findings for plan content (see *section 4.4*),

which indicate that many attractions do not include competitor trends in their business plan. Many attraction managers are using information from competitors as a consideration in the planning process, but are not identifying competitor trends in their business plans. A large number of attractions (60.4%) also relied on the mass media as a source of information. This is interesting, because the mass media is usually considered to be an informal source of information, while the other top three sources require systematic collection and/or analysis by attraction managers or the tourism industry. A study by Smeltzer et al (1988) found that magazines, followed by journals, were the most important sources of impersonal information for small businesses in the United States.

Educational institutions (30.6%) and consultants (26.9%) were the least common sources of information for the planning process. Information sources such as industry intelligence, competition, mass media and government information are freely available. Information from education institutions and consultants is more difficult to access and in the case of consultants information may be too costly for smaller attractions. The mode for the number of information sources selected was three, providing a good indication of the number of information sources used by attraction managers when searching for information about competitors, customers and the general environment.

4.3.5 Planning Assistance

The level of outside assistance in the planning process can impact on the outcome of planning strategies and the quality of the business plan. It is therefore pertinent to assess whether assistance was received during the planning process, as well as the source of any assistance. The results indicated that 98 attractions (45.0%) received outside assistance during the planning process, while 7 managers (3.2%) indicated that they were not sure whether they received assistance.

TABLE 4.5 – Sources of planning assistance

Planning Assistance	N	%
Consultancy Firms	58	26.8
Marketing Firms	31	14.2
Accountants	23	10.6
Educational Institutions	22	10.1
Lawyers	4	1.8
Other	14	6.4

Table 4.5 indicates that consultants (59.2%) were by far the most common source of assistance. Unlike some of the other entities shown in the figure, consultants have the capability to assist with every aspect of the planning process. The reliance on consultants may suggest a general lack of planning expertise. The ‘other’ category included a variety of sources, including government assistance, small business development units and museum agencies.

4.3.6 Planning Sophistication

Planning sophistication was measured by investigating the planning activities undertaken by attractions during the planning process. The results are summarised in *Table 4.6*.

TABLE 4.6 –Execution of specific planning activities by attraction managers.

Planning Action	N	%
The attraction has a mission and/or vision	214	96.8
Long-term goals & objectives (more than one year) have been established for the attraction	211	95.5
Short-term goals & objectives (one year or less) have been established for the attraction	199	90.0
We hold regular meetings to discuss strategies	174	78.7
Procedures for assessing the attraction's strengths & weaknesses have been established	159	72.0
We search frequently for information about our markets and customers	146	66.0
Our planning outlook is more long-term than short-term	140	63.4
We search systematically for new products, acquisitions, and investments	117	52.9
Management actions are based more on formal plans than on intuition	108	48.9
We search frequently for information about our competitors	100	45.3
We use computer software as planning aids	97	43.9

The results indicate that most attraction managers establish a mission or vision and a set of long and short-term goals as part of the long-term planning process. It was interesting to note that less than half (48.9%) of all long-term attraction planners stated that management actions were based on formal plans rather than on intuition. This

indicates that 51.1% of managers are guided by intuition rather than their business plan when undertaking management tasks.

Planning sophistication was further investigated by assigning one point to an attraction for each activity that was selected. The assumption is that attractions which undertake more of the planning activities listed in *Table 4.7* are more sophisticated in their planning approach. Attractions that undertook short-term planning were also assigned one point. A score of nil was assigned to those attractions that did not have a short- or long-term plan.

TABLE 4.7 – Calculated planning sophistication levels for Australian tourist attractions

Planning Sophistication	N	%
0	98	24.2
1	89	21.9
2	2	0.5
3	4	1.0
4	6	1.5
5	10	2.5
6	20	5.0
7	28	7.0
8	43	10.5
9	31	7.5
10	42	10.2
11	14	3.5
12	19	4.7
Total	407	100

0 = low sophistication; 12 = high sophistication

The median level of planning sophistication for all attractions taking part in the study was 5 (\bar{x} =4.72). While the percentage of attractions at level five is quite small, the median is heavily influenced by the large percentage (24.2%) of attractions that did not have a short or long term plan. Attractions that did undertake planning (ie: a sophistication score of 1 to 11), had a combined median score of 7 (\bar{x} =6.22). These findings suggest that while the attraction sector as a whole is not sophisticated in its approach to planning, those attractions that do plan are reasonably sophisticated.

4.4 PLAN CONTENT

4.4.1 Strategic Focus

Strategy content options included operational strategies, budgets and financial strategies, sales and marketing strategies, research and product development strategies and human resource strategies. The *mode* for the number of strategy content options selected was five, suggesting that attractions most commonly include all items in their long-term plan. As *Table 4.8* indicates, operational strategies featured prominently in 86.6% of business plans. This indicates a focus on the day-to-day operations of the attraction. Financial and marketing strategies were also prominent in attraction business plans. A disturbing aspect is the fact that just over half (56.2%) of attractions included human resources strategies in their business plans. It was expected that human resource strategies would rate more highly to counter the prevalence of high turnover in the tourism industry.

TABLE 4.8 – Planning strategies and environmental forces included in long-term plans

Planning Content Characteristics	N	%
<i>Strategic Focus</i>		
Operational activities	188	86.6
Budgets and financial	180	83.0
Sales and marketing	179	82.5
Research and product development	127	58.5
Human resources	122	56.2
<i>Consideration of Environmental Forces</i>		
Market forces	160	77.3
Social and cultural forces	158	76.3
Economic and political forces	117	56.5
Technological forces	89	43.0
Competitor trends	76	36.7

Multiple Response Format

The results provide some support for Shrader et al (1989), who found that operational plans and market plans were very important to the performance of small firms. They theorised that market planning seeks to tie a firm closely with customers, and that customer satisfaction may be an outcome. The findings also concur with an earlier study by Orpen (1985), and are consistent with the findings from a study of strategic planning in ASEAN businesses (Check-Teck et al, 1992). The ASEAN study reported

that marketing, financial and operational aspects were most commonly covered in written strategic plans while product development and personnel were of less interest. These comparisons indicate that the lack of strategies relating to product development and human resources are not unique to the tourism industry or attractions.

4.4.2 Environmental Forces

An assessment of environmental forces and their impact on the attraction commonly feature in the business plan (David, 1997). The questionnaire assessed the presence of five distinct environmental forces: market trends, social and cultural trends, economic and political trends, technological trends and competitor trends. Market trends and social/cultural trends both rated highly and were included in 77.3% and 76.3% of plans respectively. Technological and competitor trends were included in comparatively few plans. It is unfortunate that 57.0% of Australian attractions are not assessing the opportunities offered by new advances in technology. Furthermore, it was somewhat surprising that 63.3% of attractions did not consider competitor trends in their business plans. The mode for the number of environmental forces selected by attractions was two, suggesting that there is scope to optimise long-term plans by considering the impact of additional environmental forces.

Although the categories used in this research are slightly different, the results are similar to research conducted by Smeltzer et al (1988). While market trends were identified in both instances as the most important, this thesis also examined social and cultural trends. Smeltzer et al also found that economic trends were considered more important than technology trends. A key difference, however, lies in the proportions of businesses that included environmental forces in their plans. In the Shrader et al study only 45.5% of small businesses included market trends, followed by economic (29.5%), technology (8%), government (6.8%), financial (4.5%) and other (4.5%).

4.5 LINKS BETWEEN ATTRACTION CHARACTERISTICS AND PLANNING

4.5.1 Aim Three

The third aim of the study was “to investigate the relationship between attraction characteristics and formal planning activities.” This involves combining the results from the preceding two aims in order to examine underlying patterns. The core approach to meeting the third aim involves the identification of attraction and environmental characteristics that differ between short-term planners, long-term planners and non-planners. Consequently four mutually exclusive planning levels will be assessed based on the diagram in *Figure 4.1*. Each level indicates a greater level of complexity and formality in planning efforts, so level 1 signifies the lowest complexity while level 4 signifies the highest.

	No Short-term Planning	Short Term Planning
No Long-term Planning	Non-planners (<i>Level 1</i>) n = 99	Short-term planners (<i>level 2</i>) n = 88
Long Term Planning	Long-term planners (<i>level 3</i>) n = 46	Short- and long-term planners (<i>level 4</i>) n = 175

FIGURE 4.1 – Four levels of planning

The characteristics that will be examined are grouped into six main categories: attraction size, revenue sources, market characteristics, age, perceived performance and the business environment. In some instances the analysis of differences between the four planning levels involved the use of statistics such as Mann-Whitney and Kruskal-Wallis to compensate for the non-parametric nature of the data.

4.5.2 Attraction Type

An investigation of planning levels based on attraction type provides a number of interesting contrasts. *Table 4.9* indicates that military attractions and museums are less likely to engage in any planning. In contrast, action adventure attractions and nature-

based attractions show a strong propensity toward higher levels of planning. There is also a notable difference between Australian culture and heritage attractions and theme parks, with theme park managers being much more likely to engage in level 4 planning.

TABLE 4.9 – Cross-tabulation of attraction types and planning level

Attraction Category	N	Mean	Planning Level (%)			
			Level 1	Level 2	Level 3	Level 4
Military	17	2.47	41.2	11.8	5.9	41.2
Museums	186	2.49	33.9	20.4	8.1	37.6
Australian Culture	140	2.64	28.6	21.4	7.1	42.9
National Trust	28	2.79	21.4	28.6	0.0	50.0
Farming	47	2.87	17.0	29.8	2.1	51.1
Theme Parks	31	2.90	25.8	12.9	6.5	54.8
Galleries	48	3.08	8.3	27.1	12.5	52.1
Manufacturing	20	3.10	15.0	15.0	15.0	55.0
Wildlife Parks and Aquaria	40	3.15	7.5	20.0	22.5	50.0
Action/Adventure	24	3.29	0.0	33.3	4.2	62.5
Nature-Based	45	3.31	8.9	15.6	11.1	64.4
Gardens	37	3.38	5.4	13.5	18.9	62.2
<i>All Attractions</i>	407	2.73	24.1	21.6	11.3	43.0

4.5.3 Attraction Size

As indicated in the review of literature, Lindsay and Rue (1980) found that the size of an organisation plays a key role in the strategic planning process. Key measures of attraction size were compared between the four levels of planning using a Kruskal-Wallis independent samples test. Measures of size included visitor numbers, number of paid employees, gross revenue, total profit, and asset value. Statistically significant results are presented in *Table 4.9* and means are provided as a basis for comparison. Further analysis examines the relationship between planning sophistication and attraction size and growth.

4.5.3.1 Visitor Numbers

The results in *Table 4.10* indicate that there was a significant difference in the mean number of visitors for the four planning levels. The mean number of visitors increases with each successive increase in planning complexity. It is clear that attraction managers at level 4 outperform non-planners (level1) in terms of visitor numbers. Thus it can be concluded that there is an association between the size of an attraction and

the level of planning employed by attraction managers. It is unclear whether planning increases visitor numbers or whether an increase in attraction visitor numbers triggers the need for planning.

TABLE 4.10 – Kruskal-Wallis test for measures of size and level of planning

Attraction Size	Planning Level								χ^2	p
	Level 1		Level 2		Level 3		Level 4			
	Mean	N	Mean	N	Mean	N	Mean	N		
Visitor Numbers	12 990	70	23 687	67	42 148	33	57 429	142	51.878	0.000
Visitor Growth ^a	2.23	94	2.43	82	2.59	44	2.61	173	26.267	0.000
Paid Employees	3	97	6	82	7	43	9	158	34.122	0.000
Gross Revenue	\$69 928	57	\$321 857	41	\$441 629	26	\$553 380	89	40.698	0.000
Total Profit	\$11 847	41	\$17 098	38	\$81 587	17	\$53 914	74	11.351	0.010
Asset Value	\$499 341	23	\$1 476 724	35	\$2 743 336	21	\$2 620 521	71	9.971	0.019

a. Mean based on: 1= visitors decreasing, 2 = visitors staying the same, 3 = visitors increasing

4.5.3.2 Visitor Growth

Visitor growth was measured by a three point scale ranging from a decline in visitor number (1) to an increase in visitor numbers (3). The results in *Table 4.10* indicate that there are significant differences in the mean growth of attractions at the various planning levels. Mean visitor growth increases gradually as the level of planning increases. The largest difference appears to occur between managers who don't plan (level 1) and managers who engage in short term planning only (level 2).

4.5.3.3 Number of Paid Employees

The numbers of paid employees supported by an attraction were compared between the four levels of planning. Volunteers were deliberately excluded from this analysis due to the fact that they do not accurately represent the ability of the attraction to support them. *Table 4.10* indicates that the number of paid employees was *significantly higher* for attractions at planning level 4 (14 employees) than for those at planning level 1 (3 employees). In fact, the largest difference occurs between planning level 1 (3 employees) and level 2 (13 employees), which represents the difference between non-planners and short-term planners. There appears to be no difference between levels 3 and 4. Once again, it is not apparent whether planning increases employee numbers or

whether a larger number of employees result in a greater capacity to undertake planning activities.

4.5.3.4 Financial Size

Financial measures of size such as asset value, total profit and gross revenue were compared between the four levels of planning (*Table 4.10*). It should be noted that the sample sizes for the three financial measures were lower than sample sizes for the number of visitors and the number of paid employees. This is due to a reluctance by many attractions to provide financial information. The results indicate that there is a significant difference between attractions in the four planning levels for all three financial measures.

In general, planners receive significantly more *gross revenue* than non-planners (level 1). Once again the largest increase in mean gross revenue occurs between level 1 and level 2. Surprisingly the mean gross revenue shows a small decrease between level 2 and level 3. This may be due to the smaller number of respondents in this group. The decrease could also indicate that long-term planning alone (level 3) is not as effective as short-term planning (level 2) or a combination of short- and long-term planning (level 4). Unlike short-term planners, long-term planners also have a *significantly larger* asset base than non-planners at the 95% confidence interval. The results show that planners perform better, in financial terms, than non-planners.

It was expected that the results for *total profit* would mirror those of gross revenue, since total profit is ultimately the result of revenue minus expenses. The key difference is that profit indicates the ability of operators to manage liabilities and expenses. The results indicate that there was a significant difference in total profit between the four planning levels. Generally the average total profit increased with the level of planning. It was somewhat surprising that the mean for level 4 was almost half the value of level 3. An investigation of the median values for the four levels was undertaken in an attempt

to counter the effects of skewness but the same trend was found. There are two conclusions for the drop in mean profit between level 3 and level 4. Firstly, the size differences between the four groups may account for the unexpected findings. Secondly, a combination of short and long-term planning may introduce costs that result in a lower total profit figure. An example of this may be costs associated with developing a new attraction element.

The results for *asset value* indicate that there is a significant difference between the four planning levels. The largest increases are between level 1 (non-planners) and level 2 (short-term planners) and level 3 (long-term planners) and level 4 (both short-term and long-term planners). The results indicate that the level of planning increases with the asset value of an attraction. It is unclear whether planning increases asset value, or whether a larger asset base requires a higher level of planning.

4.5.3.5 Planning Sophistication and Attraction Size

While the preceding results indicate a number of interesting significant differences based on the attraction sector as a whole, it would be beneficial to examine groups within the sector. Two matrices were constructed to investigate the distinctions between planning and visitor numbers, as well as the relationship between planning and visitor growth for various groups in the attraction sector. These matrices make use of the planning sophistication construct presented earlier to provide a basis for comparing planning activities. Note that aquaria, national park-based attractions and casinos have been excluded from this analysis because less than 10 responses were recorded for these categories.

Visitor Numbers and Size

The planning sophistication/visitor numbers matrix presented in *Figure 4.2* shows some interesting patterns. Firstly, many history-based attractions, such as military attractions, museums, Australian Culture and National Trust attractions can be grouped together in

the bottom left of the matrix. These attractions have a lower mean value for planning sophistication and on average receive fewer visitors than other attraction types. Farms also fall into this category. Secondly, the high sophistication/high visitor number attractions include wildlife parks, nature-based attractions and action-adventure attractions. A common feature tying these elements together is the fact that they are usually based outdoors. Gardens, galleries, theme parks and manufacturing attractions show no distinct groupings.

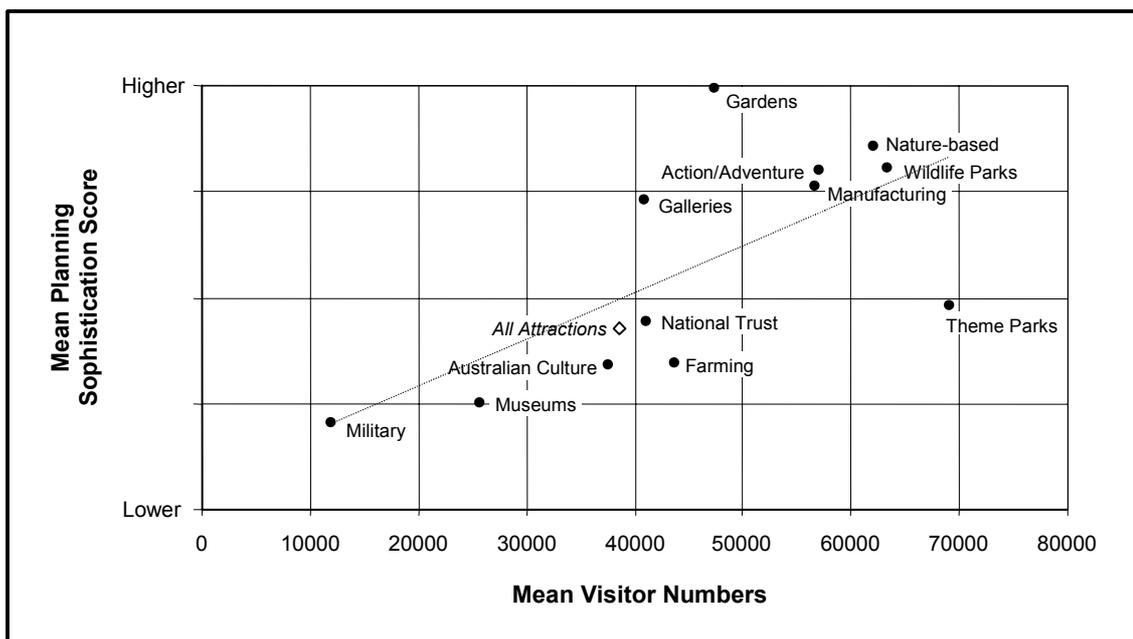


FIGURE 4.2 – Sophistication/visitor numbers matrix for attraction categories

There are no attractions in the low planning sophistication/high visitor part of the matrix. The matrix suggests that there is a positive trend between planning sophistication and mean visitor numbers. However, a Spearman Rank Order correlation indicated only a weak positive relationship of 0.458 between planning sophistication and visitor numbers.

Visitor Growth

When planning sophistication is compared with mean visitor growth it becomes apparent that gardens, nature based-attractions, manufacturing attractions, galleries, National Trust and action/adventure-based attractions are experiencing higher visitor growth. With the exception of National Trust attractions, all of these attractions also

have a higher average level of planning sophistication. In contrast, Military attractions, museums, farms and Australian cultural attractions are grouped toward lower sophistication and lower growth in visitor numbers.

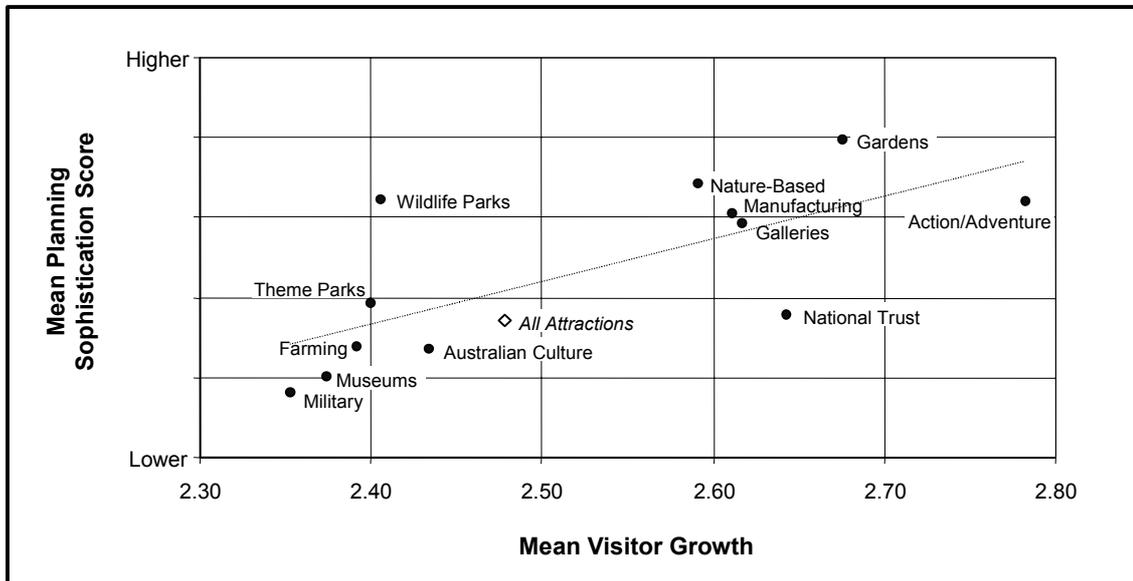


FIGURE 4.3 – Sophistication/Visitor growth matrix

The matrix (*Figure 4.3*) shows that no attraction groups are located in the high planning sophistication/low visitor growth area (top left) of the matrix. This would indicate that attractions that have a high planning sophistication score generally experience higher visitor growth than attractions with a lower planning sophistication score. However, a Spearman Rank Order correlation found no basis for postulating a relationship between planning sophistication and growth in visitor numbers.

4.5.3.6 Conclusions

It can be concluded that planners outperform non-planners in terms of visitor numbers, number of paid employees, asset value, gross revenue and total profit. These findings are consistent with observations in the management literature that business size is a significant predictor of the adoption of formal planning. (Chen and Hambrick, 1996; Dean et al., 1998; Griggs, 2002). The smaller the organisation, the less likely it is that formal strategic planning has been adopted. It is unclear whether planning increases attraction size or whether an increase in attraction size and complexity triggers the

need for planning. The causal relationship between these elements requires greater attention and will also be examined using a case study approach in the succeeding chapter.

The use of planning sophistication matrices to examine visitor numbers and visitor growth indicates that attractions with higher visitor numbers and higher visitor growth tend to be more sophisticated in their planning approach. However, further statistical analyses failed to find any notable correlation between planning sophistication and visitor numbers or planning sophistication and visitor growth. The matrices are also useful in identifying where certain types of attractions are placed with regard to visitor numbers/growth and planning sophistication.

4.5.4 Income Characteristics

4.5.4.1 Sources of Revenue

It was anticipated that the source of tourist attraction revenue might influence planning activities. Indeed, when prompted to provide reasons for long-term planning a few attractions stated that their financial institution or funding body required a business plan.

TABLE 4.11 – Kruskal-Wallis test results for revenue sources and level of planning (*df* = 3)

Planning Level	% Revenue from Food & Refreshments	N	df	Chi-Square	Sig.
<i>Level 1</i>	\bar{x} = 3.29 %	98			
<i>Level 2</i>	\bar{x} = 7.25 %	88			
<i>Level 3</i>	\bar{x} = 8.05 %	46			
<i>Level 4</i>	\bar{x} = 10.48 %	175	3	24.794	0.000

An analysis of revenue sources was conducted to investigate whether there were any differences between the four levels of planning. The results, presented in *Table 4.11*, shows that organisations which derive a larger proportion of revenue from *food and refreshments* were significantly more likely to be engaged in planning activities. It is proposed that these organisations are likely to be commercial attractions rather than non-profit attractions such as museums.

4.5.4.2 Admission Charges

The role of admission prices as a core source of revenue warrants further attention. Planning has the potential to help managers identify the optimum prices for admission. With this in mind, the admission charges for the four levels of planning were examined using the Kruskal-Wallis statistic. Means were calculated to assist comparison.

TABLE 4.12 – Kruskal-Wallis test results for admission prices and level of planning

Attraction Admission	Planning Level								χ^2	p
	Level 1		Level 2		Level 3		Level 4			
	Mean	N	Mean	N	Mean	N	Mean	N		
Adult	\$3.75	71	\$5.47	60	\$6.21	31	\$7.53	123	32.749	0.000
Child	\$1.92	58	\$3.10	54	\$3.59	30	\$4.47	114	32.524	0.000
Concession	\$3.78	31	\$4.36	40	\$5.14	21	\$5.84	97	8.936	0.030
Family	\$11.94	31	\$18.95	33	\$20.24	17	\$20.43	85	13.372	0.006

Table 4.12 indicates that admission prices increased according to the level of planning. Attractions engaging in planning activities had significantly higher admission rates for the adult, child, concession and family categories when compared to non-planners. It was expected that a significant result in one of the admission categories would lead to significant results in other categories, as admission prices showed a high degree of correlation. No differences were found for group or season admission prices.

It was unclear whether planning results in higher admission fees, or whether an underlying factor such as attraction size can be attributed to these results. The correlation matrix in *Appendix 11* shows reasonable to strong correlations between admission prices and visitor numbers, gross revenue and number of paid employees. The matrix indicates only weak correlations between admission prices and the other two measures of attraction size (profit and asset value). This suggests that attraction size may be an underlying factor in explaining why admission prices increase with the level of planning.

4.5.5 Market Characteristics

The features of market characteristics such as length of stay, market origin, market access and group visitation were analysed to determine differences between the four levels of planning. *Table 4.13* summarises statistically significant results.

TABLE 4.13 – Kruskal-Wallis results for statistically significant market characteristics and level of planning

Market Characteristics	Planning Level								χ^2	p
	Level 1		Level 2		Level 3		Level 4			
	Mean	N	Mean	N	Mean	N	Mean	N		
Length of Stay (mins)	69	92	82	83	95	44	97	168	13.017	0.005
International Visitors (%)	6.9	88	12.8	83	11.4	38	11.8	165	7.864	0.049
Days Open	5.6	92	5.9	83	6.1	44	6.3	138	9.653	0.022

4.5.5.1 Length of Stay

It can be argued that the presence or absence of business planning may influence length of stay. Planning may result in operational or infrastructure changes that may encourage visitors to spend more time at an attraction. This is desirable in some instances because a longer length of stay may mean that visitors spend more on food or beverages. In addition, a longer length of stay means that visitors have less time to visit competitors.

The results of a Kruskal-Wallis analysis indicate that the length of stay is significantly longer ($p = 0.005$) in attractions that engage in planning activities (*Table 4.13*). The most notable increases occur between level 1 and level 2 (an increase of 13 minutes) and level 2 and level 3 (another increase of 13 minutes). There is not a great difference in average length of stay between long-term planners (level 3) and attractions that use a combination of short- and long-term planning (level 4).

Once again, the underlying reason for these results may be related to attraction size. However, the correlation matrix in *Appendix 11* indicates that length of stay was not highly correlated with any of the five measures of attraction size. This suggests that any possible underlying impact of attraction size is unlikely. It can therefore be safely concluded that a higher level of planning results in a longer length of stay.

4.5.5.2 Market origin

It can be argued that planning efforts may influence the origin of visitors to an attraction. It may be desirable, for example, to develop planning strategies aimed in increasing the proportion of international visitors. The results presented in *Table 4.13* show that planners received a higher proportion of International visitors than non-planners (level 1). Interestingly, short-term planners (level 2) received the highest proportion of international visitors. The analysis found no significant differences in the local, state and national categories of market origin. This indicates that any differences in the proportion of international visitors were absorbed by the other three categories.

It could be argued that larger attractions might account for a greater proportion of international visitors. However, size is not believed to be an underlying factor in the results as the proportion of international visitors was not strongly correlated with attraction size (see *Appendix 11*).

4.5.5.3 Market Access

As noted previously, market access was examined from a temporal perspective rather than a geographic perspective. The mean number of open days per week was compared for the four levels of planning using the Kruskal-Wallis statistic.

The analysis found that there is a significant difference ($p = 0.022$) between the four levels of planning. Each successive level of planning increased the mean by at least 0.2 days. Level 4 planners were open for an average of 6.3 days per week while non-planners were open for an average of 5.6 days. Once again it may be argued that larger attractions are able to provide the resources to support more open days and therefore size may be an underlying contributor. However, the correlation matrix (*Appendix 11*) indicates only weak correlations between the number of open days and attraction size, suggesting that increased planning may indeed result in a higher number of open days per week.

4.5.5.4 Group Visitation

As with market origin, planning has the capacity to alter the proportion of group business that an attraction may receive. The average proportion of group visitors was 26.0% for level 4 planners, 20.9% for *level 3* planners, 21.3 for *level 2* planners and 28.4% for *level 1* planners. Surprisingly, these results suggest that non-planning attractions actually receive a greater proportion of group business than attractions that had short-term or long-term plans. This may be due to the fact that planning strategies have been developed to encourage individual visitors to visit an attraction. A Kruskal-Wallis independent samples test showed that these differences were not significant ($p = 0.429$). It is beyond the scope of this thesis to explore these findings in more detail, however, it is suggested that further research is needed to explore the links between group visitation and planning.

4.5.6 Attraction Age and Management Tenure

Following the literature, it was anticipated that planning might impact on the long-term survival of tourist attractions, with older attractions being more likely to engage in planning. Surprisingly, it was found that that the average age for attractions engaging in short-term planning (17.3 years) was *lower* than the age for non-planners (19.1 years). In contrast, the average age for attractions engaging in long-term planning (28.7 years) or a combination of short- and long-term planning (21.0 years) was *higher* than the age for non-planners. A Kruskal-Wallis independent samples test indicated that none of these differences were significant ($p=0.149$).

The tenure of current management was also examined to identify any differences between long-term planners, short-term planners and non-planners. The Kruskal-Wallis test results in *Table 4.14* indicate that there are significant differences ($p=0.019$) in the average length of tenure between the four planning levels.

TABLE 4.14 – Kruskal-Wallis results for management tenure and level of planning

Planning Level	Management Tenure	N	df	Mann-Whitney U	Sig.
Level 1	\bar{x} = 11.5 years	92			
Level 2	\bar{x} = 13.1 years	83			
Level 3	\bar{x} = 14.6 years	44			
Level 4	\bar{x} = 9.6 years	168	3	9.911	0.019

The most surprising finding is that the average length of tenure for managers engaging in *level 4* planning (both short- and long-term planning) was lower than all other levels of planning. Perhaps the combination of short- and long-term planning creates a performance driven culture within the organisation, resulting in higher management turnover.

4.5.7 Performance and Planning

4.5.7.1 Objective Measures of Performance

The financial performance ratios calculated in *section 3.3.6* can be used as a basis for comparing differences between the four levels of planning. As noted previously, these performance measures attempt to account for attraction size, this allowing for cross-sectional comparisons in performance. The mean financial ratios for the various financial ratios are presented in *Table 4.15* according to the level of planning.

TABLE 4.15 – Means for financial ratios based on level of planning

	Planning Level			
	Level 1	Level 2	Level 3	Level 4
Return on assets (ROA)	0.054	0.072	0.051	0.103
Return on sales (ROS)	0.133	0.129	0.220	0.158
Yield	\$1.08	\$2.56	\$1.91	\$2.98
Return / employee	\$3 045.85	\$4 239.06	\$14 473.61	\$6 646.92
Gross revenue on assets	0.37	0.63	0.80	0.63
Gross revenue / employee	\$29 799.66	\$42 658.99	\$43 927.12	\$47 992.98
Gross revenue / visitor	\$7.80	\$17.18	\$7.39	\$14.20
Visitors / employee	5 182	4 234	4 654	5 906

The results are somewhat mixed but the table indicates that planners (levels 2-4) generally achieved higher performance ratios than non-planners (level 1). This relationship was explored further by using the Kruskal-Wallis test for independent samples. There were no significant differences for any performance measures. It is particularly interesting that there were no significant differences for profit ratios. As noted previously, the key distinction

between profit and gross revenue ratios are that profit ratios reflect the attraction's ability to effectively manage the revenue earned. The results indicate that the gross revenue gained from planning may not permeate through to gains in profit.

4.5.7.2 Subjective Measures of Performance

Several authors have found that planning activities can have an impact on the *perceived* performance of organisations (Hart and Banbury, 1994; Rue and Ibrahim, 1998). As noted previously, perceived performance has been found to be a reliable subjective measure of firm performance. To explore the relationship between perceived performance and planning the three performance factors identified in *section 3.3.6* (size, growth, quality) were subjected to a one-way analysis of variance. The analysis compared the four levels of planning according to the aggregate mean ratings for the three performance factors. Statistically significant results are presented in *Table 4.16*.

TABLE 4.16 – One-way ANOVA results for perceived performance factors and planning level

Performance Factors	Planning Level								F value	p
	Level 1		Level 2		Level 3		Level 4			
	Mean	N	Mean	N	Mean	N	Mean	N		
Size	2.82	62	2.63	68	2.49	30	2.63	143	1.179	0.318
Growth	2.79	67	2.55	69	2.34	32	2.27	149	7.698	0.000
Social Responsibility	1.83	64	1.84	65	1.72	32	1.74	150	0.772	0.511

1=Very Good ... 5=Very poor

Based on the F value (7.698) and resultant probability level (0.000), the factor scores for the 'growth' performance factor were found to be significantly different between the four planning levels. As *Table 4.16* indicates, the aggregate mean rating was significantly lower for level 4 planners than for non-planners (level 1). The results indicate that average ratings decrease as the planning level increases. This suggests that an increased level of planning is associated with a significantly better perception of attraction growth performance.

There was no significant difference between the planning levels for the 'size' and 'quality' factors. This indicates that there is no statistical difference in the way attractions at various levels perceive their performance in terms of size or quality.

4.5.7.3 Planning Period and Performance

Orpen (1985) reports that the time horizon used by small firms was associated with their level of performance. Low-performing firms generally used shorter time horizons while high-performing firms used much longer time horizons. Further analysis of tourist attraction planning horizons and performance were not able to substantiate Orpen's (1985) findings.

4.5.7.4 Planning Responsibility and Performance

The review of literature indicated that the delegation of planning activities to employees empowers staff and provides a sense of ownership of the resulting planning document. This in turn increases the likelihood of strategies being accepted and implemented by employees (Marsden, 1998; Rhodes; 1988; Peters and Waterman, 1982). Despite these assertions, Shrader et al (1989) found that top managers tended to complete planning tasks without the assistance of employees.

The relationship between planning responsibility and performance was explored to determine whether employee involvement in the planning process effected objective and subjective performance measures. The findings indicated that there were no significant differences in the performance of tourist attractions based on the delegation of planning responsibility.

4.5.7.5 Planning Assistance and Performance

The review of literature reported that the use of outside assistance was found to increase organisational performance (Robinson, 1982). The applicability of this finding to Australian tourist attractions was tested using the Mann-Whitney statistic. Attraction performance was measured using the objective financial ratios calculated in *section 3.3.6*. The results (*Table 4.17*) indicate that outside assistance results in a higher return on assets and, surprisingly, a lower return on sales. The result for return on assets appears to support findings in other studies but the lower return on sales for those receiving planning assistance is somewhat puzzling. An assessment of subjective

performance measures indicated no significant differences between attractions receiving outside assistance and those not receiving assistance.

TABLE 4.17 – Mann-Whitney results for financial performance and planning assistance

Financial Performance	Planning Assistance				Mann-Whitney U	Sig.
	Yes		No			
	Mean	N	Mean	N		
Return on Assets	0.137	41	0.093	36	545.00	0.048
Return on Sales	0.101	46	0.265	42	726.00	0.045

4.5.7.6 Planning Sophistication and Performance

The relationship between planning sophistication and performance was examined to determine whether more sophisticated planning results in a higher level of performance. Objective and subjective performance was assessed based on whether attractions fell above or below the median planning sophistication score. Thus, attractions which received a score of 5 or less were compared to attractions that received a score of more than 5. An independent samples t-test was used to compare subjective performance measures while a Mann-Whitney test was used to compare objective performance measures.

TABLE 4.18 – T-test results for subjective performance measures and planning sophistication

Performance Measures	Planning Sophistication				df	T-score	Sig.
	≥ 5		< 5				
	Mean	N	Mean	N			
Growth	3.28	169	3.66	144	311	-4.426	0.000
Social Responsibility	1.73	170	1.86	138	306	-2.026	0.044

1=Very Good ... 5=Very poor

The t-test results for subjective performance (*Table 4.18*) indicates that more sophisticated planners performed significantly better in terms of growth and social responsibility. There was no significant difference between more sophisticated and less sophisticated planners for the size factor. The analysis of objective performance measures also revealed no significant differences.

4.5.7.7 Conclusions

The third most common reason given for engaging in long-term planning was that it increases long term performance. However, an analysis of objective performance measures indicated only one significant difference between planning levels. Planning significantly increased the gross revenue earned per employee. The level of planning did not improve manager perceptions of performance regarding size or quality. In contrast, planning may improve performance in terms of attraction growth and diversification.

4.5.8 Environmental Complexity and Planning

The literature review highlighted that the complexity of the business environment has been found to influence the planning activities of organisations. To explore the relationship between environmental complexity and planning the three performance factors identified in *section 3.3.7* (competition, change, and confidence) were subjected to a one-way analysis of variance (ANOVA). The analysis compared the four levels of planning according to the aggregate mean ratings for the three environmental factors. Statistically significant results are presented in *Table 4.19*

TABLE 4.19 – Oneway ANOVA results for environmental confidence and planning level

Environmental Factors	Planning Level								F value	p
	Level 1		Level 2		Level 3		Level 4			
	Mean	N	Mean	N	Mean	N	Mean	N		
Competition	3.20	66	3.24	73	3.23	41	3.24	157	0.056	0.983
Change	2.89	67	2.94	74	2.77	41	2.77	153	1.316	0.269
Confidence	3.60	74	3.70	82	3.93	43	3.90	167	3.001	0.031

1=Strongly Agree ... 5=Strongly Disagree

Based on the F value (3.001) and resultant probability level (0.031), the aggregate mean ratings for 'confidence' were found to be significantly different between the four levels of planning. As *Table 4.19* indicates, the mean ratings for level 3 and level 4 planners were notably higher than the mean ratings for level 1 and level 2 planners. The findings suggest that managers at level 1 and level 2 are less confident and more

negative about the future outlook for their attraction. There were no significant differences between the planning levels for the ‘competition’ and ‘change’ factors.

4.5.8.1 Environmental Complexity and Planning Sophistication

In a study of small firms, Matthews and Scott (1995) found that as environmental complexity increased, planning sophistication decreased. They reasoned that this was due to the fact that small firms did not have the resources to cope with increased complexity. Earlier research by Lindsay and Rue (1980) is consistent with these findings, however, they suggest that managers are less likely to plan due to the difficulty of forecasting in a complex environment. The findings for the confidence factor appear to support this argument: attractions that undertake less planning tend to be less confident about their environment. In contrast, Shrader et al (1989) found that as competition and dealing with customers became more uncertain small firms adopted more formal plans.

The relationship between planning sophistication and environmental complexity was examined to further explore these findings. As with performance, environmental complexity was assessed based on whether attractions fell above or below the median planning sophistication score of 5. An independent samples t-test was used to compare the mean ratings for environmental competition, change and confidence. Statistically significant differences are presented in *Table 4.20*.

TABLE 4.20 – T-test results for subjective performance measures and planning sophistication

Planning Sophistication	Confidence	N	df	T-score	Sig.
≥ 5	\bar{x} = 3.93	169			
< 5	\bar{x} = 3.64	144	311	3.401	0.001

1=Strongly Agree, 5=Strongly Disagree

The findings indicate that that more sophisticated planners are less confident than planners below the median. This is somewhat perplexing and appears to contradict the findings above, which indicate that an increased level of planning is associated with greater confidence. However, the results appear to partly support the conclusion of

Shrader et al. (1989). It seems that as attraction managers become less confident (ie: complexity increases), the *sophistication* of their planning efforts increase. However, *the level of planning* (ie. short term or long term) appears to decrease. Other factors of environmental complexity (competition and change) were not conclusively linked to differences in planning sophistication.

4.5.8.2 Conclusions

Long-term planners (level 3) and attractions that use a combination of short and long term planning (level 4) have a more confident outlook than short-term planners (level 2) or non-planners (level 1). There were no differences between planning levels in the way managers view the actions of competitors. This may be due to the fact that some planners do not scan for information on competitors, as indicated by findings in *section 3.4.3*. Furthermore, a majority of planners do not include competitor trends in their business plans, as described in *section 3.4.4*. There were also no differences in the way attractions across the four levels of planning viewed changes in the environment.

4.6 SUMMARY OF FINDINGS

The purpose of this chapter was to present the methodology and findings of an exploratory analysis of tourist attraction characteristics and planning practices. This was achieved by presenting the findings of a tourist attraction planning questionnaire that was completed by over 400 managers. The findings were presented according to each of the three aims of study 1. *Chapter 3* sought to address the lack of information about tourist attraction characteristics by presenting descriptive information. This chapter presented an exploratory analysis of attraction planning activities followed by a comparison of tourist attraction characteristics based on four levels of planning. Key findings are reiterated and summarised below.

4.6.1 Planning Characteristics

An exploratory analysis of the planning process and plan content suggests that more than half of Australian attractions are engaging in long-term planning. Despite the small-scale nature of many attractions, planning activities are quite sophisticated in the instances where planning is being used. Overall, however, the attraction sector is not very sophisticated in its planning approach.

The results summarised in *Table 4.21* also indicate that attractions engaging in planning can improve their planning activities in some areas. For instance, competitors act as sources of information during the planning phase, but many attractions failed to include the activities of competitors when describing environmental forces that may impact on the attraction. There is also a perception amongst attractions that do not plan planning is expensive and not appropriate for small businesses. This is often not the case and indicates a level of ignorance or misunderstanding regarding the planning process and its benefits.

TABLE 4.21 – Summary of planning characteristics in Australian Attractions.

	Findings	Comments
Planners and non-planners	<p><i>Short-term planners:</i> 64.4%</p> <p><i>Long-term planners:</i> 54.3%</p> <p><i>Top 3 Reasons for long-term planning</i></p> <ul style="list-style-type: none"> ▪ Provides clearer sense of vision (84%) ▪ Stimulates new ideas (83%) ▪ Improves long-term performance (82%) <p><i>Top 3 Reasons for not planning</i></p> <ul style="list-style-type: none"> ▪ Lack of time (40%) ▪ Attraction too small (36%) ▪ Planning not appropriate (30%) 	<p>Short-term planning and long-term planning appear to be applied in tandem, with 66% of short term planners also engaging in long term planning.</p>
Planning Process	<p><i>Modal Planning Period:</i> 5 years</p> <p><i>Planning Responsibility:</i></p> <ul style="list-style-type: none"> ▪ All employees (39.9%) ▪ Managers (39.5%) ▪ Planning unit (20.6%) <p><i>Plan Availability:</i></p> <p>Most commonly available to managers only (89%)</p> <p><i>Top 3 Sources of Information:</i></p> <ul style="list-style-type: none"> ▪ Own research (83%) ▪ Industry Intelligence (74%) ▪ Competition (68%) <p><i>Attractions using outside assistance:</i> 45%, with top 3 sources being:</p> <ul style="list-style-type: none"> ▪ Consultancy Firms (59%) ▪ Marketing firms (32%) ▪ Accountants (23%) 	<p>The mode of five years for the planning horizon reflects common industry practise.</p> <p>The findings also highlight the importance of primary research conducted by attraction operators</p> <p>Consultancy firms are clearly viewed as a useful resource during the planning process.</p>
Plan Content	<p><i>Top 3 Strategies</i></p> <ul style="list-style-type: none"> ▪ Operational activities (87%) ▪ Budgets and financial (83%) ▪ Sales and marketing (82%) <p><i>Top 3 Environmental Forces</i></p> <ul style="list-style-type: none"> ▪ Market trends (77%) ▪ Social and Cultural trends (76%) ▪ Economic and Political trends (57%) 	<p>The most prevalent strategies found in attraction plans deal with operational activities, reflecting the day-to-day tasks of managing an attraction. Finance and marketing also feature prominently in tourist attraction plans. Competitive forces were neglected in many attraction plans.</p>
Planning Sophistication	<ul style="list-style-type: none"> ▪ Median score for all attractions: 4/11 ▪ Median score for planning attractions: 8/11 	<p>The Australian attraction sector as a whole is not very sophisticated in its approach to planning, but those attractions that did engage in long term planning received a high average sophistication score.</p>

4.6.2 Relationship between Planners and Non-Planners

A rigorous analysis of the relationship between attraction characteristics (planning context) and the level of planning provides fresh insights of the consequences of planning on tourist attractions. The findings support the general notion that larger attractions are more likely to engage in planning. *Table 4.22* summarises some of the key themes.

TABLE 4.22 – Summary of the relationship between attraction characteristics and planning

Variables	Significant Differences
Attraction size	Larger size is associated with an increased level of planning.
Income	<i>Revenue Sources</i> Planners receive significantly more revenue from <i>food and refreshments</i> than non-planners.
	<i>Admission</i> Planners have higher admission prices for key admission categories (adult, child, concession and family)
Market Characteristics	<i>Length of Stay</i> A longer length of stay is associated with a higher level of planning <i>Market Access</i> A greater number of open days is associated with a higher level of planning.
Age / Management Tenure	<i>Age</i> - No differences <i>Tenure</i> - Managers who engage in long-term planning alone have the longest tenure (14.6 years), while managers who engage in both short-term and long term planning have the lowest tenure (9.6 years). Non-planners have a tenure of 11.6 years.
Performance	<i>Objective Measures of Performance</i> Planners receive more gross revenue per <i>employee</i> <i>Subjective Measures of Performance</i> Planners have a perception of performing better in terms of <i>growth</i>
Environment	Attractions in planning levels 3 and 4 are more <i>confident</i> in their short-term outlook.

There are a number of differences between tourist attractions based on the level of planning undertaken. Some of these differences are due to the underlying influence of attraction size. However, a number of differences appear to be the result of planning activities. Generally the results indicate that attractions engaging in planning activities have more desirable traits than attractions that do not plan. Specifically, short-term planning alone could lead to more desirable traits, while long-term planning further enhances attraction characteristics. While the results do not show a strong link between objective measures of performance and planning, they do concur with other findings suggesting that planning has ancillary positive impacts on businesses.

There is some scope to use the findings of this research to further explore the impact of planning on visitation. Why, for example, do non-planners receive a higher proportion of group visitors? How does planning influence repeat visitation? Why is a higher level of planning associated with a higher length of stay? Further research, beyond the scope of this thesis, is clearly needed.

CHAPTER 5

Planning Systems in Australian Tourist Attractions

OUTLINE OF CHAPTER

5.1 Introduction

Highlights the purpose of this chapter and introduces study 2.

5.2 Methodology

Describes the qualitative interview approach adopted for study 2, and details the research apparatus, procedure and sample.

5.3 Results and Discussion

Presents the findings of the qualitative interviews by identifying themes from responses on a question-by-question basis.

5.1 INTRODUCTION

Chapter 4 summarised the findings of an empirical exploration of planning in the Australian tourist attraction sector. The following chapter develops the theme of planning in tourist attractions further through a detailed analysis of the planning systems and procedures in individual businesses. This is achieved by reporting a series of core themes from 12 in-depth interviews conducted with tourist attraction managers. The qualitative nature of this chapter seeks to address the aims of study 2, which are:

Aim 2.1: To explore the planning tasks, procedures and systems in tourist attractions in order to develop a framework of attraction planning.

Aim 2.2: To investigate how managers perceive trends that are relevant to the future operation of tourist attractions.

5.2 METHODOLOGY

5.2.1 Overview

The methodology consisted of a pilot study of managers in two tourist attractions in North Queensland, Australia, followed by twelve semi-structured interviews conducted with key personnel across a range of attractions along Australia's East Coast. The pilot study focused on the wording, clarity, order and format of the interview rather than respondent answers. Two attraction managers provided feedback that resulted in minor changes to some questions. While respondents did provide answers, the aim of the pilot study was to test comprehension and to refine question prompts. Advice about how to approach and inform study participants was also sought from managers, resulting in the procedure detailed below.

5.2.2 Procedure

Semi-structured interviews were conducted with management personnel at 12 Australian tourist attractions. The use of a semi-structured interview style and use of standard prompts provided flexibility to gather data about issues that respondents felt were personally important, whilst still guiding the interview towards specific questions for discussion. The selection of this qualitative procedure is based on Creswell's (2003) second model of mixed research designs, as described in Chapter 2. The qualitative interviews offer the ability to further explore some of the themes emerging from the broader sector-wide study. The use of semi-structured interviews also allows provides respondents with a degree of flexibility and allows previously unidentified themes and issues to emerge.

Tourist attraction managers were selected from the broader quantitative sample reported in Chapters 3 and 4. The process of selecting managers is outlined in the ensuing discussion of the study sample. It was assumed that these managers had adequate an understanding of planning at their attraction based on their responses to

the quantitative questionnaire. Initial contact with potential respondents was made using a mailed invitation that outlined the nature of the study (*Appendix 12*). The invitation included a list of the interview questions, a fact sheet about the research and a summary report of findings from earlier chapters. Eight interviews were conducted in January 2002, while a further four were undertaken in April 2003.

At the commencement of the interview a consent form, which outlined the nature of the study, was presented to each participant (*Appendix 13*). Each interviewee was asked to read and sign the form prior to commencing the interview. This documentation was a necessary part of the University's ethics approval process. To facilitate the interview process, respondents were again provided with a text version of the questions at the start of the interview. During the interview the respondent's answers were audio taped for later analysis. Notes were also recorded by the researcher as a backup against misfortune. The duration of the interviews varied from one hour to two and a half hours.

5.2.3 Apparatus

The interview schedule consisted of 10 questions categorized into three broad topics (see *Appendix 14*). The interview questions were developed from a broader list of research questions that emerged from the literature and were presented at the conclusion of Chapter 2. The quantitative research presented in the two preceding chapters also highlighted additional areas of inquiry that were explored by some of the questions. The questions were further refined using feedback from the pilot study, as described above.

The interview began with questions about the history and achievements of the attraction and the background of the interviewee. These were regarded as good 'ice-breaker' questions, but also provided valuable contextual information. The use of ice-breaker questions has been identified by Kvale (1996) as a successful interview strategy. The second part of the interview schedule contained a series of questions

about planning procedures and processes at the attraction. The wording and order of these questions was strongly influenced by the findings of the earlier study. Question 3 was deliberately formulated as an indirect question. Rather than asking respondents what planning meant to them, the question was structured so that respondents would provide a simple, pragmatic answer. Question 4 was formulated to provide much greater detail on the planning process within individual attraction businesses. Further justification of each question is presented with the results of the study. The interview concluded with two final questions exploring the future of tourist attractions and attraction management. A summary of the core questions is presented in *Table 5.1*.

TABLE 5.1 – Study 2 Interview Questions and relevant links to literature.

Interview Questions	Links with Literature Review Sections
1. I would like to start by asking you to tell me about your attraction...	2.5.3.1: Organisational Characteristics
2. Tell me a bit about your own background?	2.5.3.2: Management Characteristics
3. If you were to give a guest lecture about planning, how would you explain the concept to students?	-
4. Can you give me an idea of the tasks that you think are most important when you plan for your attraction?	2.5.1: Planning Process
5. Who is involved with planning at this attraction?	2.5.1.3: Employee and Outsider Participation
6. Where do you look around for information and advice when you are planning for your attraction?	2.5.1.4: Environmental Scanning and Sources of Information
7. What do you think are the most important or useful parts of your plan?	2.5.2: Strategy Content
8. A common thread in the research we have been doing is the fact that larger attractions are much more likely to plan. What are your thoughts on this?	-
9. I imagine that during the planning process you would have given some thought to the future of your attraction and to the tourism industry in general. Would you like to share some of your thoughts about this future with me?	1.5: The Micro-Environment of Attractions
10. How do you think attractions, and the way they are managed, will change in the next 20 years?	1.5: The Micro-Environment of Attractions

The wording of the interview questions was a particularly important aspect of this research. Questions were worded to avoid implied bias and to ensure that respondents were not confused. The pilot study was an important part of this process. Questions were also constructed to ensure that they did not cause offence. For example, question 2 was reworded several times to ensure that it was not patronising by implying that a certain level of skill or education was required by managers. Question 3 was deliberately framed as an indirect question with the intention to evoke a concise

response from interviewees. Rather than asking managers ‘what is your understanding of business planning?’, the context and orientation of the question was changed to soften the tone.

5.2.4 Sample

The sample of twelve attractions was selected using a non-random stratified sampling technique. According to Kvale (1996), the main purpose of in-depth interviews is to gain understanding and meaning rather than generalising findings to a specific population. The focus is therefore on identifying respondents who match a predetermined set of characteristics. This sampling approach for this study was designed to maintain diversity in the sample in terms of: size (visitor numbers); location (regional or metropolitan); attraction type and planning level. Of the twelve managers initially approached with an invitation, eight agreed to participate in the study. All of the managers were either owners, CEOs or senior managers of attractions. A detailed breakdown of each respondent is provided later in *Table 5.4*.

According to Glaser and Strauss (1967), sampling size should be designed to gain enough information to achieve “theoretical saturation”. Saturation is reached when the responses become repetitive and conceptually similar. It became apparent after analysis of the first eight interviews that a larger sample was required to achieve saturation. Following this, a further sixteen attractions were approached in order to extend the scope of the study resulting in a four additional respondents. The final sample size of twelve is consistent with McCracken’s (1988) prescription that most studies achieve saturation between 8-24 interviews.

Table 5.1 summarises the characteristics of the attractions taking part in the qualitative study. To maintain confidentiality, attraction names have been substituted with alphanumeric respondent codes that are used throughout the remainder of this chapter. These codes are structured so that the reader can readily ascertain the size

and location of the attraction. The first letter represents attraction size (**S**mall, **M**edium, **L**arge) while the second represents locality (**R**egional or **M**etropolitan). For example, SR1 is a *small* attraction in *regional* Australia.

TABLE 5.2 – Characteristics of tourist attractions participating in the study

	Size (Visitor No.)	Planning Level	Type	Ownership	Location	Est.	Interviewee Background
SR1	10 000	2	Museum	Private	Regional	1970	Alternative Medicine; Farming, Archaeology
SR2	35 000	4	Nature-based	Private	Regional	1989	Tertiary Education
SR3	32 000	2	Nature-based	Private	Regional	1990	Farming
MR3	125 000	2	Agricultural	Private	Regional	1983	Engineering, Horticulture
MR1	400 000	4	Manufacturing	Private	Regional	1985	Hospitality
MR2	124 000	4	Aquarium	Statutory Authority	Regional	1987	Chemistry, Marine Biology
LR1	560 000	4	Australian Culture	NFP Company	Regional	1970	Public Sector Management
MM1	346 000	4	Museum	Statutory Authority	Metropolitan	1991	Design; Museum Administration
MM2	143 000	3	Science and Technology	Govt	Metropolitan	1989	Chemistry, education, public service
LM1	1 000 000	4	Gallery	Govt	Metropolitan	c1880	Sculpture, education
LM2	600 000	4	Museum	Govt	Metropolitan	1988	Art history
LM3	1 200 000	2	Aquarium	Private	Metropolitan	1988	Chemistry, education

5.2.5 Data Validity

A number of measures were taken to ensure data accuracy, validity and reliability. The researcher personally performed a partial transcription of all interviews to ensure consistency. This process resulted in summaries of 3 to 5 pages for each attraction. These summaries were sent by mail to each participant to ensure that details of the dialogue had been interpreted accurately. Summaries were returned to the researcher and changes were made where requested. An independent researcher was also employed to complete a partial transcription of three interviews. These independent summaries were compared with the researcher's summaries by a panel of three tourism researchers in order to establish internal validity. The three researchers were asked to read two versions of the three interviews before indicating how similar each set was by assigning a percentage. This procedure was designed to reduce the effect of researcher bias in the transcription process. *Table 5.2* summarises the percentages

allocated by each researcher. It is clear that the ratings provided by the second researcher are lower, however this researcher indicated that differences between the transcripts were not major. The average ratings for the 3 sets of transcripts fall well within the 70% level of agreement for qualitative research suggested by Miles and Huberman (1994).

TABLE 5.3 – Level of similarity for three sample transcripts

	Researcher 1	Researcher 2	Researcher 3	Average
<i>Transcript 1</i>	85%	60%	85%	77%
<i>Transcript 2</i>	95%	70%	90%	85%
<i>Transcript 3</i>	90%	65%	85%	80%

5.2.6 Data Analysis

The transcripts were analysed using an inductive thematic approach, which involves generating classes of general patterns or themes that emerge from within the data (Kvale, 1996). The research therefore adopts a grounded theory approach to analysis that involves identifying theoretical categories that are derived from the data through the use of a continuous comparative method (Glaser and Strauss, 1967). The comparative method requires the researcher to interact continually with the data at various stages during coding. The underlying philosophy of this qualitative approach was to allow the central themes to emerge from the data through an inductive process, rather than being forced to fit a preconceived theoretical framework (Glaser and Strauss, 1967). The process involved scanning for similar issues, ideas and concepts by reading the interview summaries numerous times. These were then labelled to establish an index of themes for each interview question. The themes were summarised in tables that presented an outline of respondents as well as a count of similar responses. Quotations were also selected to illustrate different views. All quotations are presented in italics. Furthermore, key words have been presented in bold in some quotations in order to highlighted key themes and consistent threads.

5.3 RESULTS AND DISCUSSION

5.3.1 Pilot Study

An interesting item that emerged from one of the participants in the pilot study was the capacity to use tourism award entries as a planning tool. Australia conducts an annual program of regional, state and national tourism awards. In order to participate in this activity, tourism businesses must prepare submission documents that summarise, among other things, their business plans, strategies and performance. The idea of using these documents as planning tools is intriguing, however it is mentioned here because it was not a theme that emerged from the findings of the study.

5.3.2 Attraction Background

Question 1: *I would like to start by asking you to tell me about your attraction.*

The first question requested information about the history and background of the attraction. While a brief summary of the sample was provided in the methodology, it is useful to draw some distinctions between attractions based on their history. An examination of attraction histories provided by respondents highlights two types of attraction development models:

1. 'Serendipitous' or accidental attractions that develop gradually, often with little formal planning in the initial stages (i.e. SR3, MR1, MR3)
2. 'Premeditated' attractions that are planned from the start

This distinction was also identified by two managers (SR2, LR1) during the interview process. It is an important distinction that will emerge on several occasions in the pages that follow.

5.3.3 Management Background

Question 2: *Tell me a bit about your own background?*

Two salient points about respondent background are relevant to the analysis of planning in tourist attractions. Firstly, it is useful to examine the background of respondents in terms of early career roles and qualifications. Secondly, it is necessary to determine how respondents have gained any knowledge about management and planning. The first point has some support from authors such as Ladkin (1999) who argue the value of career history research in tourism.

Responses to this question provide a good indication of the diversity of personnel in the Australian tourism industry (*Table 5.3*). The results show that only two of the respondents (SR2, LR1) had a formal management background, with SR2 being an educator in this field. Only one respondent (MR1) had a hospitality and tourism background. Interestingly, education featured prominently in the background of four respondents (SR1, MM2, LM1, LM3), while the sciences (chemistry, marine biology, horticulture) also appeared to be a popular pathway into the attraction sector.

TABLE 5.4 – Career background of interviewees.

	Attraction Type	Current Role	Interviewee Background
SR1	Museum	CEO; Director	Alternative Medicine; Farming, Archaeology
SR2	Nature-based	Director	Tertiary Education (Management)
SR3	Nature-based	Owner	Farming, public sector
MR3	Agricultural	General Manager	Engineering, Horticulture
MR1	Manufacturing	Tourism Manager	Hospitality
MR2	Aquarium	General Manager	Chemistry, Marine Biology
LR1	Australian Culture	Deputy Executive Director	Public sector management
MM1	Museum	Marketing Manager	Design; Museum Administration
MM2	Science / Technology	Director	Chemistry, education, public service
LM1	Gallery	Head of Public Programs	Sculpture, education
LM2	Museum	Education & Visitor Services Manager	Art history
LM3	Aquarium	Marketing Manager	Chemistry, education

Little comparative research about the career pathways of tourism operators exists in the tourism literature. Some studies have investigated career pathways in the hospitality sector, but other areas of tourism have been ignored. An Australian study by Ladkin (2002) found that the percentage of hotel managers with a vocational education

was low in comparison with European studies. She suggested that this might be due to the relatively recent development of vocational hospitality education in Australia. It was further noted that only a small number of managers had obtained a postgraduate qualification in a hospitality course, despite the increasing number of institutions offering higher education hospitality courses. It is suggested that the recency of professional tourism qualifications in the Australian higher education is also a factor in this research. However, this explanation is not wholly satisfactory, as business and management courses have been established for a long time.

Research by Keep and Mayhew (1988) suggests that training and development can help to improve small business. From a planning perspective, the background of many respondents would appear to indicate a lack of strategic management training. Respondents were therefore prompted to indicate what factors contributed to their understanding of planning procedures. It was found that five respondents developed a familiarity with planning through practical experience and on-the-job learning:

I grew into the current position (SR1).

*Managerial and planning skills, including the ability to communicate with a large range of audiences, have evolved from a **long association** with the gallery (LM1).*

*Administrative and technical management skills have been developed through **practical experience** (MR2).*

*Planning is done by **experience**, adapting what has worked and rejecting what hasn't (LM3).*

*My planning and management skills have developed during 22 years of **experience** in local government and administration (LR1).*

These excerpts indicate the importance many managers place on “on the job” learning.

LR1, LM1 and LM3 also noted that the CEOs of their respective organisations displayed exemplary leadership qualities and were excellent *mentors* in the planning process. In some cases, this role was also partly supported by boards of directors. It has been recognised by some authors that mentoring can complement various strategic organisational initiatives (Friday and Friday, 2002). In effect the mentoring role provides a 'safety net' in larger attractions, whereby superiors are able to guide planning decisions and correct planning inconsistencies. This function is not present in the smaller attractions in the sample, and managers have to rely instead on personal knowledge, or the expertise of outside consultants. In some small to medium attractions planning knowledge was supplemented with practical experience *as well as* additional external training (SR3, MR3). In the case of SR3, a lack of planning expertise was addressed by permanently employing external management consultants.

SR2 was the only respondent indicating that planning skills were gained through a formal knowledge of strategic management. A focus of this research has been to determine whether formal strategic planning, as taught by tertiary strategic planning courses and texts, plays a large role in attraction planning. With the exception of SR2, the results would indicate that this is not the case. In retrospect, it seems that an understanding of planning is gained directly through personal experience, supported in some cases by mentors or external consultants. This may be due to the fact that it is more difficult for employers and employees in small and medium enterprises to find the time to train (Stanworth, Purdy and Kirby, 1992). In addition, some businesses may be concerned that training will encourage turnover by making staff more attractive to other employers.

5.3.4 Perceptions of Planning

Question 3: *If you were to give a guest lecture about planning, how would you explain the concept to students?*

The question above was primarily designed to evoke a concise response from interviewees regarding their perceptions of planning. Responses from managers typically included tasks or factors deemed to be essential for successful planning. Interview responses were evaluated by grouping these factors into broad themes, presented in *Table 5.4*.

TABLE 5.5 – Themes identified from management perceptions of planning

Theme	Focus	Respondents	Count
Vision, mission, path, looking forward	Internal	MR1, SR2, SR1, LM1, MM2, MR2	6
Consider budget, resources, figures, projections	Int. / Ext.	MR3, LM2, SR2, SR3, MR2	5
Define identity, core business, concept	Internal	SR1, LM2, MR2, MR3	4
Customers, audience	External	LM1, LM2, SR2	3
Good management, staff	Internal	SR1, SR3	2
Entrepreneurship	Internal	SR1, MR3	2
SWOT, personal analysis, competitor analysis	Int. / Ext.	SR2, MR2	2
Setting goals, strategies	Internal	MR2, MM1	2
Logistics	Internal	MR3, SR3	2
Community	External	SR2	1

The table also indicates whether each theme has an internal focus or an external focus. Evans et al (2003) present a schematic of the strategic planning process in which planning tasks are clearly segmented into internal analysis and external analysis. It is this useful to consider the themes through this framework. In doing so, it should be noted that *Table 5.4* indicates a predominance of planning tasks that are internal to the organisation. Each of the themes is discussed in greater detail in the ensuing text.

5.3.4.1 Vision

Table 5.4 shows that planning was frequently perceived as a tool for envisioning the future. Planning in this instance provides a framework for attraction managers to express an ideal end state for the business within a defined planning period. The following excerpts highlight the visionary component of planning:

*Planning is about **looking forward**, not managing the business from day-to-day on an operational basis. (SR2)*

*A pilot in an aircraft has to have a flight plan. In the same way a manager of a business must have a **path to show where the business is going**. (MR1)*

*Planning is about deciding **where you want to be** and then working out how to get there. (MR2)*

One manager (MM2) suggested that strategic vision was a “convenient filter” to guide managers when new opportunities arose. Another respondent viewed ‘vision’ as a mechanism for growth and progress:

*It is important to have a long-term **vision** for the potential of the business. The **need to grow** - and that growth – is an important part. Unless there’s energy going into something all the time it **stagnates** and you don’t attract people. (SR1)*

These findings are consistent with the findings in Chapter 4, which found that 84% of respondents identified a ‘clearer sense of vision’ as a key reason for planning.

5.3.4.2 Budgets and resources

The allocation and management of resources was also viewed as a key aspect of planning. Five respondents indicated that a consideration of budgets, resources and projections were an important part of planning. This theme can be observed across attractions of all size. These items were grouped together because they all essentially deal with the balancing of income with resource expenses.

One respondent stated that:

*When **resources** are scarce you have to make sure you get maximum value out of what you are doing and the only way to do that is in the context of a very clear strategy about who and what you want the organisation to be. (MR2).*

The manager of a small regional attraction that had been burdened in the past by over-inflated projections and expectations stated that:

*It is important to **do your sums**, be realistic. Have your **figures** checked by knowledgeable people in the tourism industry and use local tourism networks. (SR3)*

The ability of planning to facilitate resource allocation was identified by 58.7% of attractions as a reason for engaging in planning in Chapter 4. While budgeting and resource allocation is chiefly an internally driven process, it should be recognised that some managers also include projections of external factors such as seasonality and visitor patterns. The need for accurate projections that support budgeting and resource allocation is discussed later in this chapter.

5.3.4.3 Identity and Core Business

Three respondents said that planning should include a consideration of the core identity of an attraction. This planning element is wholly driven by internal competencies and perceptions of the role of the attraction. While it is closely related to the concept of a vision, an identity is rooted in the present, while the vision is a desired end state in the future. It is interesting to note that with the exception of MR2, the proponents of this approach are not among the attraction managers postulating that a vision is an essential ingredient in planning. The concept of an identity and vision is connected by MR2 in the following manner:

*Planning lets us get a good handle on **who we are** and **what we would like to be** and working out the best way to get there. (MR2)*

The development of an identity is also important from a marketing perspective as one respondent indicated:

*It is necessary to develop an **identity** that can be used in terms of strategic planning and marketing. (SR1)*

Attraction identity, or a consideration of the core business, was not identified as a key component of planning in the previous quantitative analysis (Chapter 4). The notion of corporate identity has been recognised as an integral part of strategy, and is closely linked to the development of organisational competencies and the 'strengths and weaknesses' component of the SWOT framework (Gray and Smeltzer, 1985; Olins, 1989). Corporate identity has also been recognised by some authors as strategic resource and a source of competitive advantage (Melewar and Jenkins, 2002).

Within the tourism literature 'identity' has been discussed with regards to cultural identity (Ascher, 1985; Ashworth and Larkham, 1994; Palmer, 1999), and the identity of destinations (Morgan and Prichard, 1998; Meler and Ruzic, 1999). The latter appears to be synonymous with the more widely used expression of destination *image*. However, the marketing literature suggests some differences between the concepts of image and identity. Christensen and Askegaard (2001, p.296), in their semiotic analysis of corporate identity and image, propose that identity is the "sum of symbols and artefacts designed and managed in order to communicate the ideal self-perception of the organisation to its external publics". Image, on the other hand, refers to the "reception of these communication efforts by the external world". This perspective creates a clear distinction between the internally crafted 'identity' of an organisation and its externally perceived 'image'.

This relationship between identity and image is further clarified by the notion that the effective management of an organisation's *identity* will result in the acquisition of a positive corporate *image*, and over time, a favourable corporate *reputation* (Balmer and

Wilson, 1998). Identity, in this sense, is the way that employees and managers identify with the organisation based on elements that are central, enduring and distinctive.

However, the role and formulation of identity in strategic planning is conspicuously absent from most studies dealing with strategic planning. It is suggested here that the diverse nature of the attraction sector may create a greater need for defining identity than may be the case in other more homogenous industries.

5.3.4.4 Customers and community

Given that the tourism industry, including the attraction sector, is a service industry it is somewhat surprising that only three respondents included customers (or 'audiences') in their initial descriptions of planning. Two of the respondents were large metropolitan attractions with a focus on exhibits, while the third was a small regional nature-based attraction. One respondent stated that:

*It is important to identify **audiences** who are not visiting the facility, and to develop programs to attract these audiences (LM1).*

The consideration of customers is concerned with the attraction's external environment. Consequently, a consideration of customers in a broader planning context may be challenging for attraction managers who do not have access to good information sources or sophisticated information management processes.

Despite the role and potential impacts of tourism in *communities*, particularly in a regional context, only one attraction (SR2) noted the need to include this aspect as part of the planning process.

5.3.4.5 Management and Entrepreneurship

In their analysis of successful planning, two respondents (SR1, SR3) suggested that good management, board members and staff were essential. SR1 further suggested that an entrepreneurial approach was needed by management, a point that was supported by MR3:

*Planning only takes place after an **entrepreneurial idea**. In turn, entrepreneurship only occurs through a combination of product and business knowledge and a willingness to have an open mind. (MR3)*

Notably these comments stem from small and medium attractions in regional areas. Two of the three respondents noted above can be classified as 'accidental' attractions (SR1, MR3). Herein lies an interesting pattern that emerges on several occasions throughout this chapter. The emergence of these attractions has an entrepreneurial flavour: an individual reacted to an opportunity to create a new tourist experience. This element is missing in larger attractions, particularly public attractions that are planned from inception to meet community or cultural needs.

5.3.4.6 SWOT analysis, strategies and goals

Some attraction managers chose to describe planning in terms of the outputs of the planning process, namely documented SWOT and competitor analyses, goals for the future, and strategies to attain these goals. Only one respondent referred to the SWOT analysis construct when describing planning:

*Strategic planning is critical in terms of the **strengths and weaknesses** of the organisation and the **opportunities and threats** presented by the environment. (MR2)*

This approach to planning is strongly advocated in strategic planning texts (cf. David, 2001; Wheelen and Hunger, 1995; Evans et al, 2003). A second respondent (SR2) described planning as a process involving competitor analysis, an aspect which is

commonly included as part of an external analysis of opportunities and threats.

Interestingly, SR2 also felt that planning should include a personal analysis:

*Self-analysis should focus on **personal strengths and weaknesses** and reasons for entering into a business. There needs to be an assessment of what is required to start a business, run a business and make it successful.*
(SR2)

While the establishment of goals and strategies is a common outcome of the strategic planning process, only two respondents noted these in their descriptions of planning:

The [planning] process involves setting goals, or a suite of things that have to be done by a particular time. Then you work back from there...what do I have to do to do that? (MR2)

*Planning is a layered process, with a broad strategic plan guiding the organisation, while more detailed, shorter-term plans are used to assist in reaching the overall **goals and strategies**.* (MM1)

5.3.4.7 Logistics

Two regional attraction managers highlighted a logistic element in their descriptions of planning:

*Planning consists of an initial concept, **logistics** to develop the concept, and the ability of the concept to generate a return.* (MR3)

*When planning [for the attraction], a range of decisions and **logistics** had to be taken into account and unforeseen events could not be planned for.*
(SR3)

SR3 added that unforeseen events created a discrepancy between “textbook” planning and “real life”. The *Australian Concise Oxford Dictionary* lists logistics as “the detailed organisation and implementation of a plan or operation.” From this perspective, it would seem that a logistics component in planning is commensurate with the implementation task discussed in the literature review.

5.3.5 The Planning Process

Question 4: *Can you give me an idea of the tasks that you think are most important when you plan for your attraction?*

Question 4 was designed to evoke a description of the planning process within each attraction. Respondents were prompted to provide more detail when insufficient detail was forthcoming. A detailed set of prompts resulted in a rich set of descriptions of planning procedures. The discussion of these descriptions has been broken down into series of key themes, these being: key planning tasks, objectives and strategies, the setting of KPIs and evaluation of performance, environmental monitoring and analysis, the formality and timing of planning, planning meetings and idea generation, time devoted to planning tasks the flexibility and review of planning documents. These components are discussed in the following pages.

5.3.5.1 Key planning tasks

Some attraction managers provided a list, or a series of steps that were undertaken as part of the planning process, however, many spoke in general terms about various aspects of planning at their attraction. A thematic analysis of the responses provides a brief summary of tasks undertaken by each attraction. Planning tasks were grouped according to similarity into themes. This analysis deconstructs the planning process of individual attractions in order to look for consistency in tasks and processes. Tasks that were undertaken by more than one attraction are presented in *Table 5.5* These tasks are deliberately ordered to provide some sense of chronology. It should be noted here that the data is constrained by the ability of managers to recall planning tasks. Even after prompting, some managers may not have described all tasks undertaken by the organisation.

TABLE 5.6 – Key planning tasks mentioned by tourist attraction managers

Planning Task	SR1	SR2	SR3	MR1	MR2	MR3	LR1	MM1	MM2	LM1	LM2	LM3	Count
Brainstorming / idea generation	✓					✓							2
SWOT / SWOTCH Analysis		✓							✓				2
Budgeting / Financials		✓			✓	✓	✓		✓				5
Staff and Resources		✓			✓		✓		✓				4
Planning meetings	✓	✓		✓		✓		✓	✓		✓	✓	8
Setting objectives	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	11
Setting strategies	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓	11
Setting KPIs /targets	✓	✓	✓		✓			✓	✓	✓	✓	✓	9
Writing a formal plan				✓				✓	✓	✓	✓		5
Review Plans		✓			✓		✓					✓	4
Monitoring of Environment	✓		✓		✓	✓	✓	✓		✓	✓	✓	9
Evaluation of Performance		✓	✓		✓	✓	✓		✓			✓	7

5.3.5.2 Objectives, strategies

It is clear from the summary presented in *Table 5.5* that attraction managers undertake a number of the key tasks identified by traditional RSM models of strategic planning. The tasks that have been identified have some similarities with the key strategic planning tasks identified in *Table 2.3* from the literature. In particular, most (11) attraction managers identified objectives and strategies for their business, although these were not always formalised in a planning document. MR3, was the only attraction that did not use a formal set of objectives and strategies in planning for the attraction. This attraction has focussed instead on developing yearly budgets and projects and identifying new markets and opportunities to increase visitor yield.

5.3.5.3 Setting KPIs and evaluating performance

Nine attraction managers identified the setting of key performance indicators (KPIs) in their planning efforts. These indicators are usually used to measure whether particular objectives have been achieved. Interestingly, of those attractions using KPIs, only five (5) managers noted that the evaluation of performance was an important task in the planning process. This does not mean that other attractions did not monitor performance, it simply indicates that only a few attractions explicitly recognised this as a key planning task. This creates a subset of attractions with performance-driven

planning structures, as performance is both measured regularly and integrated into the planning process.

A focus on performance allowed management to make appropriate operational changes, sometimes on a daily basis (*Table 5.6*). LM3 stated that daily visitor targets were an important management tool. Daily visitor numbers at this attraction were compared with the same day the previous year (e.g. first Tuesday in May with the first Tuesday in May the previous year). This allowed attraction management to know exactly how it was performing in terms of visitor numbers as well as café/gift shop sales on a day-to-day basis. The organisation recorded basic demographic information, such as postcodes, from visitors when they entered the facility. Visitor demographics were compiled monthly in order to review how each market was performing compared with the same month the previous year. Year-to-date visitor statistics were also compiled.

TABLE 5.7 – Visitor-related performance measures used by attractions in evaluating performance

Performance Measures	Respondents	Count
<i>Visitor Numbers</i>		
Daily	MR2, LM3	2
Weekly	SR3	1
Monthly	SR2, SR3, MR2, MM2, LM3	5
Quarterly	SR2, MM2	2
Yearly	SR2, MR2, LM3	3
Visitor satisfaction	LR1	1
Visitor yield	MR3, MM2	2
Merchandise/food sales	SR2	1

Where performance evaluations were not explicitly linked to the KPIs (MR3, LR1), the measurement of performance allowed management to monitor visitors. In the case of MR3, visitor yield was monitored. In this instance the manager was particularly interested in the profit generated per visitor. The manager noted that the attraction had a threshold of optimum visitor numbers. The attraction did not seek to increase visitor numbers beyond this threshold but instead focussed on maximising the yield per visitor. Beyond the threshold the attraction had to employ additional staff and the yield per customer dropped, thus affecting net profit. The manager's philosophy is:

The more fun you have, the more money you spend. The more money you spend, the more fun you'll have. (MR3)

At LR1, management used key performance indicators as “measurables” but the intention was not to use these figures to guide the organisation. KPIs were not used in the organisation’s planning document and the manager felt that they did not make the business any better; they simply allowed managers to *measure* the progress of the organisation.

*In tourism it is really the visitor end of the market that drives the equation and if you're so rigid in the corporate plan that all you're looking at are achieving certain **benchmarks** and certain goals you can often be overlooking what the visitor is wanting. You've got to drive the business through **visitor evaluation** and constant **feedback**. (LR1)*

Emphasis was thus placed on the measurement of both visitor numbers and *satisfaction*, which were measured daily and analysed for problems, concerns, complaints, issues and suggestions.

Managers at MM2 combined visitor performance measures with financial performance. Financial budgeting was conducted on a cash-flow basis and cross-referenced with visitor numbers on a monthly basis to identify variations in yield.

SR2 made use of a sophisticated suite of software products to manage performance. Some of these software products are commercially available under the *Maus* brand name. The use of technology allows this small attraction to access advanced analyses of a variety of performance statistics for any time frame (daily, weekly, monthly, yearly etc.). The software also facilitates broader planning tasks, including managing resources, generating planning documents and conducting financial analyses, competitor analyses, target market analyses and so forth. An accounting package provides management with an analysis of wages, expenses, budget projections and performance to date. A monthly and weekly breakdown of performance is based on

'cost centres' within the attraction. The software also assists planning by identifying how much of every item is sold at the attraction. The profitability of each item can be assessed and souvenirs and refreshments that are not profitable can be replaced. Information produced by the organisation's planning and accounting software is reviewed weekly and abnormalities are assessed over both monthly and seasonal periods. The software package allows management to compare exact values with anecdotal feedback from staff. The use of this software allows the attraction to optimise every aspect of its operations in order to maximise profitability.

To summarise, the discussion of performance indicators and measurement suggest that it is a key aspect of planning, and an important activity for many of the attractions in the sample. This contrasts sharply with some Level 1 attractions, which were unable to provide estimates of visitor numbers in previous chapters. While there are a number of approaches to the measurement of performance, the analysis highlights one consistency: there is a strong focus on visitor numbers, which are most commonly reviewed on a monthly basis. Furthermore, the case of SR2 clearly illustrates that even small regional attractions can achieve a detailed understanding of their performance through the use of technology.

5.3.5.4 Environmental analysis and monitoring

While conventional planning often separates the notion of environmental analysis and environmental monitoring, these appear to be conducted simultaneously in tourist attraction planning. Environmental monitoring was found to be either formal or informal. Only two attraction managers (SR2, MM2) acknowledged that they conducted a formal SWOT analysis. This framework typically considers external environmental factors by assessing external *opportunities* and *threats*, while *strengths* and *weaknesses* are concerned with the internal aspects of the organisation (Evans et al. 2003). MM2 extended the SWOT concept with a 'SWOTCH' framework, in which the additional components are an analysis of *challenges* and *helps*.

Another formal approach to assessing environmental factors was adopted by MM1 and LM2, both of which used 'evaluation divisions' within their organisation. The evaluation division in MM1 consisted of a full-time analyst employed to continuously and systematically monitor elements of the attraction's performance and external environment. A similar approach was used at LM2, which employed three full time staff in its evaluation department. A semi-structured approach to competitor analysis existed amongst a cluster of metropolitan attractions in the sample, many of which shared visitor and promotional data with competitors in a cooperative fashion.

Other attractions have adopted an approach that can best be described as informal. In most instances managers in these attractions collect information about competitors and the external environment on an *ad hoc* basis. This type of analysis is typically sporadic, with short bursts of activity such as competitor analysis, consultancy projects and periodic visitor studies. Some information appeared to be gleaned from the mass media, with respondents typically mentioning events such as instability in the airline and tourism industries, economic and political developments (both in Australia and overseas), exchange rates, government policy and visitor patterns. SR1 stated that a major source of information about the attraction's environment included subscription to key international journals and attendance at major industry conferences.

In some cases information about the external environment was gained through anecdotal evidence. For example, MR1 specifically noted a trend toward people travelling in larger groups, and the tendency for older couples to travel in "4WD convoys" with friends. The retired market was a key target for the attraction. Consequently the impacts of fuel prices as well as the seasonal/climatic nature of visitation were important influences on the travel patterns of this group.

5.3.5.5 Formality and timing of planning

As noted in the review of literature, planning formality has been measured using a number of techniques, including the performance of routine planning tasks, the number of planning tasks and the presence or formality of planning documents. Earlier chapters examined formality in terms of the presence or absence of formal short or long term plans. This chapter examines the formality of planning documents and the time horizon typically employed by attractions. As shown in *Table 5.7*, five attractions explicitly recognised the writing of a formal plan as a key planning task. The same five attractions adopted conventional three-year and five-year time horizons (*Table 5.6*). It is noteworthy that small attractions are not among this group, and regional attractions appear to be under-represented. This may be due to the fact that the larger metropolitan attractions typically report to a board of directors, with the strategic plan acting as a formal communiqué of management's intentions over a predetermined timeframe. A larger organisation also needs to communicate plans to staff and management across departments.

TABLE 5.8 – Time horizon and formality of written plans

Formality and Time Horizon	Respondents	Count (n=12)
Formal 3 year strategic plan	MM1, LM2	2
Formal 5 year strategic plan	LM1, MM2, MR1	3
Formal rolling plan /procedures manual	SR1, SR2, LR1	3
Marketing plan	LM3, MR2	2
Informal – no strategic plan	MR3, SR3	2

Three attractions updated their strategic plans frequently by using rolling plans or procedures manuals. LR1 maintained a detailed 5-year rolling plan that was revised roughly every 18 months. The manager commented on the inappropriateness of simply developing a 5-year plan and running with it. The LR1 plan contained a set of guiding principles, mission, key issues identified for the period, corporate goals and a series of divisional plans. The divisional plans detailed objectives and strategies for areas such as marketing, operations, product development and historical plans. These objectives and strategies were underpinned by the organisation's budgetary process.

The planning concept adopted by SR1 and SR2 was similar, but the core planning document consisted of a procedures manual which was updated when required. SR1 used a detailed procedures manual to guide every aspect of the business. The procedures manual contained operational procedures, ‘ten commandments’ of the business, induction checklist, safety procedures, training and development, guidelines for welcoming visitors and an overview of the business. Extracts of the business plan with the organisation’s mission statement and goals was also included in the manual. Operational procedures included in the SR2 procedures manual are presented in *Table 5.8*.

TABLE 5.9 – Contents of SR2 Operational Procedures Manual

Operational Procedures	
• General principles	• Work rosters
• Creating quality image	• Holidays and leave entitlements
• Stationery	• Staff meetings
• Signage	• Industrial relations commission award wages
• Procedures for boardwalk guides	• Position descriptions broken down into key responsibilities
• Customer service expectations	• Specific tasks
• Exceeding customer service expectations	• Performance indicators
• Managing customer service	• Personal data
• Service excellence	• 360 degree feedback
• Dealing with difficult situations	• Finance and EFTPOS procedures
• Personnel procedures	• Wages
• Setting goals	• Analysis of wages
• Workplace participation	• When staff started and left.
• Motivation	
• Recruitment and induction	

Four attractions did not have a formal strategic plan, however LM3 and MR2 used a marketing plan to guide their promotion. In the absence of a strategic plan, a marketing plan provided these organisations with targets in terms of visitor numbers, marketing expenditure and environmental monitoring. Clearly a marketing plan provides less emphasis on operational strategies, resource considerations and product development.

5.3.5.6 Planning Meetings and Idea Generation

A key task in the development and implementation of plans is the need to drive the planning process through collaboration. The prominence of meetings in some attractions led one respondent (LM2) to exclaim: “This place is big on meetings!”. The

role of meetings as a means to disseminate information would suggest that the number and frequency of planning meetings held by an attraction is linked with the size of the attraction.

Planning meetings were held at various levels in the attractions interviewed, as shown in *Table 5.9*. Meeting frequency varied but many attractions commonly adopted a monthly meeting schedule. In some instances meetings were held irregularly, or when required.

TABLE 5.10 – Frequency of planning meetings at various organisational levels

Levels of Planning Meetings	Frequency*	Respondents	Count (n=12)
Board of Directors	<i>Monthly</i>	SR1, MR1, LM2, LM3	4
Management	6 Months, <i>monthly</i> , 2 weeks, weekly	SR1, SR2, MR1, LM1, LM2, MM2, LM3, MR3, SR3	9
Departmental	<i>Monthly</i> , 2 months	MM1, LM1, LM2, LM3, MR3	5
Cross-departmental committees	Monthly, 6 weeks, 2 months, 3 months	MM1, LM2	2
General Staff	<i>Weekly, monthly, 3 months</i>	SR2, MR1, LM1, LM2, MM2, MR3	6

* *Italics* indicate the most common frequency for meetings

Planning meetings in attractions appear to serve different purposes. *Management*-level planning meetings were used to *formulate* plans, or to *review* planning decisions and performance. SR1 and MR3 specifically recognised brainstorming and idea generation as important steps in the planning process (*Table 5.4*), with these tasks being undertaken at the management level.

Meetings conducted at the *staff* level typically allowed senior management to *communicate* plans and progress to employees. In the case of SR2, staff attended monthly meetings of 1½ to 2 hours, which allowed management to communicate planning issues at a staff level. The owners/managers usually conducted planning meetings prior to staff meetings to identify and prioritise key issues. For example, customer surveys were analysed and goals were reviewed by management before a summary was presented to staff for comment.

In larger attractions, *departmental* meetings occurred regularly to operationalise formal plans. Two of the larger metropolitan attractions (MM1, LM2) also conducted cross-departmental meetings in order to initiate and plan projects and exhibits. At MM1, cross-departmental committees established to oversee specific exhibitions initially met roughly every 3 weeks, before shifting to weekly meetings as exhibitions approached their launch date. An exhibition concept team met every 3 months while an exhibition development team met monthly. These meetings served the purpose of progressing plans at various levels in the organisation, while allowing staff to be involved in the planning process.

5.3.5.7 Time devoted to planning tasks

The time devoted to planning tasks is a further measure of the involvement of interviewees in the planning process. When prompted to provide an estimate, many attraction managers indicated that it was difficult to quantify the amount of time spent on planning tasks. *Table 5.10* indicates that four managers were unable to provide an estimate while eight managers estimated a range of values between 5 and 80%.

TABLE 5.11 – Estimates of the amount of time managers spent on planning tasks.

	Attraction Type	Current Role	Time Spent Planning
SR1	Museum	CEO; Director	50%
SR2	Nature-based	Director	75%
SR3	Nature-based	Owner	-
MR3	Agricultural	General Manager	-
MR1	Manufacturing	Tourism Manager	70%
MR2	Aquarium	General Manager	25-50%
LR1	Australian Culture	Deputy Executive Director	-
MM1	Museum	Marketing Manager	70%
MM2	Science / Technology	Director	8%
LM1	Gallery	Head of Public Programs	50%
LM2	Museum	Education & Visitor Services Manager	-
LM3	Aquarium	Marketing Manager	5-80%

A number of variables influenced estimates of the amount of time managers spent on planning tasks, including the management position within the attraction, the time of year, and individual perceptions of what constituted 'planning tasks'. LM3, for example, noted that at certain times of the year 80% of time was spent on planning each week, while at other times only 5-10% of time was used for planning tasks. It was also

recognised that a great deal of planning took place at a subconscious level, a point noted by several other managers (SR2, MM2).

It was also difficult for some managers to separate planning activities from administration duties. The manager of SR3 was a board member of the regional tourism organisation as well as being actively involved in a number of tourism-related committees and organisations. These activities were considered to be part of the planning process due to the synergies gained from networking and involvement in local tourism. Time was spent on planning for the attraction whilst also ensuring that strategies were compatible with other tourism businesses in the local area.

From the values presented in *Table 5.10*, it would appear that based on the highest estimates, seven of the twelve managers spent 50% or more of their time on planning tasks. This highlights the importance placed by managers on planning.

5.3.5.8 Flexibility and Review

While the monitoring of environmental forces and internal performance is important, these tasks are less useful if the attraction is not able to respond to change. Objectives and strategies, therefore, need to be reviewed periodically to ensure that they continue to be relevant. In addition, strategic plans need to be sufficiently broad to allow some flexibility to respond to unexpected events (David, 1997).

Only four attractions (SR2, MR2, LR1, LM3) explicitly stated that plans were reviewed regularly, although it could be inferred that several other attractions reviewed their plans. SR2 frequently reviewed aspects of the plan, such as the analysis of competition and entry fees, however yearly budgets were never altered. Similarly, MM2 noted that:

*Planning needs to be tight enough to frame a **budget** but it has to have enough **flexibility** to take into account events that are not visible at the time.*

As described earlier, the rolling 5-year plan used by LR1 allows attraction management to review plans every 18 months, thus making the review a central and formal part of the planning process. Events such as the Asian financial crisis in 1998 and the collapse of Ansett Airlines in 2001 often required a departure from original strategies communicated in a business plan. The attraction has changed its strategies on some occasions to account for unexpected events.

The concept of flexibility varied between attractions in the sample. For example, the 2001 drought in Australia prompted managers at MM1 to change their marketing plans by reducing the amount of advertising in regional Australia. At LM3, monthly meetings were also held with the attraction's sales and marketing team to review strategies and plans. Respondent MM2 pointed out that exhibition-based attractions had the flexibility to be more responsive to changes in visitor numbers and key performance measures because unlike more permanent attractions, they had the ability to change and add new components, events or exhibitions relatively quickly.

SR2 placed a great deal of emphasis on flexibility, not just by reviewing strategic plans, but also by developing *contingency plans*. Contingency plans were considered in the design of the attraction's infrastructure and facilities to ensure maximum flexibility. This approach was intended to minimise the effects of business failure by ensuring that the capital investment would generate a return from alternate uses.

In contrast, the Education and Visitor Services Manager at LM2 noted that her attraction's planning process was highly structured and was not very responsive to unexpected changes, either negative or positive. This was partly due to the size of the organisation. Exhibitions at the attraction generally operate on a 6 months lead-time, with tightly planned schedules and it was difficult for plans to be cancelled or extended in response to unpredictable events. It was acknowledged that negative events such as the drought in regional Australia, terrorist attacks and outbreak of diseases such as

SARS did impact on the attraction. Likewise the attraction sometimes had to deal with positive developments, such as being offered exhibitions that were outside the organisation's plans.

5.3.5.9 Attraction Size and Planning Processes

A consistent pattern between attraction size and planning was observed. Larger attractions (i.e. MM1, LR1, LM1, LM2 and LM3) typically developed a complex layered planning process. This process involved the formulation of 3-5 year objectives and strategies for the whole organisation. Below this level, individual departments within the attraction developed shorter-term operational plans to support the organisation's strategies. In some of the exhibit-based attractions a further layer included cross-departmental exhibition plans.

In smaller attractions strategic planning and operational aspects appear to be much more closely linked. In some cases the key strategic planning documents prepared and used by the attraction were distinctly operational in nature (e.g. MR1, MR2, MR3). The use of procedures manuals by SR1 and SR2, represents a trade-off between a pure strategic document and an operational plan.

5.3.6 Participation in Planning Activities

Question 5: *Who is involved with planning at the attraction?*

Strategic planning commentators frequently espouse the benefits of involving all employees in the organisation in planning efforts. It is argued that this involvement fosters employee empowerment, and creates a sense of ownership of the strategic plan, thus enhancing the prospects of implementation (Hamel, 1996). It is therefore useful to consider the involvement of various organisational players in the development of attraction plans. *Table 5.11* summarises the involvement of staff at various levels in the attractions sampled.

The findings indicate that some attractions conduct their planning in a somewhat autocratic fashion, with little consultation with employees. However, a majority of the attraction managers involved employees in their planning efforts. MR2 was clearly unusual in also involving its membership base in the planning process. The attraction had a base of 6000-7000 members who were polled periodically to provide information for the planning process. It is suggested that while other attraction managers did not mention the role of customers in planning, many indirectly consider customer feedback when formulating objectives and strategies.

TABLE 5.12 – Involvement of staff and external stakeholders in planning activities.

Organisational Role	Respondents	Count (n=12)
Board of Directors / Trustees	SR1, MR1, LM2, LR1, LM3	5
Senior Management/Owners	SR1, SR2, MR1, MM1, LM1, LM2, MR2, MM2, LR1, LM3, MR3, SR3	12
General Staff	SR2, MR1, MM1, LM1, LM2, MM2, MR3, SR3	8
Volunteers (where applicable)	SR1, MR2	2
Customers / External	MR2, LM1, MR3, SR3	4

While *Part 4.3.2* in Chapter 4 does provide a snapshot of employee participation in planning, the qualitative approach in this chapter allows for further discussion of the *nature* and *roles* played by employees. The following discussion focuses on the role of each of the key groups identified.

5.3.6.1 Board of Directors / Trustees

While five managers acknowledged the role of boards in the planning process, three stated unequivocally that board involvement should be minimal. Managers at SR1 stated that the role of the board was to evaluate and provide long term vision, as opposed to being involved in day-to-day operations. At this attraction the board was also involved in brainstorming exercises that provide valuable input for the planning process. LR1 utilised its board in a similar way by involving board members in strategic planning sessions, which included the use of evaluation data, marketing and research.

A particular planning challenge identified by MR1 was the fact that the attraction consisted of a manufacturing unit and tourism unit, with both units effectively competing for resources allocated by the Board of Directors. This was compounded by the view that members of the board were more oriented toward manufacturing and needed to be convinced of the need for attractions to add new components in order to avoid stagnation in visitor numbers. Similarly, the manager of LM3 felt that input from the attraction's board of directors was more negative than positive as a number of board members had little understanding of the tourism industry.

The issue of trustee boards was also raised in relation to public sector attractions. LM2 suggested that staff should be given more say in the election of the board members that effectively govern their organisation. The manager felt that board members should represent the attraction and community rather than being nominated by governments. These views suggest mixed feelings about the involvement of boards in the planning process. While boards are clearly able to offer broad, long-term strategic guidance and governance, the extent of board influence in the planning process was clearly an issue, particularly where there was a perception that the board had a poor understanding of operational procedures in the tourism industry.

5.3.6.2 Senior Management

Almost without exception senior management were the drivers of the planning process. In the larger attractions, planning initiatives were devised at the senior management level. The creation and dissemination of planning documents was typically the responsibility of the upper management (i.e. CEO, executive director, or managing director). Implementation of strategies, however, generally appears to be the responsibility of middle to lower management and supervisory staff. For example, departmental heads in MM1, LR1, LM1, LM2 and LM3 were tasked with disseminating written plans to staff under their supervision, and for devising departmental operational plans that would support longer-term strategies. In this layered process, upper

management is concerned with formulating, adjusting and overseeing the attraction's strategies.

In smaller attractions objectives and strategies were both developed and implemented by senior management, simply because the organisational structure and size of these attractions meant that there were few, if any middle to lower management staff. In these attractions senior management worked alongside general staff on a daily basis. The 'authors' of the strategic documents were often also the 'implementers' of strategies. Thus, as might be expected, the 'power distance' between the strategic and operational aspects of planning was greatly reduced in these attractions.

5.3.6.3 Employees and Volunteers

Ten of the attractions indicated that they included general staff and volunteers in the planning process. While most attractions noted that they had regular staff meetings to communicate developments and plans, there were a variety of views regarding the extent of employee involvement. These views are summarised in *Table 5.12*.

The findings suggest that in most attractions staff provide input for the planning process. This typically involves either formal or informal communication of staff observations and ideas. Staff comments are then integrated into planning documents where appropriate, and strategies are communicated back to management and staff for implementation. Staff are therefore not actively involved in the formulation of objectives and strategies and do not assist in the writing of planning documents.

Some disparities to this general approach are seen at MM1, where staff are formally involved in planning meetings and brainstorming sessions. In this attraction staff are also required to develop personal performance plans and goals. These goals are intended to further the operational objectives of the individual's respective department, which in turn, foster the strategic objectives of the whole organisation. The concept of

staff performance goals is also employed by SR2, where staff are required to set monthly goals which help to drive the organisation forward.

TABLE 5.13 – Involvement of general attraction staff in planning activities

	Attraction Type	No. Paid Staff	Comments
SR1	Museum	2	Staff provide suggestions but don't have the expertise to be involved in planning.
SR2	Nature-based	7	Staff are asked to generate ideas to increase sales three weeks prior to staff meetings. Staff are also required to set monthly personal goals. The goals of staff therefore drive the organisation forward. Management also reward staff with awards. It is intrinsically rewarding for staff to be involved in planning and the manager felt that an autocratic management style was inappropriate. The formal plan is written by the owners/managers but staff provide input and critique planning efforts.
SR3	Nature-based	33	Employees were continually consulted and employee feedback was sometimes used during the planning process.
MR3	Agricultural	48	The manager was enthusiastic about receiving staff input but it was felt that many of the staff are not suitably qualified to provide planning input past a certain level of sophistication.
MR1	Manufacturing	20	Employees were asked for advice and information during the planning process and the manager described planning in the organisation as a "team-effort".
MR2	Aquarium	42	Both full-time and volunteer staff provide information and ideas for the planning process.
LR1	Australian Culture	-	Staff provide input but are not involved in preparing plans.
MM1	Museum	110	At the branch level, staff involvement is facilitated through formal planning meetings and brainstorming sessions. Front office staff also provide important information for planning across the organisation. Plans are distributed to middle managers and it is up to them to determine how widely the information is communicated to staff within their area of responsibility.
MM2	Science / Technology	17	Staff were involved in the operational planning process and the structure was described as " top down, bottom up ". Formal mechanisms, such as staff meetings were in place to solicit advice from staff and the director felt it was rewarding for staff to be involved in the planning process.
LM1	Gallery	190	Employees are encouraged through an open door policy to share information and contribute to the attraction's planning decisions. Involvement in planning at the attraction increases staff morale and empowers staff while still ensuring that individuals stay within their roles.
LM2	Museum	400	Staff involvement occurs through a bottom-up approach, whereby staff views are communicated to managers at departmental meetings. Managers in turn communicate ideas to associate directors who are involved in the strategic planning process. Since the facility is a public sector attraction, planning documents are accessible to staff and the general public. Objectives, performance indicators and developments are formally communicated down to department managers. It is up to department managers to communicate this information to general staff.
LM3	Aquarium	80	The planning process was described as somewhat autocratic because the company had a small core team and it was not necessary to involve everyone in the planning process.

While three attractions recognised that it was rewarding and 'empowering' for staff to be involved with the planning process, some attractions also noted many staff did not have a suitable level of expertise to contribute significantly to the planning process. At LM3 general staff were not involved at all in the planning process, while the managers of SR1 and MR3 expressed reservations about the ability of staff to assist in the

development of plans. LM1 indicated the need for staff to provide feedback while remaining within their defined functional roles. With regard to small attractions, the CEO of SR1 stated that:

*In large organisations where you might have staff who are **professionals** you might seek advice as part of the planning process. In a situation like most small tourist attractions, it is not applicable because **staff don't have the expertise** to be involved in planning. Staff give suggestions from their own **personal agendas** in terms of making their life easier, rather than what is actually going to benefit the museum as a whole in its development.*

A further aspect of staff involvement in planning is the need to communicate plans to staff. While most attractions appear to inform staff of plans and developments in staff meetings, it was noted that in larger attractions such as MM1 and LM2 plans were communicated to departmental managers, who then had the responsibility of disseminating planning information to employees under their supervision. This results in greater organisational distance between the authors and users of organisational plans.

5.3.6.4 External Assistance

As found in previous chapters, a number of attractions relied on external expertise during the planning process. Managers at MR3 and SR3 did not have a formal management background, and these attractions employed management consultants to assist with the planning process. SR3 outsourced a number of management tasks to an external management group, which was primarily responsible for monitoring performance and writing policies, documents and plans. LM1 was an exhibit-based attraction and input was sought from focus groups and community groups when planning different exhibits. This is similar to MR2, which used its membership base to gather information about various decisions.

5.3.6.5 Information Sources

Question 6: *Do you look around for information and advice when you are planning for your attraction? Where do you get most of your information from?*

As discussed previously, a number of attraction managers examined environmental forces during the planning process, however the formality and sources of information about trends and patterns varied. This information helps to support planning functions by allowing managers to make informed decisions. *Table 5.13* indicates the most common sources of information for respondents in the sample. It is reassuring to note that this inductive list of sources closely mirrors the items initially identified in the empirical research presented in the previous chapter.

TABLE 5.14 – Most common sources of information for planning decisions

Source	SR1	SR2	SR3	MR1	MR2	MR3	LR1	MM1	MM2	LM1	LM2	LM3	Count
Own research	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12
ATC, DMOs, RTAs		✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	10
Museum / Tourism / industry networks	✓	✓	✓		✓	✓	✓	✓	✓	✓			9
Education and scientific institutions			✓				✓	✓		✓	✓	✓	6
Competitors / collaboration / benchmarking				✓				✓	✓		✓	✓	5
Consultancies		✓	✓				✓					✓	4
Government Information	✓									✓			2
Best practice / industry leaders		✓								✓			2

5.3.6.6 Own Research

It is evident from the findings that all managers conducted their own research to assist with planning decisions. Further, when prompted to indicate which source of information was most important in assisting planning decisions, all respondents identified their own research. However, the extent of this research varied. At a basic level, most attractions collected visitor statistics and information such as complaints and comments from visitors. Visitor statistics typically included visitor numbers, coach numbers, food and merchandise sales, visitor satisfaction and simple demographics, such as the visitor's postcode.

A more sophisticated approach adopted by some attractions (SR2, MR1, MR3) involved the calculation of 'conversion rates' or yield. MR1, for example, does not charge an entry fee and relies on merchandise and food sales for profitability. The cross-referencing of visitor numbers and sales on a daily basis supported operational decisions at the attraction.

As noted previously, MM1 and LM2 have adopted sophisticated formal evaluation procedures by employing evaluation officers. The evaluation officer at MM1 was specifically tasked with "evaluating visitor responses, markets and opportunities". Basic research at this attraction was also supported by visitor exit surveys and major quantitative studies conducted every few years.

Some attractions collected qualitative information through the use of focus groups, or less formal methods such as networking with hotel concierges and coach drivers. The Head of Public Programs at LM1 stated that anecdotal experiences and observations about visitors were valuable. The tourism manager of MR1 noted that she did not devote a great deal of resources to conducting visitor research, preferring instead to rely on employee feedback about visitors. This contrasts sharply with the view from the director of SR2, who noted that staff feedback was often different from the empirical research collected by the attraction. There is also some evidence in the tourism literature that staff feedback about customers is often not an accurate reflection of visitor experiences (Bejou, Edvardsson and Rakowski, 1996).

5.3.6.7 Tourism Industry Intelligence and Networking

A majority of attraction managers (10) indicated that tourism industry intelligence from organisations such as the Australian Tourist Commission, state marketing organisations and regional tourism associations were important sources of information. While this information was seen as valuable, a number of respondents lamented that it was often dated and inaccurate. MR2 and LM3 expressed concerned about the

accuracy of visitor arrival figures and noted that trends identified at a national or state level often failed to materialise at a business level. SR2 observed somewhat more candidly that businesses needed to be cautious about using statistics from tourism organisations because it was often too generic and created the potential for distorted expectations.

During the interview process it was also observed that large metropolitan attractions interviewed in Sydney were less perturbed by inconsistencies in visitor data. Given that Sydney is the international gateway to Australia one would expect that visitor demographics would be relatively undiluted, and that ATC data would more closely match the profile of visitors to these attractions. Regional attractions perhaps need to place more emphasis on their own research, which better reflects the visitor idiosyncrasies of more dispersed destinations.

Nine respondents also recognised the importance of the tourism and museum industries, which provided information through reports, journals, conferences and networking opportunities. SR3 strongly highlighted the importance of “establishing a **network of knowledgeable people**”. The manager at MR1 noted that while these information sources were useful, there was still a lack of information specifically about tourist attractions.

5.3.6.8 Competitors, collaboration, benchmarking and best practise

A number of attractions, most notably in metropolitan areas, and within the museum sector, have established cooperative partnerships. These cooperative arrangements allow attractions to share visitor information and research and provide opportunities for benchmarking. A formal cooperative arrangement was not observed amongst regional attractions, although it must be conceded that some attractions informally share visitor statistics, often as a result of networks formed through their regional tourism authority.

Respondents at SR2 and MR1 specifically noted that they used comparable overseas attractions as a source of ideas. This form of benchmarking was facilitated by personal travel to 'best practice' industry leaders in the United States, and by monitoring Internet sites. At a local level, information about direct competitors was also accessed informally using the Internet. Phillips and Appiah-Adu (1998) found that benchmarking of competitors and customer experiences was a useful tool in the strategic planning process of hotels. Sharing attendance data and participating in joint marketing was also identified as is an emerging cooperative trend by Pearce (1998a), who argued that this partly offset the trend for large companies to operate a suite of attractions.

5.3.6.9 Consultancies and Education Institutions

External research-oriented organisations were viewed as a useful information source. Six attractions noted that they had established good relationships with local educational institutions. LR1 and LM3 made use of university students taking part in practicums by developing research projects that produced useful outcomes. A further five attraction managers stated that consultants, or consultancy reports, provided good information for the planning process. Both large and small attractions had employed consultancy firms to conduct periodic market research projects and feasibility studies. LM3 employs a large national consultancy firm to poll 400 locals about the attraction every six months. This research is focussed on the community awareness of the attraction and allows managers to determine the effectiveness of marketing plans.

5.3.7 Importance of Planning

Question 7: *What do you think are the most important or useful parts of your plan?*

Question 7 was intended to provide a summary of the outcomes of the planning process. Summaries of the responses from each attraction are included in *Table 5.14*.

TABLE 5.15 – Most useful aspects of planning identified by attraction managers.

	Attraction Type	Comments
SR1	Museum	The most useful outcome of planning is its ability to foster brainstorming activities as well as providing a framework for collecting statistics that allows management to understand what is happening in the attraction and its environment.
SR2	Nature-based	The budget is viewed as the most important outcome of the organisation's planning efforts. An accurate budget and forecasting process is crucial to sustainability and growth
SR3	Nature-based	A positive outcome of planning is the information produced as part of the planning process (eg. visitor profiles, budgets , marketing figure), particularly with respect to meeting key performance indicators. The ability of planning to increase visitor satisfaction and to maintain infrastructure is also beneficial. Planning has identified and changed the key target market .
MR3	Agricultural	Two key benefits of planning were defined as (1) a better, more attractive product that supported greater customer satisfaction and increased yield , and (2) the ability to identify high yield markets .
MR1	Manufacturing	The usefulness of planning depends on the purpose of the planning process.
MR2	Aquarium	Planning is a means for getting everyone in the organisation to agree . This has a positive impact on staff morale . Another benefit of planning is an increase in visitor numbers , because part of the planning process involves identifying what visitors don't like.
LR1	Australian Culture	One of the most beneficial outcomes of planning is the ability to develop new products . This allows managers to think about the future growth of the attraction and to consider new fields and product opportunities.
MM1	Museum	Marketing plans are the most useful aspect of the planning process. Planning provides a context for guiding day-to-day decisions .
MM2	Science / Technology	The key benefit for staff is the operationalisation of the organisation's broader strategic goals. For the director, the most useful aspect of planning is the identification of strategic domains and priority areas, which provide a benchmark for measuring progress.
LM1	Gallery	Planning provides staff with a unified focus . The planning process also assists in the delegation of tasks and contributes to the development of projects .
LM2	Museum	The most useful aspect of planning involves the development of the organisation's employees and collections .
LM3	Aquarium	The budgeting aspect of planning is most important. The task of setting visitor figures for each month is also a useful part of the planning process. Planning is also simply a useful tool for identifying goals because they " keep you focussed ".

Six key themes about the usefulness of planning emerge from the responses presented above. These are:

1. *The collection of visitor statistics.* Four attractions (SR1, SR3, MM2, LM3) found that one of the most useful aspects of planning was its ability to create a framework for collecting and analysing visitor statistics and benchmarking performance. MM2 summarised this theme well when stating that the most useful aspect of planning

was its ability to provide “a yard stick whereby we can look at what we are doing and what we may be able to do...and see how it fits in the context of the plan.”

2. *Development of new products and markets.* Four attraction managers felt that planning allowed them to identify projects involving new products and target markets (SR3, MR3, LR1, LM1).
3. *Improvement of attraction, leading to higher visitor numbers, satisfaction or yield.* Three attractions stated that planning led to increased visitor numbers, satisfaction or yield (SR3, MR3, MR2).
4. *Creating a unified focus for the attraction.* LM3 found that the identification of goals during the planning process help to “keep you focussed”. Similarly, other managers expressed the following views:

*“It is very important to focus on who you are doing it for... you have to make sure that you are soundly **focussed**”. (LM1)*

*“You can get **everyone to agree** on ‘this is what we want to do, this is how we are going to do it and this is how we are going to measure whether we succeed or not’.” (MR2)*

The development of goals and strategies for the attraction created unity and a sense of direction. This is consistent with earlier comments regarding the creation of identity and vision.

5. *Supporting budgeting, marketing and human resource functions.* Less commonly identified outcomes of planning included the support of budgeting (SR2, SR3, LM3), marketing (MM1) and human resource (MR2, LM2) functions. The manager of MR2 found that planning resulted in higher employee morale, while LM2 stated that planning helped the organisation to develop its employees.

6. *Providing a context for operational decisions.* The ability for planning to provide a context for making 'day-to-day' or operational decisions was also noted (MM1, MM2).

5.3.8 Planning and Attraction Size

Question 8: *A common thread in the research we have been doing is the fact that larger attractions are much more likely to plan. What are your thoughts on this?*

The difference between 'serendipitous' or 'accidental attractions' and 'premeditated attractions' has already been briefly discussed. A related issue, identified in earlier chapters, is the link between attraction size and planning. Question 8 was therefore formulated in an attempt to determine whether small attractions develop into larger attractions as a result of formal and deliberate planning efforts, or whether planning becomes a necessity once an attraction begins to attain a certain size. The responses were varied, but several managers provided some intriguing answers.

While some managers (i.e. SR3, LM3) felt that there was no clear answer on the issue some clearly felt that **planning produced growth**:

Success stems from planning...you cannot succeed if you don't plan. Planning allows an organisation to control the outcomes more efficiently and allows management to stabilise variables in order to achieve goals (LM1).

Organisations of every size need to plan. I think smaller organisations actually need to plan more because they have fewer resources and need to operate in an efficient manner (LM2).

Only through planning. It doesn't just happen because you're lucky. You don't just grow because you're lucky. Someone's planned, had an idea, and brought that to fruition. Tourism is too hard to just hit it on the head and say: 'they will come'. They never come, you've got to try to get them (MR3).

LM1 noted that that the need for planning varied according to the **nature** of the attraction. As an example, it was suggested that planning in natural attractions, probably occurred later in the organisation's development than in highly structured, built attractions. This is a view shared by MR1. The Deputy Executive Director of LR1 adds further detail to this notion by elaborating on the contrast between 'accidental' private attractions and planned government attractions:

*Government attractions are often opposite to this development model. A team of 1000's of consultants will want to **definitively plan** to the nth degree before developing a product, and then it is not accepted in the market place. In tourism...a lot of tourism product has to grow **spontaneously** to give it energy - an individual's passion or desire to see something that has always been in the back of their mind as being worth developing. The government sector will kill things with planning and don't see that the product had to be there in the first place.*

The Director of SR2 felt that planning in larger attractions was driven by finance:

Planning comes about because it is a prerequisite for accessing money – both private and banking.

Larger attractions are planned because this formality is required to secure investment or government funding to construct these attractions. In contrast 'accidental' attractions develop gradually, often with no external investment and with little formal planning at the initial stages.

These observations should be considered against the backdrop of organisational life cycles. LM2, for example, is one of the largest attractions in Australia and is likely to be at a mature stage of development. Similarly LM1, LM2 are substantial attractions with an ingrained culture of planning. The views of the Deputy Executive Director at LR1 are interesting because the history of this attraction suggests that it originated as a small, albeit well planned, regional attraction.

In contrast to the views that planning is a necessity for attractions of all sizes, and that planning is required for growth, a second group of attractions felt that planning **evolves** as attractions grow. One interviewee (MM1) suggested that planning was evolutionary, and became more formalised in an organisation as issues became more apparent. The manager used the analogy of turning a ship around – a plan is needed to give direction to an organisation.

A series of more pragmatic responses to the issue of attraction growth and planning are provided by the following remarks:

*In a **small attraction** it is usually adequate for the plan to be in someone's **head**. Plans are written down because it becomes necessary to communicate the direction of the organisation to other people. In a **larger** organisation it is not reliable for the plan to simply be in someone's head. The planner would end up with too much information in their head. It is not clear what the break point is, or where planning starts to pick up in terms of growing the business. (MR2)*

*If you were a **sole operator** planning is taking place in your **mind** and you know where you want to go. There is less pressure to put the plan on paper as a small operator than there is as a big operator. Once you get 3-4 people involved then you've got to start sharing that. You can still do that around the lunch table but **there comes a point where you have to put things in writing**. It is at that point that you clarify what it is that you are trying to achieve and how you go about doing that. (MM2)*

The Director of SR1 stated that one of the difficulties in smaller attractions was the inability to fund sufficient paid staff to plan. He felt that smaller attractions needed at least one permanent employee to provide continuity and to encourage a longer-term view. Similar to MR2 and MM2, there was a strong belief that once a small attraction employs paid staff it becomes necessary for the attraction to be self-sustaining. Planning becomes necessary as a means of justifying the role and performance of the organisation.

SR1 believes that the change in attitude in favour of planning occurs when attraction owners realise that planning is necessary to maintain performance and income. Likewise, the tourism manager of MR1 suggested that as attractions grow they experience greater overheads and therefore need to be more mindful of costs. Mistakes and bad decisions have the potential to be more costly and this creates a need to research and plan.

In summary, the two core views are not totally disparate, and offer some answers to the “chicken and egg” relationship between planning and organisational growth. It should now be evident that attraction growth and planning are so intertwined that both views may be accurate for different types of attractions. Consequently, some attractions (large and small) are subjected to sophisticated formal planning approaches when they are conceptualised, and planning therefore becomes entrenched in the organisation’s psyche. On the other hand, some attractions evolve accidentally and the sophistication of planning increases as the financial stakes rise.

There is some scope for these opposing attraction development models to be viewed along a continuum, since some attractions exhibit neither a highly formal planning character, nor a complete absence of planning. There are certainly small to medium attractions in Australia that were conceptualised by owners and managers with a high degree of foresight. These observations, therefore, are related to the four levels of planning presented in the previous chapter. They help to explain why attractions at the lower levels tend to be small, while those at the upper levels are larger.

5.3.9 The Future of Attractions

Question 9: *I imagine that during the planning process you would have given some thought to the future of your attraction and to the tourism industry in general. Would you like to share some of your thoughts about this future with me?*

Question 10: *How do you think attractions, and the way they are managed, will change in the next 20 years?*

The final two questions do not deal with planning *per se*, but provide a link with the next chapter dealing with the future of Australian tourist attractions. It became apparent after reviewing the responses to these questions that they should be summarised together.

Some managers chose to speak philosophically about the future of the tourism industry, while others related their answers specifically to their own attraction and the region in which it was embedded. A useful framework for summarising manager perceptions about the *macro*-environment is the STEEP framework used in Chapter 1. This framework allows for an analysis of the future in terms of socio-cultural, technology, economic, environmental and political changes. In addition, the *micro*-environment is examined here by considering the tourism industry changes and market trends identified by managers. The results are presented in *Table 5.15*.

An examination of responses indicates that opinions varied widely. Most managers had some difficulty in initially formulating a response to the question, despite having received the questions several months prior to the interview. This highlights the challenges managers face in considering the complex and uncertain nature of the future.

TABLE 5.16 – Themes of attraction manager perceptions of the future.

Key Future Themes	Respondents	Count
<i>Socio-cultural change</i>		
Increased leisure time	SR1, MR1	2
More multi-cultural / Asian society	LM1	1
People living longer	MM2	1
<i>Technological change</i>		
Online technologies	SR1, LM1, LM2, MM2, MR2	5
Technology and human interaction	SR1, MR3	2
Multi-media / multi-faceted exhibitions	LM1	1
Use of technology to measure and track visitors	MM1	1
<i>Economic change</i>		
Greater disposable income	MM2	1
<i>Environmental change</i>		
Manage impacts, biodiversity, natural assets	SR3, MR2	2
“Green factor” / natural attractions valued	LR1, MR2	2
<i>Political change</i>		
Government allocation of funding	SR1, SR2, LM2	3
Public liability insurance	LR1, SR2	2
Censorship	LM1	1
<i>Attraction trends</i>		
More professional management	SR1, SR2, MR1, MM1, LM1, MM2, MR3, SR3	8
Theming of attractions	SR1, LM2, LR1	3
More meaningful, immersive, engaging experiences	LM1, LR1, LM3	3
Need for cooperation / communication	MR2, SR3	2
More flexible staff structures and employment conditions	LM1, LM2	2
Simplistic attractions with mood and ambience	MR1	1
More stringent standards / accreditation	SR1	1
Takeovers, consolidation and amalgamation of attractions	LM3	1
<i>Market trends</i>		
More travel, shorter holidays	MR1, LR1	2
Visitors more sophisticated and demanding	MR2	1
Appetite for learning / life-long learning	MM2	1
Continued presence of international market	LR1	1
High-yield international visitors to regional Australia	MR3	1

5.3.9.1 Socio-cultural changes

The managers of SR1 and MR1 both indicated that increased leisure time would create new opportunities for attractions. The CEO of SR1 suggested that leisure activities that don't require much money and are within a convenient distance of travel would become important. LM1, a large metropolitan attraction, noted the increasing influence of Asian culture in Australia, and believed that Australia would continue to become more multi-cultural. The interviewee also expressed a need for greater interaction with the Asia Pacific region. At pragmatic level, this means that attractions need to deliver features that appeal to Asian audiences.

5.3.9.2 Technological change

There was considerable concern from some attraction managers, notably in the museum sector, that the Internet had the potential to disrupt the operations of attractions. Managers at SR1 and LM2 were dismayed that members of the younger generation were increasingly staying at home to entertain themselves rather than seeking interactive activities. In response to this trend, SR1 indicated a need for attractions to increase their interface with the public through interactive displays, such as the creation of 'living history'. Similarly, LM2 stated that museums would have to play a role in making sure that the younger generation understood that a real visit to an attraction could be supplemented by an online visit. There was a feeling that museums provided more opportunities for interaction with "real people and real objects". The key question for museums was neatly summarised by MM2:

How do we use the web...in a way that gets the message out to as broad an audience as we can, raises their curiosity but does not satisfy a majority of people until they have actually visited the attraction?

A related concern was that attractions would need to make a trade off between technology and human interaction at the attraction itself (SR1, MR3). While the attraction could connect with visitors through the application of technology (such as the use of holograms), it was suggested that interaction with real people was also needed to provide visitors with an incentive to visit attractions. "People want people because it's part of our human culture (SR1)." Individual attractions would need to strike a balance between the use of cutting-edge interpretive technologies and personal interaction.

LM1 presented a view that contrasts with the general apprehension about technology. The manager at this attraction felt that attractions such as museums and art galleries were well placed for the information age, because these institutions were repositories of information-rich collections. He also predicted that while galleries and museums

would continue to provide an escape for some segments of the market, they would also increasingly move toward multi-media / multifaceted exhibitions to engage the audience. The manager of MM1 envisaged another use of technology in attractions, stating that technological developments such as the use of smart cards could provide attractions with an opportunity to more accurately measure and track visitors.

5.3.9.3 Economic change

Economic variables did not feature prominently in conversations about the future of tourist attractions, however, MM2 did connect increased life expectancy with greater **disposable income** as two key demographic trends that would influence tourist attractions.

5.3.9.4 Environmental change

Two attractions, notably in regional Australia, mentioned that the nation's bio-diversity and natural assets provided enormous scope for nature-based tourism. The Deputy Executive Director at LR1 believed that Australia's icons, the reef, the rock and Sydney would continue to be significant drivers but that the South Eastern parts of Australia would include a 'green factor'. Eco-products in Tasmania and Victoria were cited as examples. There was a strong recognition from SR3 and MR2 that the community would expect the nation's natural assets to be managed in a sustainable manner.

5.3.9.5 Political change

The role of government in the tourism industry continues to be a contentious issue for tourist attractions. SR2 and LM2 both expressed a belief that government funding for tourism projects was an important future issue. SR2 expressed concern about the allocation of funding to regional projects such as the *Heritage Trails* network. There was a feeling that the current funding models created some future structural problems for the attraction sector because they provided funding for the development of attractions but failed to fund ongoing maintenance. A residual impact was the dispersal

of visitor numbers, causing some commercial attractions to receive fewer visitors. It was suggested that a better funding model might involve commercial attractions competing for a pooled government funding source. The manager of LM2 was more concerned that government funding of public attractions would decrease, and that these attractions would need to become increasingly self-sufficient. This point was also raised by SR1.

Public liability insurance was noted as a problematic issue in the immediate future (SR2, LR1) while the manager of a prominent art gallery (LM1) was concerned about government censorship. The manager of LM1 that art galleries should provide a “safe environment for displaying unsafe ideas”. These points, however, are somewhat short-term and of less interest in the context of a 20-year time frame.

5.3.9.6 Attraction Trends

Many of the managers in the sample focussed on specific attraction sector trends that had the potential to influence tourist attractions in the next 20 years. The most resounding theme identified by managers was that attraction management would become more **professional**. Various reasons were provided to support this view. The director of SR2 stated that better educated managers, and an increased awareness of computerisation and software would improve professionalism within the industry. The manager at MR1 believed that the increasing costs and complexity of doing business would result in more professional attraction managers. MM2 suggested that more demanding clientele would lead to more professional approaches in attraction management. According to MM1, increased professionalism would create a greater reliance on research and information, and managers would need skills in conducting and interpreting research accurately.

Several attractions were also apprehensive about increased professionalism in the attraction sector. SR1 was concerned that smaller attractions may lose some of their

character as their operations became increasingly dominated by regulation and financial control.

People create a space or energy or feel about an organisation because of their own experience so if you look at a museum or attraction and put it into the hands of someone who's focus is money and finance, then it changes the dynamic quality of the attraction. (SR1)

For some attractions the value is in the uniqueness of the experience and part of that has to do with the eccentric nature of the operator. The Crocodile Hunter is very, very smart, but also very, very eccentric and that's part of the attraction. Particularly out West there are a lot of attractions where the greater proportion of the attraction is the eccentricity of the owner/operator. (MM2)

While these concerns are valid, several managers also noted that there would always be 'mum and dad' attractions (SR2, MR3).

Continuing with the theme of increased professionalism, the director of SR1 predicted that attractions would need to operate under more stringent standards and accreditation requirements. Accreditation would become increasingly necessary for organisations needing to attract public funding. Higher standards would in turn create a need for more professional management. It was envisaged that accreditation requirements would make the environment tougher for small museums and attractions.

Table 5.14 indicates that the prevalence of **themed attractions**, and specifically the popularity of theme parks was identified as a trend by three museum managers. This is consistent with observations by Tourism News South Wales (1999). The CEO of SR1 felt that in order to compete with other entertainment options, theme parks were increasingly becoming an acceptable face for museums. In sharp contrast, the manager of LM2 stated:

*In trying to get the audience in we must never lose the **integrity**. We should not turn into a **theme park** in trying to attract audience*

At LR1, an attraction that could arguably be described as a museum or a theme park, the manager suggested that theme parks were one style of tourism providing people with experiences, but that other approaches had become equally important. For example, dining and cultural aspects such as sports tourism were increasingly popular attractants for visitors who then took part in secondary activities while at the destination.

Some managers felt a growing sense of urgency to connect with visitors by offering meaningful, immersive and engaging experiences (LM1, LR1, LM3). This issue is related to the challenge of balancing the use of cutting-edge interpretive technologies and personal interaction. It is also linked with the need to satisfy more sophisticated and demanding visitors, as identified by MR2. Competition from other activities such as the Internet, computer games, arcades and theme parks is becoming more sophisticated. As a result customers continue to increase in sophistication. The marketing manager of LM3 perhaps highlighted the issue most clearly:

*Visitors will be seeking a more **interactive, hands-on experience**. The days of a passive experience are fading.*

Unfortunately a dilemma for this large attraction was that it faced capacity problems because it was receiving too many visitors to provide a truly interactive experience. A slightly different opinion was offered by the tourism manager at MR1, who felt that attraction infrastructure needed to be “more simplistic, creating mood and ambience”.

The need for greater cooperation was identified by MR2, who stated that visitor facilities needed to understand that they were working together and any destructive competition needed to be left behind. Similarly, SR3 recognised a need for greater communication between local communities, tourism operators and CRC's to work on “big picture” issues, such as managing visitor impacts.

Another less prominent theme identified by managers was the management of **employees**. LM1 and LM2 both envisaged a need for greater flexibility for staff. LM1 felt that more flexible staff structures and employment conditions would allow managers to respond to constraints and external conditions. On a slightly different tangent, LM2 discussed the role of technology in changing work processes. Technology now allows individuals to work from home and attractions needed to take advantage of these opportunities to create flexibility for staff as well as the organisation. An extension of staff flexibility was the need for staff to become more multi-skilled.

The marketing manager at LM3 raised an intriguing trend also identified in some of the tourism literature: a shift toward the consolidation of the attraction sector. The manager felt that there would be a lot of take-overs in the attraction sector in the next 20 years. Dominant tourism-based companies will acquire small attractions and will apply a broad-based management approach. LM3 reasoned that:

If there are a number of attractions or products in your portfolio your management structure can be a lot leaner. For example, you would have one salesman selling 10 products instead of ten salesmen selling one product.

She explained that examples of this trend were already evident in other sectors of the tourism industry, such as hotels, cruise companies and theme parks.

5.3.9.7 Market Trends

Two managers (MR1, LR1) highlighted that demographic changes resulted in more travel and shorter holidays. By example, LR1 stated that:

*There is a trend towards **shorter-term experiential**-based holidays. In three days people want to do 2-3 really good things...a unique and enjoyable experience...Packaged products with mini experiences are what we are moving to.*

Embedded in this view is the need for attractions to work together to create experiences for visitors, as discussed earlier.

It was somewhat surprising that only one attraction (MM2) was preoccupied with the role of attractions as facilitators of life-long learning. While this issue is allied with a need for attractions to provide more interactive experiences, it is a subtly different concept. The implications of life-long learning means that attractions are uniquely placed to satisfy the curiosity people have about the world:

Tourist attractions, by their nature, are educational experiences., whether they have a natural or historic basis. People go to attractions to be educated, to be awe-struck and because other people have gone. The future looks bright, particularly if you add value to it. (MM2)

When prompted to discuss the future of attractions, both LR1 and MR3 recognised the continuing influence of the international market on Australian attractions. MR3 observed that within the attraction's local area many coastal towns were experiencing a massive "Noosa-like" re-invention. Boutique towns were becoming accessible to tourism and a number of resort and marina developments were being planned. Quality accommodation in coastal towns had the potential to attract a larger share of high yield international visitors to regional Australia.

5.4 CONCLUSIONS

The results have added considerable detail to the findings presented in Chapter 4, allowing for a better understanding of planning issues at the business level of tourist attractions. The findings will be revisited in Chapter 7, with a view to developing a framework of tourist attraction planning. However, a brief summary to some of the key findings of the chapter is provided here.

The results supported earlier findings that larger attractions had more elaborate planning systems than smaller attractions. However, the findings of this chapter

provided a better understanding of the reasons behind this observation. Larger attractions typically developed a complex layered planning process. The writing of a formal plan also appeared to be associated with larger attractions, particularly those in metropolitan locations. In smaller attractions strategic planning and operational aspects appear to be much more closely linked. The findings also confirmed that most attractions do undertake common planning tasks such as setting objectives, developing strategies, determining key performance indicators, monitoring the environment and evaluating business performance. The monitoring of performance was viewed as being particularly crucial for tourist attractions, both as a planning function and a useful by-product of the planning process.

The study made an important distinction between serendipitous attractions and premeditated attractions. This distinction helps to partially explain some of the differences in planning approaches encountered in attractions. An early puzzle in the first study was the need to determine whether small attractions develop into larger attractions as a result of formal and deliberate planning efforts; or whether planning became a necessity once an attraction reached a certain size. The qualitative study appears to suggest that attraction growth and planning are so intertwined that both statements may be correct. Some attractions are subjected to sophisticated planning processes at the outset, while some attractions evolve accidentally and planning becomes more sophisticated as the financial stakes rise.

While chapter 4 provided a snapshot of employee participation in planning, the qualitative approach in this chapter allowed for further exploration of the nature and roles played by employees, including senior management, employees and volunteers. The information sources used by attractions during planning were also reconfirmed in this chapter; however the qualitative approach was able to identify the types of information attractions collected, whilst also explaining how this was used during the planning process. Furthermore, the qualitative approach identified the importance of

collaborative arrangements that allowed competing attractions to share attendance data.

The last part of this chapter was concerned with the views of attraction managers regarding the future of Australian tourist attractions. The findings showed that management opinions varied considerably, with a large number of disparate comments and (in some cases) elaborate visions. However, there was a reasonably strong notion that the attraction sector would become more professional in the next 20 years.

CHAPTER 6

Australian Tourist Attraction Futures

OUTLINE OF CHAPTER

6.1 Introduction

Highlights the purpose of this chapter and introduces study 3.

6.2 Methodology

Describes the qualitative futures wheel approach adopted for study 3, and details the research apparatus and procedure and the use of three think tanks in the data collection.

6.3 Results

Presents the findings of the futures wheels by identifying themes and concepts from the think tanks. Themes are presented by exploring segments of the futures wheels using a grounded theory approach.

6.4 Discussion

This section contrasts the key themes and concepts identified by the research with attraction management trends from the literature. The key themes and concepts are also compared with the comments from attraction managers presented in Chapter 5.

6.1 INTRODUCTION

Preceding chapters have explored how Australian tourist attractions plan for the future. The following chapter departs from this planning focus and uses a novel *Futures Wheel* methodology to consider how trends in the medium-term future may impact on tourist attractions. The research in this chapter draws heavily on the future trends identified in Chapter 1. The implications of some of these trends are explored in the context of tourist attraction planning. The exploration of trends extends the preceding discussion about current planning practices towards a consideration of the future. This chapter is therefore the third concept in the underlying structure of the thesis which: (1) moves the reader from the present characteristics of the Australian tourist attraction sector; (2) explores the planning characteristics of the attraction sector and describes planning processes in individual attractions, and (3) concludes with a consideration of the consequences of future trends. Previous chapters have addressed the core research questions of this thesis by reporting the planning approaches adopted by tourist attraction managers. The present chapter supplements this research by offering an

additional direction for understanding the future of Australian tourist attractions. An informed audience of high performing tourism students, as well as postgraduates and tourism scholars were used in the study because of its experimental nature, the need for group interaction, and the resource requirements of conducting the research. Such a structured approach for considering the future may uncover new insights that can be used to inform tourist attraction planning.

The qualitative research reported in this Chapter seeks to address the aims of study 3, which are:

Aim 3.1: To determine the relative importance and certainty of broad trends that may impact on the future of Australian tourist attractions.

Aim 3.2: To explore the consequences of the most important but least certain trends in order to identify more specific attraction management themes and concepts.

Aim 3.3: To compare the attraction management themes with the broader literature and with comments from attraction managers presented in Chapter 6.

Aim 3.4: To evaluate the use of the *Futures Wheel* concept as a planning tool for managers and researchers.

6.2 METHODOLOGY

6.2.1 The Futures Wheel

The final research component in this thesis adopts a methodological approach that has not been reported in previous tourism research. Qualitative data are generated using a tool known as the 'Futures Wheel'. The Futures Wheel is a method of identifying and presenting secondary and tertiary consequences of trends and events. It was first developed by Glenn (1972) and has been adopted by corporate planners and public

policymakers to identify potential problems and opportunities, new markets, products, and services and to assess alternative tactics and strategies. The use of the futures wheel has been documented in the futures literature as a useful tool for constructing future scenarios (Slaughter, 1987). However, the method has been reported in only a handful of academic studies. It has been most commonly used in the education literature as a tool to help students visualise the consequences of trends or events (Wagschal and Johnson, 1986; Boujaoude, 2000; Deal, 2002). The technique has also been used by Salvadori (1997) to stimulate children to think about the future of their neighbourhood. A recent research paper by Birkner and Birkner (2002) included the futures wheel in a review of methodologies for envisioning the future of occupational hygiene. In the management literature, the approach has been suggested as a group discussion technique designed to help group members think systematically about the future consequences of a decision (Haas and Martin, 1997). An exhaustive search of the tourism literature failed to reveal any studies employing the futures wheel technique.

In a definitive review of the method, Glenn (1994) suggests that the Futures Wheel is essentially a structured brainstorming method for organising opinions about the future. According to Glenn (p. 2), the Futures Wheel is most commonly used to:

- think through possible impacts of current trends or potential future events;
- organize thoughts about future events or trends;
- create forecasts within alternative scenarios;
- show complex interrelationships;
- display other futures research;
- develop multi-concepts;
- nurture a futures-conscious perspective; and
- aid in group brainstorming.

A common approach to operationalising the futures wheel involves identifying trends or possible future events. These trends are then presented to a respondent or a group of individuals. A facilitator is used to ask: "If this event occurs, then what happens next?", or "What are the impacts or consequences?". Responses are recorded as a set of sequential chains of impacts radiating out in a linear fashion from the initial trend. This concept is illustrated in *Figure 6.1*.

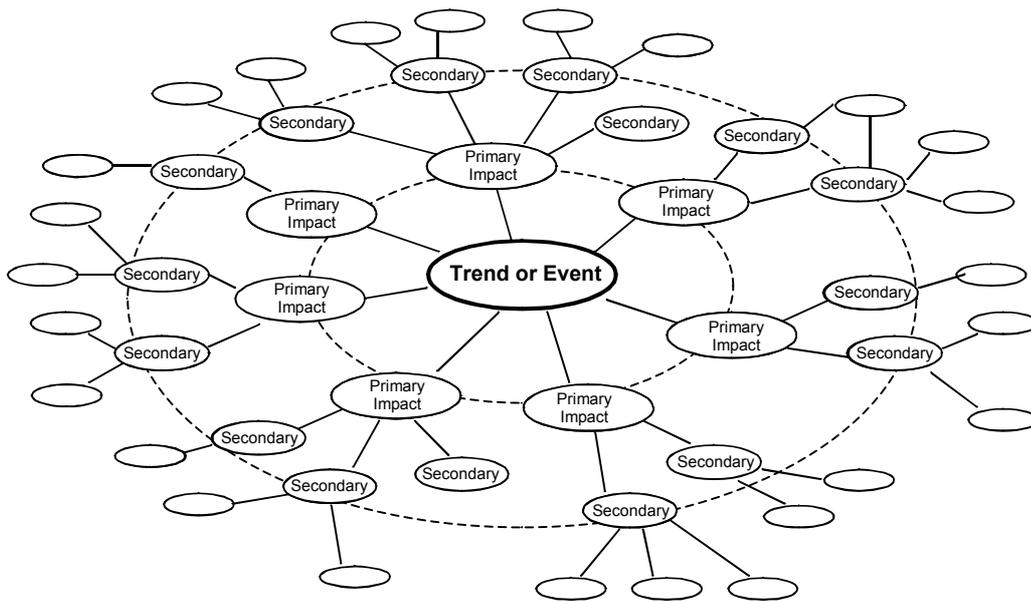


FIGURE 6.1 – The basic futures wheel concept

Because the futures wheel is a graphic organiser, it is useful for presenting complex interrelationships in a highly visual manner (Boujaoude, 2000; Deal, 2002). The futures wheel method is closely related to the concept of mind mapping. However, unlike mind mapping, the Futures Wheel completes each ring in concentric circles by first exploring primary impacts, followed by secondary impacts, then tertiary impacts, and so on. Mind mapping is useful for exploring linkages, but does not necessarily make distinctions between primary, secondary, and tertiary impacts relative to other impacts radiating out in time (Glenn, 1994). The output of a futures wheel can be used as a basis for further thinking, for more systematic exploration, and for the application of other techniques for probing the future. It therefore offers some promise for exploring the future of various aspects of the tourism industry.

6.2.2 Procedure and Apparatus

The broad methodological approach involves the identification of a number of distinct trends that have the capacity to impact on tourist attractions in the next 20 years. These trends were identified after an extensive search of literature in the areas of social change, technological innovation, economic forces, environmental influences, political change and changes within the tourism industry. A summary of the literature was presented in Chapter 1. After consulting the literature a total of 62 trends were distilled for use in the study. These are presented in *Appendix 15*.

In order to operationalise the Futures Wheel concept, individuals were invited to attend one of three 150-minute 'think tanks'. The think tanks were structured into two sessions. The purpose of the first session was to identify a subset of 10-12 trends for further discussion, as it was recognised that time constraints and complexity would not make it feasible to evaluate the full set of 62 trends. The second session involved the use of the Futures Wheel to explore the trends identified in the first session.

The think tanks consisted of between 8 and 11 individuals who were guided by two researchers. The researcher played the role of 'the oracle'. The purpose of the oracle was to clarify misunderstandings about trends without suggesting implications or linkages to tourist attractions. A second independent researcher played the role of 'the facilitator'. An independent facilitator was used to minimise the potential for researcher bias.

The first session consisted of a 30 minute structured survey requiring participants to rate each of the 62 trends in terms of importance and certainty. Respondents were asked to use a scale of 1 (most important) to 10 (least important) to indicate how important they felt each trend was to the future of tourist attractions. Similarly respondents were asked to use a 10 point rating scale to indicate the individual's level of certainty of the trend occurring. The session was conducted in a computer room and

ratings were entered directly into a spreadsheet by respondents. This information was networked to a central computer which recorded ratings and automatically calculated average scores for the whole group (see *Appendix 16* for an example of the entry screen). The session was conducted by the oracle, who read each trend and clarified any misunderstandings.

The average scores for importance and certainty were graphically presented on a two-dimensional matrix. The purpose of this approach was to easily identify those trends which were most *important* and most *uncertain*. This follows Schwartz (1996), who proposes the use of importance and uncertainty in the construction of alternative scenarios. The logic behind this approach is that trends which are both important and certain are more likely to have a predictable outcome. While it is not the purpose of this thesis to construct alternative scenarios, it is argued that trends which are both important and certain are more easily anticipated and dealt with by attraction managers. It is therefore philosophically rewarding to explore those trends which are important, but which have a more complex or uncertain outcome (*drivers*). This results in the selection of trends which may not be rated as especially *important* or *uncertain* on one of these dimensions, but are only evident when combined on a two-dimensional matrix, as shown by *Figure 6.2*.

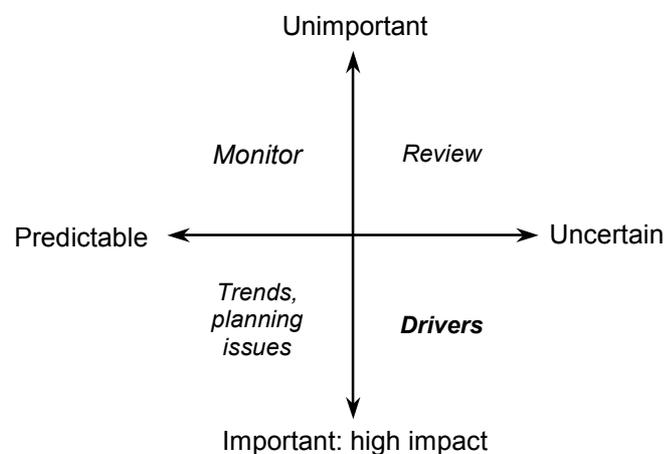


FIGURE 6.2 – The importance / certainty matrix (adapted from Ringland, 2002)

Within the importance-uncertainty construct, a stratified selection method was used to select trends to ensure that there was some representation from the 6 broad areas of social trends, technological trends, economic trends, environmental trends, political trends and tourism industry trends. An attempt was made to select one to two trends from each area; however, when no trend fell within the importance / uncertainty quadrant, the trends that were closest to the quadrant were selected for discussion. In cases where there were no clear trends that were both important and uncertain, no trends were selected. Once the trends had been selected they were passed to the facilitator for use in the second session of the think tanks.

The second session involved the use of overhead transparencies to show the development of the futures wheel by all participants. The group of participants were seated in a horseshoe arrangement to ensure that all participants could see each other and the facilitator. The facilitator commenced with the first trend, which was shown in the centre of an overhead slide. The facilitator asked the group "If this trend occurs, then what happens next?" As each respondent offered ideas they were recorded by the facilitator on the overhead slide. Respondents could see the futures wheel expanding in real time and it was clear that individuals grasped the idea of the Futures Wheel quickly. As is the case in focus group research, the methodology allowed individuals to build on the ideas of their fellow participants.

Due to time constraints the facilitator had to finely balance the need for additional detail with the need to move to the next trend, to ensure that all trends were explored. This is in accordance with Wagschal (1981), who noted that the Futures Wheel process swiftly uncovers unexpected implications in a group setting and requires some restriction to prevent participants from arriving at conclusions that become too speculative. At the conclusion of the second session participants were thanked for their participation and were provided with a small compensation for their time. Informal feedback following the event indicated that participants found the activity interesting and enjoyable.

6.2.3 Sample

The three think tanks were drawn from undergraduate students, postgraduate students and academics who were well acquainted with tourism as a field of study. There are several reasons for this selection of respondents. First, it was considered that an academic sample was more appropriate given that the futures wheel approach was a trial group methodology in tourism futures research. Secondly, while many individuals in the sample lack management experience, it is argued that tourism individuals researching and studying tourism do approximate tourism managers. Thirdly, individuals were readily accessible and given time and resource constraints, were a suitable compromise to existing tourist attraction managers. Lastly, the issue of homogeneity was seen as important in futures research. An analogy can be drawn with focus group research where homogeneity has been recognised as an important characteristic in the success of groups (Krueger and Casey, 2000). The minimisation of variability within a group encourages discussion by increasing the likelihood of similarity in perceptions and experiences among participants. The approach in this research has been to select relatively homogenous groups (*Table 6.1*).

TABLE 6.1 – Composition of think tanks

	Participants	Number
Think tank 1	Level 2 Tourism Students	9
Think tank 2	Level 3/4 Tourism Students	11
Think tank 3	Postgraduate Tourism Students and Staff	8

The first think tank consisted of a group of students who have been studying tourism at University level for two years. The second group included students who had been studying tourism for 3-4 years, while the last group included students who were studying masters or PhD courses in tourism. This group also included several university staff who had completed PhDs in the tourism field. Participants were invited to take part in the research based on their academic performance. It is argued that

students with higher performance are more likely to see linkages and implications of trends and would therefore cope better with the research.

The approach used for this study needs to be considered in the context of related methods such as focus groups and the Delphi Technique. Focus groups allow the researcher to gain a broad understanding of a group's perspectives. While a relatively homogenous group might be expected to have a number of common perspectives, agreement or convergence of ideas is not necessarily a desired outcome (Krueger and Casey, 2000). The futures wheel technique used in this study shared this characteristic because there was no expectation that all participants had to agree on a particular implication before it was added to the futures wheel. In contrast, the Delphi Technique seeks to produce a convergence of opinion without the need for participants to meet. Since participants never meet, the issues associated with group dynamics are avoided. Group dynamics are an important consideration in this research, as the interaction between individuals in the group may have some bearing on the results. The role of the facilitator in managing group dynamics will be discussed towards the end of this chapter as part of an analysis of the strengths and weaknesses of the futures wheel technique.

6.2.4 Data Analysis

The items from each of the three think tanks were subjected to a thematic analysis. The purpose of this analysis was to develop broad groupings of themes that could help to explain the underlying direction of the group discussions. The research adopts a grounded theory approach similar to that described in the previous chapter. However, this chapter adheres more closely to Strauss and Corbin (1990), who prescribe a systematic approach consisting of a series of steps to be taken by a researcher in coding and analysing qualitative data.

The systematic approach is comprised of a coding procedure consisting of three stages of coding: open, axial and selective. *Open coding* involves the identification of codes, or labels that describe events or outcomes in qualitative data (Douglas, 2003). Individually labelled concepts are then clustered around a central theme to form more powerful and abstract categories. These categories form the basis for later aggregation into concepts, or *core codes*. *Axial coding* identifies the relationships between open codes in order to develop a set of core codes. The focus of axial coding is therefore to create a framework that details the specific antecedent conditions that give rise to a particular event or framework. Axial coding is, in this instance, an integrated part of the data collection in the future's wheel approach. *Selective coding* is the "process of selecting the central or core category, systematically relating it to other categories, validating those relationships, and filling in categories that require further refinement and development" (Strauss and Corbin, 1990, p. 116). In a review of grounded theory in management research, Douglas (2003) argues that Glaser and Strauss have "parted in their views on Grounded Theory" since their seminal work in 1967. Glaser's (1992) approach to grounded theory differs from the systematic approach prescribed by Strauss and Corbin (1990). Glaser prefers an analytical method that is more general and allows for issues to emerge in the course of the research process, while Strauss and Corbin adopt the more structured set of analytical steps described above (Douglas, 2003). The coding approach used in Chapter 5 is an example of Glaser's method.

This research draws on the work of both authors. While open coding and axial coding are employed, the coding is not as systematic as the method prescribed by Strauss and Corbin. In order to operationalise the concept of continuous comparative coding, two open coding structures were attempted by the researcher before the themes reported in this thesis emerged. The second coding structure was found to have the best fit, with items able to be grouped accurately under one of 17 themes. The coding structure was amended numerous times during the coding process until a point of

saturation was reached. This point of saturation was evident when no further themes emerged and it was felt that the items were an accurate reflection of the comments they contained.

The coding of responses uses a multi-layered categorical scheme that adopts terminology that varies from that employed by Strauss and Corbin (1998). The coding scheme consists of core categories, themes and concepts. *Core categories* are the same as Strauss and Corbin's 'core codes', which are described as abstract categories made up of properties. Properties are the "characteristics of a category, the delineation of which defines and gives it meaning" (Strauss and Corbin, 1998, p.101). This research uses the term *themes* rather than properties because the term 'properties' is viewed as somewhat ambiguous. The term 'concepts' is used to further delineate themes. *Concepts* are the concrete components that make up a theme and consist of a number of primary, secondary or tertiary implications from the futures wheel.

The issue of coding validity is a further consideration. The futures wheel approach generated 559 separate items. It is argued that the data generated by the futures wheel methodology contains a number of elaborate linkages and contextual information. Coding reliability and validity were therefore tested by asking the facilitator of the original think tanks to code a sample of randomly selected statements consisting of 50 items (about 10% of all statements). The facilitator was provided with a coding key consisting of a subset of nine core themes and was asked to record the theme she felt best matched each statement (see *Appendix 17*). The facilitator's coding was compared with the researcher's coding to determine validity. Of the 50 statements, 39 items matched the coding completed by the researcher, suggesting a 78% accuracy rate. Miles and Huberman (1994) suggest that 70% is an acceptable level of agreement for qualitative data.

6.3 RESULTS

6.3.1 Overview of Results

The results are presented in two parts. The first set of results explores how participants rated the 62 trends in terms of importance and certainty. The second part of the results provides a detailed analysis of the futures wheels by using a grounded theory approach to present the key themes and concepts of the research.

6.3.2 Importance and Certainty Ratings of Trends

The following results address the first aim of this chapter, which was: "to determine the relative importance and certainty of broad trends that may impact on the future of Australian tourist attractions". A full summary of the mean, median and standard deviation for each trend can be found in *Appendix 18*. A full discussion each trend would be exhaustive and does not contribute towards the aim. The analysis is therefore limited to a brief exploration of the 10 most important and least important trends, followed by the 10 most certain and least certain trends. Some observations about standard deviation are also made.

6.3.2.1 Importance of Trends

Participants were asked to indicate the level of importance of 62 trends in the context of tourist attraction management between 2003 and 2020. *Table 6.2* provides a summary of the 10 most important and 10 least important trends based on the ratings provided by participants in all three think tanks. It is evident that all of the broad categories in the STEEP / Market Trends framework are represented. While Economic (Ec) and Technology (T) trends are slightly more prevalent amongst the most important trends, a mix Social (S), Technology (T) and Economic (Ec) trends dominated the least important items.

TABLE 6.2 - Top 10 Most and Least Important Trends

Trend		Mean ^a	Category
49	There will be 1.6 billion international arrivals worldwide by 2020.	1.7	M
23	Transport technology will be safer, faster and more convenient	1.8	T
20	Technology will provide more detailed information about business performance and target markets.	1.9	T
31	Businesses will need to recognise that they are competing in a global marketplace.	1.9	Ec
40	There will be a greater awareness of environmental impacts	1.9	Ev
35	The tourism industry will become more attractive to investors.	2.0	Ec
60	Visitors will take more frequent, shorter trips that offer occasional variety.	2.0	M
7	Consumers will be cash-rich but time-poor and will have lower job security.	2.1	S
33	Tension between globalisation and localisation will grow - businesses will need to operate globally while being sensitive to consumers in the local market.	2.1	Ec
47	There will be more terrorism activity, fuelled by the rise of Islamic fundamentalism.	2.1	P
12	Australia will gradually become an ethnic Asian society.	3.6	S
26	Advances in medicine will deliver relatively good health to individuals well into their 80s.	3.6	T
37	Government fiscal policy will deliver benefits to certain groups in the community	3.7	Ec
24	Space tourism will become a reality.	3.7	T
13	There will be a growing disenchantment with lifestyles that focus purely on work and material possessions.	3.8	S
29	3D television will become a reality.	4.1	T
34	The world will eventually consolidate into three trade blocs: Europe, North America & Asia	4.2	Ec
15	There will be greater interest in the mysticism and spirituality of Eastern and new age religions.	5.2	S
3	The one child policy in China will be maintained	5.3	S
14	Consumers will turn to religion to seek solace and reassurance in an uncertain world.	5.4	S

^a Mean based on: 1 = Most important...10 = Most unimportant; n=28

The top ten trends all received an average rating of 2.1 or lower, thus indicating that many participants viewed these as critically important. Of these, the WTO projection that there would be 1.6 billion international arrivals worldwide by 2020 was seen as very important to the future management of tourist attractions. Advances in technology were also at the forefront of future implications for attraction managers, with participants clearly noting the impact of transport and information technologies. According to the think tanks, the broad theme of globalisation would also be important to tourist attractions in the next 20 years, with participants recognising the need for attractions to be globally competitive while being relevant in a local context (see trends 31 and 33). The current threat of terrorism and Islamic fundamentalism was clearly in at the forefront of concerns and participants expected that this would continue to impact on Australian tourist attractions between 2003 and 2020.

As noted earlier, the top ten least important trends included only social, technology and economic trends. Three of the social trends were grouped under the broad theme of 'mind, body and soul'. Clearly participants felt that these were esoteric changes and of less importance to tourist attractions. However, on a scale of 1 to 10, their importance is still relatively high. Participants also showed some reluctance to rate speculative technologies such as 3D television and affordable space travel as being important. Global economic changes, such as the conglomeration of nations into three key trade blocs were viewed as relatively unimportant. Participants also felt that Australian fiscal policy would not impact as greatly on tourist attractions as would most other trends.

The trend that was most contentious included the statements that "the world will eventually consolidate into three trade blocs: Europe, North America and Asia". Ratings for this trend ranged the full spectrum from 1 to 10 with a standard deviation of 2.5. With a standard deviation of 2.4, the prediction that "the one child policy in China will be maintained" was also perceived to have widely ranging levels of importance by individual participants. Space tourism and 3D television were listed amongst the top 10 least important trends, but these trends also exhibited a relatively high standard deviation of 2.2.

6.3.2.2 Certainty of Trends

Participants were asked to indicate the level of certainty of the 62 trends between 2003 and 2020. *Table 6.3* provides a summary of the 10 most certain and 10 least certain trends based on the ratings provided by participants in all three think tanks. A notable observation is the absence of political or market trends in the top 10 most certain trends. These broad trend themes also only appear once in the least certain trends. The certainty of trends displayed mean scored ranging from 2.3 to 6.7. The overall average certainty rating was 4.1 (sd = 1.9). There is a clear a subset of trends that were deemed to be more uncertain than certain. On a 10 point scale, all of the 10 least certain trends are on or above the mid-point of five.

TABLE 6.3 - Top 10 Most Certain and Least Certain Trends

Trend	Mean ^a	Category
31 Businesses will need to recognise that they are competing in a global marketplace.	2.3	Ec
20 Technology will provide more detailed information about business performance and target markets.	2.4	T
5 There will be a greater proportion of older citizens	2.5	S
23 Transport technology will be safer, faster and more convenient	2.6	T
40 There will be a greater awareness of environmental impacts	2.6	Ev
4 Average life expectancy will increase	2.8	S
33 Tension between globalisation and localisation will grow - businesses will need to operate globally while being sensitive to consumers in the local market.	2.9	Ec
27 CD-ROM / DVD videos and Internet movies will change the way tourism is marketed	3.0	T
41 There will be increased demand for sustainable experiences	3.1	Ev
21 Technology will be used to control visitor flows	3.1	T
18 <i>High-touch</i> tourists will view technology as being destructive to the tourist experience.	5.0	T
48 Liberal democracy and capitalism will triumph over totalitarianism and communism to become the most successful political and economic model	5.0	P
35 The tourism industry will become more attractive to investors.	5.1	Ec
29 3D television will become a reality.	5.3	T
34 The world will eventually consolidate into three trade blocs: Europe, North America & Asia	5.4	Ec
13 There will be a growing disenchantment with lifestyles that focus purely on work and material possessions.	5.5	S
51 International business travel to Australia will grow more strongly than holiday travel.	5.6	M
24 Space tourism will become a reality.	6.1	T
15 Consumers will turn to religion to seek solace and reassurance in an uncertain world.	6.1	S
14 There will be greater interest in the mysticism and spirituality of Eastern and new age religions.	6.7	S

^a Mean based on: 1 = Most important...10 = Most unimportant; n=28

As with the importance ratings, technology was once again a dominant futures theme, with four items in the top ten most certain trends. According to participants, technology would almost certainly impact on a number of aspects of attraction management, including visitor management, marketing and business operations. The two social trends selected by participants both deal with an ageing population. The economic trends selected by participants as the most certain deal with the broad issue of globalisation, and were the same as those selected as also being amongst the most important. There was also a high level of certainty attached to 2 of the 3 environmental trends included in the study.

The least certain trends, many of which were used in the futures wheel discussions reported later, tended to focus on technology, social and economic trends. In addition to being less important, space tourism and 3D television were once again singled out

as technology trends which were also less certain. Similarly, the three social trends dealing with the broad theme of 'mind, body and soul' (13, 14, 15), were seen as less certain. Interestingly, participants were cynical about the prospect of the tourism industry becoming more attractive to investors. This cynicism was also evident in the average rating for the statement "liberal democracy and capitalism will triumph over totalitarianism and communism to become the most successful political and economic model". Lastly participants expressed some uncertainty about whether international business travel to Australia would grow more strongly than international leisure travel.

In terms of certainty, the most contentious trend was the space tourism statement, which received a standard deviation of 2.9. There were clearly participants that felt that space tourism would eventuate in the next 20 years, while others rated this trend as most uncertain. With a standard deviation of 2.8, the statement that "there will be devices that will simultaneously translate spoken languages" was also contentious, with ratings ranging the full spectrum from 1 to 10. Equally contentious (sd = 2.8) was the statement that "the world will eventually consolidate into three trade blocs: Europe, North America and Asia." This statement also received a high standard deviation for importance.

6.3.3 Analysis of the Futures Wheels

Aim 3.2 was "to explore the consequences of the most important but least certain trends in order to identify more specific attraction management themes and concepts". The following analysis addresses this aim by examining the key tourist attraction management implications that arise as a result of the trends discussed by the three think tanks. This analysis is not concerned with differences between think tanks, but with consistencies in themes and management implications. The data emerging from all three think tanks are therefore treated in a holistic manner and the treatment shares some similarity with the analysis of focus group information.

The key focus of the analysis is on the emergent themes and management implications that manifest themselves irrespective of the trends discussed. In other words, the analysis is not just concerned with management implications that emerge from one particular trend, but with items that are evident at a number of points on the futures wheels. The items from each of the three futures wheels were subjected to a thematic analysis using a grounded theory approach as described in the methodology (section 6.2.4). The purpose of this analysis was to develop broad groupings of themes that could help to explain the underlying patterns of the group discussions.

The following results will provide an overview of the trends selected by each think tank. Following the futures wheel approach, these trends lead to a series of implications discussed by each think tank. These implications are analysed and grouped under core categories and themes that form the basis for reporting the remainder of the results.

6.3.4 Overview of Trends Selected by the Think Tanks

The futures wheels produced by the three think tanks are presented in *Appendix 19*. These final futures wheels are complex diagrams showing the interrelationships between items discussed by the think tanks. They therefore already contain an axial coding element, as described by Strauss and Corbin (1990).

Figure 6.9 provides a summary of the trends selected for further exploration by the three think tanks. The management implications discussed below are drawn from themes that emerged consistently as a result of these trends. Of particular interest are the trends selected by more than one think tank. Trends 13, 18, 34, 35, 38, 42, 48 and 49 were all selected by at least two of the three think tanks. Trend 51 was selected by all three think tanks. This means that 41% of the trends chosen for discussion were selected by 2 or more think tanks. This provides a reassuring level of consistency, and allows for later comparisons of themes and concepts.

The open coding approach suggested by Strauss and Corbin (1990) revealed 17 themes. These themes were grouped broadly under the following core categories:

1. *Attraction changes* – changes or management implications that emerge as the result of a trend or a visitor change. These were grouped under the following nine categories: infrastructure and activities; investment, pricing and financial resources; visitor management; operations management; marketing; sustainability; training and human resources; management structure and organisation and research. It is interesting to note that some of these themes are a reflection of the functional aspects of attractions management.
2. *Visitor changes* – positive, negative or neutral changes in the market place, either in response to a trend, or in response to changes made by the attractions sector. An example of a positive change emerging from a trend would be “an increase in international visitors”. An example of a neutral statement emerging from changes made by attractions would be “a change in visitor satisfaction”. This broad statement suggests neither a positive nor a negative change in the market
3. *External Changes* – comments about changes to various groups or stakeholders that occupy the external environment of attractions. These include comments about investors, competitors, communities and the broader tourism industry. An example would be the statement that “more transport links will be needed”.
4. *Other* – a miscellaneous category for individual items and fanciful discussion points that were ultimately unrelated to the core consideration of tourist attraction futures. Some of these points represented a ‘dead-end’ in discussions, while other did lead to more interesting statements that could be incorporated in one of the themes above. An example would be the statement that “the Australian govt may seek more affiliations with Chinese government”.

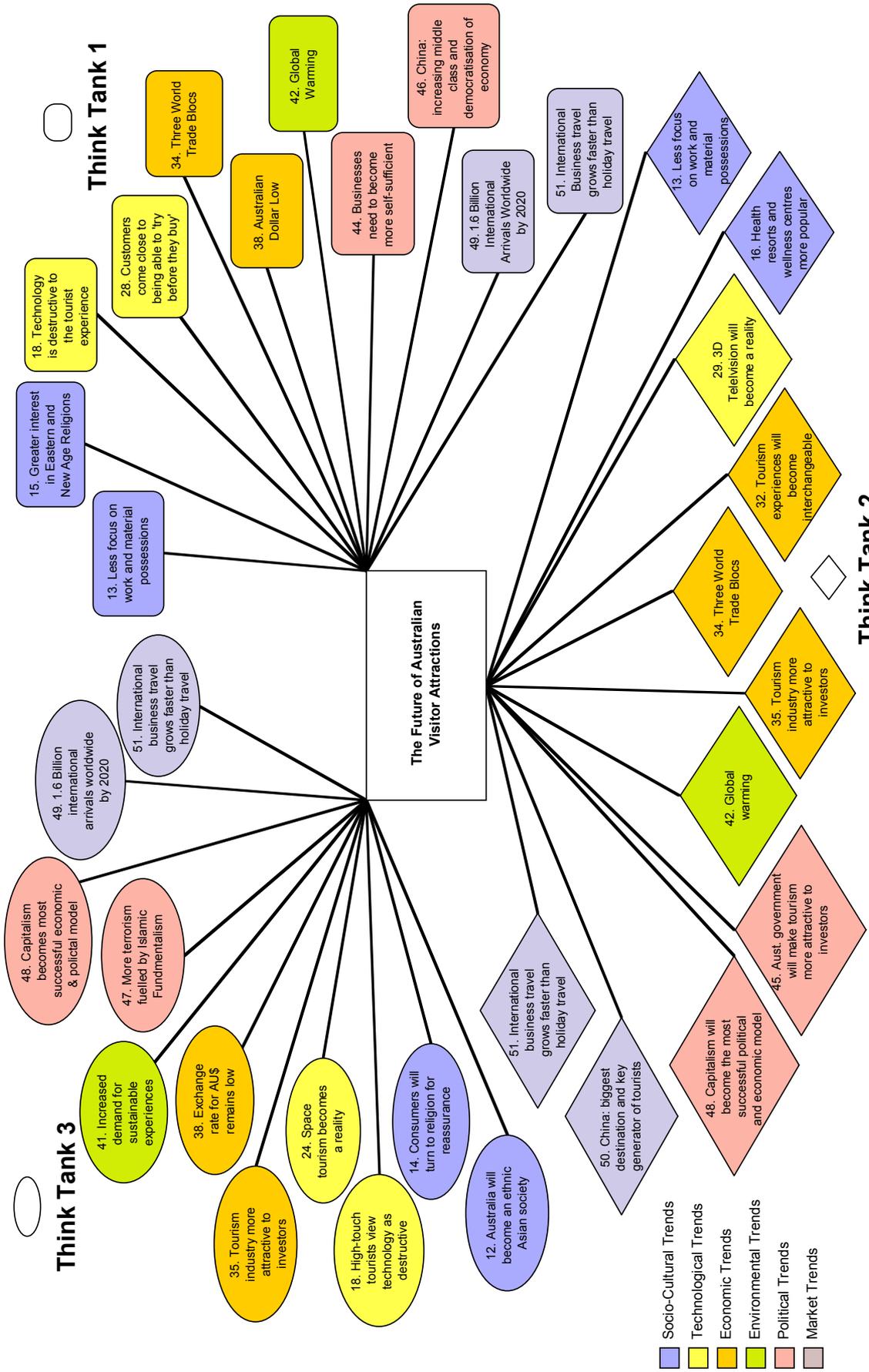


FIGURE 6.3 - Trends Identified by think tanks for further exploration (based on importance and uncertainty)

Table 6.4 shows the frequency of each theme for each of the three think tanks. The table also shows the total incidence of each theme. A further level of analysis involved an assessment of how far removed implications were from their trends on the futures wheel. It is useful to know whether an item is a primary implication, a secondary implication, a tertiary implication and so forth. Primary implications, or those that immediately precede a trend, were assigned a number one, secondary implications were given a two, tertiary implications a three and so forth. The mean level of each theme in the futures wheel was then calculated. Along with the mean, the table also indicates the mode.

TABLE 6.4 – Core categories and themes distilled from an analysis of futures wheel comments

Core Categories and Themes	Frequency			Total	Mean distance from trend	Mode distance from trend
	Think tank 1	Think tank 2	Think tank 3			
<i>Attraction Changes</i>						
Infrastructure & activities	33	39	31	103	1.9	2
Visitor Management	25	19	12	56	2.2	2
Marketing	8	32	13	53	1.9	2
Operations	17	22	12	51	1.9	2
Sustainability	5	11	20	36	1.9	2
Pricing and financial resources	9	12	12	33	1.8	1
Training and HR	10	3	15	28	2.2	2
Management structure & organisation	3	4	8	15	2.1	1
Research	-	10	5	15	2.4	2
<i>Visitor Changes</i>						
Positive	5	14	10	29	1.7	1
Negative	6	4	5	15	1.9	1
Neutral	9	12	9	30	1.8	2
<i>External Changes</i>						
Investment	-	21	5	26	1.8	1
Competition	2	8	10	20	1.8	1
Tourism Industry	1	1	5	7	2.3	3
Community	3	-	3	6	2.2	2
<i>Other</i>	3	17	13	33	1.5	1

6.3.5 Attraction Management Themes and Concepts

Further qualitative analysis will focus on the nine themes presented under the core category of *attraction change*. The other categories in Table 6.4 are of less relevance to the key aim and are either a trigger for achieving attraction changes, or are the peripheral outcomes of attraction changes. It is apparent from Table 6.4 that *infrastructure and activity* changes were raised most often by think tank participants.

This was followed by discussions about changes to admission prices, attraction revenue and costs and investment, which were broadly grouped under the theme of *pricing, investment and finances*. Somewhat surprisingly implications related broadly to *visitor management* were the third most prominent emergent theme. Visitor management includes implications such as managing crowds, queues, visitor interaction and cross-cultural conflict. There was also a strong marketing theme in the work group discussions, followed by a series of items that could be broadly grouped as *operational management* issues. Operational management issues are concerned with the changes attractions would need to make to the day-to-day management in response to the trends that were discussed. These included discussions about presentation, quality and service. *Sustainability* was a consistent theme across all three think tanks, while some trends also led to implications for *human resources and training, research and changes in management organisation and structure*.

TABLE 6.5 – A description and illustration of the nine key tourist ‘attraction change’ themes

Themes	Description	Examples
<i>Infrastructure and activities</i>	Changes in the size and type of facilities and activities offered by attractions (and the attraction sector)	<ul style="list-style-type: none"> ▪ Connect / link attractions with conference centres ▪ More family activities
<i>Visitor Management</i>	Comments dealing with issues such as visitor movement, conflict management and visitor interaction	<ul style="list-style-type: none"> ▪ Use of 'pass' system to manage access to rides ▪ Need to manage possible clashes between groups
<i>Marketing</i>	Changes in the promotion and market-related aspects of attractions	<ul style="list-style-type: none"> ▪ Caution not to oversell product attributes ▪ Promote more festivals and aspects unique to attraction
<i>Operations</i>	Changes that impact on the day-to-day management of attractions	<ul style="list-style-type: none"> ▪ Focus on more quality experiences ▪ Open times may change (e.g. Closed Sundays)
<i>Sustainability</i>	Statements about the environment and sustainability of tourist attractions	<ul style="list-style-type: none"> ▪ More attraction substitutes for natural environment ▪ Promotion of sustainable practices as a competitive advantage
<i>Pricing, investment and financial resources</i>	Changes in pricing and financial resources of attractions.	<ul style="list-style-type: none"> ▪ Increased O/S investment in Australian attractions ▪ Admission price increases for some attractions
<i>Training and HR</i>	Comments about staff and training	<ul style="list-style-type: none"> ▪ More staff with people skills and product knowledge ▪ Ensure staff can speak other languages
<i>Research</i>	Comment about the information and research needs of attractions	<ul style="list-style-type: none"> ▪ Need to research which products are interchangeable / competitors ▪ Be aware of new demand
<i>Management structure and organisation</i>	Changes to management style and the way attractions are organised in terms of business structure	<ul style="list-style-type: none"> ▪ More focus on entrepreneurship ▪ Emergence of tourist attraction 'chains' / corporations

Table 6.5 provides a brief description and sample statements for each of the nine key attraction management themes. As an added layer of detail, a cross tabulation of themes and trends is presented in *Appendix 20*. The analysis of each theme commences with a brief narrative of a future scenario that sets the scene for a more detailed discussion.

6.3.5.1 Changes to Attraction Infrastructure and Activities

The two broad themes of infrastructure and activities were combined as a single theme due to the difficulty in separating some statements. For example, broad comments such as “changes in attraction concepts” and “attractions will need to offer more variety” have both infrastructure and activity dimensions. A number of participants across workgroups suggested changes in tourist attraction infrastructure and activities, while also noting the need for new infrastructure, new attractions and new experiences to continue attracting visitors. More specifically, attraction changes and suggestions for new attractions tended to focus on seven concepts:

- more variety and continuous ‘refreshment’ of attractions
- incorporating business facilities into tourist attractions
- facilities and activities for the family market
- infrastructure and activities for a diverse international market, including a growing Chinese market
- balancing of technology and personal interaction in attraction activities
- the influence of weather patterns on attraction infrastructure and activities
- offering substitute activities

The need for “**more variety**”, “**greater diversity**” or a “**broad range for facilities**” was frequently identified as a primary management implication and was a common precursor to statements about attraction change, as indicated in the examples shown in *Figure 6.10*. Variety implies a change in the infrastructure and activities offered by attractions. The need for variety was noted not only in the context of individual

attractions, but between attractions, with participants indicating a need for greater diversity. As the figure indicates, the need for variety emerges from a number of key trends.



FIGURE 6.4 – Examples showing the need for variety and diversity in attractions

The participants in think tank 2 felt that it was not sufficient for attractions to offer a variety of activities and facilities. This group suggested that attractions needed to **refresh** their appeal by regularly changing exhibits based around a central theme.

A number of think tank participants commented on the need to provide **business facilities** at tourist attractions when discussing the predicted growth of international business travel. This observation had two dimensions:

1. Attractions could align themselves more closely with business-oriented sectors of the tourism industry.
2. Attractions could add value for business travellers by providing a greater range of business services.

It was suggested that attractions could seek to attract visitors by altering the mix of activities and infrastructure available to business travellers. There were several comments about attractions positioning themselves close to airports, accommodation and convention facilities. Some participants suggested that attractions needed to construct accommodation and convention facilities within the attraction – thereby allowing delegates to enjoy the ambience of the attraction while conducting business activities.

The second dimension was concerned with the need to cater for the business market by fine-tuning the activities and services available for business travellers. In terms of infrastructure, it was suggested that attractions could provide communications facilities such as internet access, faxes and phones for travellers who need to attend to business while visiting the attraction. There was some recognition that business travellers do not have much time, leading some participants to suggest that attractions needed to provide staff, signage and brochures that allowed business travellers to experience the core concepts of the attraction in a short time. It was also suggested that attractions could develop activities and facilities that were suitable for single

visitors. Think-tank 3 recognised the potential of attractions that were able to provide activities such as team building and personal development.

While the growth in business travellers provided lively discussion, a number of trends also led participants to suggest that the **family market** would continue to be an important source of visitors for tourist attractions. As *Figure 6.11* indicates, families were mentioned on five occasions with statements such as “more family activities” and “rides and facilities for families”. Two think tanks also considered the possibility of *less* emphasis on family activities; however this was the result of an increased focus on activities that would appeal to the business market. Many of the comments about the importance of families stem from the trend suggesting that consumers, faced with an increasingly uncertain world, will turn to religion for reassurance. Similarly, there was a belief that a trend towards less focus on work and material possessions would translate into more time for individuals to spend time with their families. One participant went so far as to suggest that attractions should offer ‘free’ amenities that would attract families.

In addition to families and business travellers, the **growth in international visitors** (particularly those from China) formed the basis of further comments that have outcomes for attraction infrastructure, including:

- use of signage that is easily understood by visitors from many cultures (e.g. symbols or multi-language signs)
- development of kitchen facilities that can cope with different cultural needs (e.g. double kitchens to prevent meat from mixing with other foods)
- placement of objects and use of colours (e.g. Feng Shui)

One think tank participant made a more spirited suggestion that a Chinese theme park could be built in Australia. The logic behind this suggestion was that this might slow the flow of Australian visitors to China, encouraging them to holiday at home. Similarly it may attract international visitors who view Australia as a safe ‘Asian’ destination. It was

also suggested that Australian attractions could place more emphasis on the Asian history of Australia.

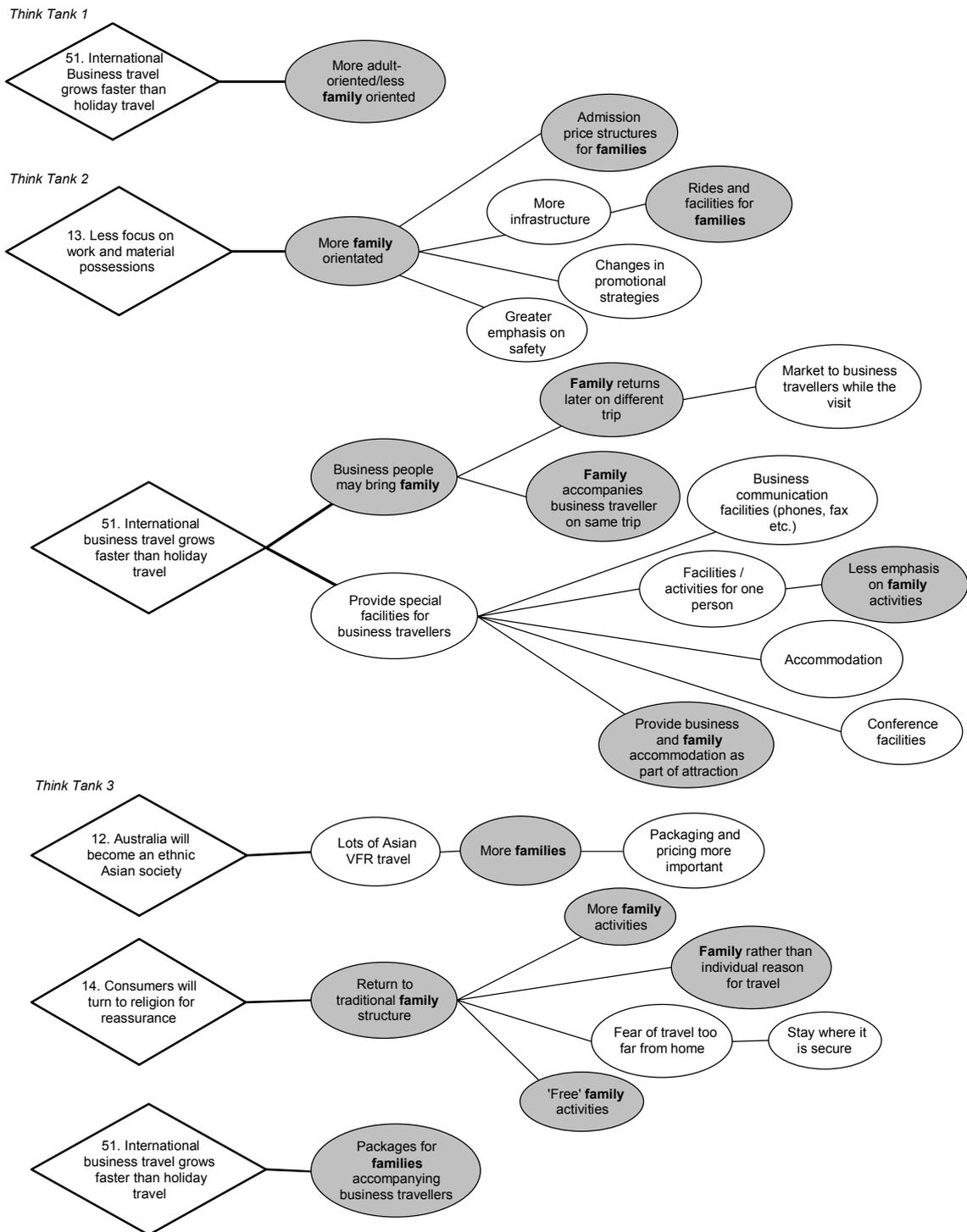


FIGURE 6.5 – Comments about attraction facilities for the family market

The use of **technology** was the fifth key point to emerge from the broad theme of infrastructure and activities. The prominence of this theme was directly influenced by the selection of technology trends by each think-tank. Two of the think tanks discussed the implications of “high-touch” tourists and their response to technology in tourist attractions (trend 18). This led to the conclusion that while technology would be essential in the delivery of activities, substitute experiences and interpretation in tourist attractions, it may need to be “disguised” or tastefully presented (see *Figure 6.12*).

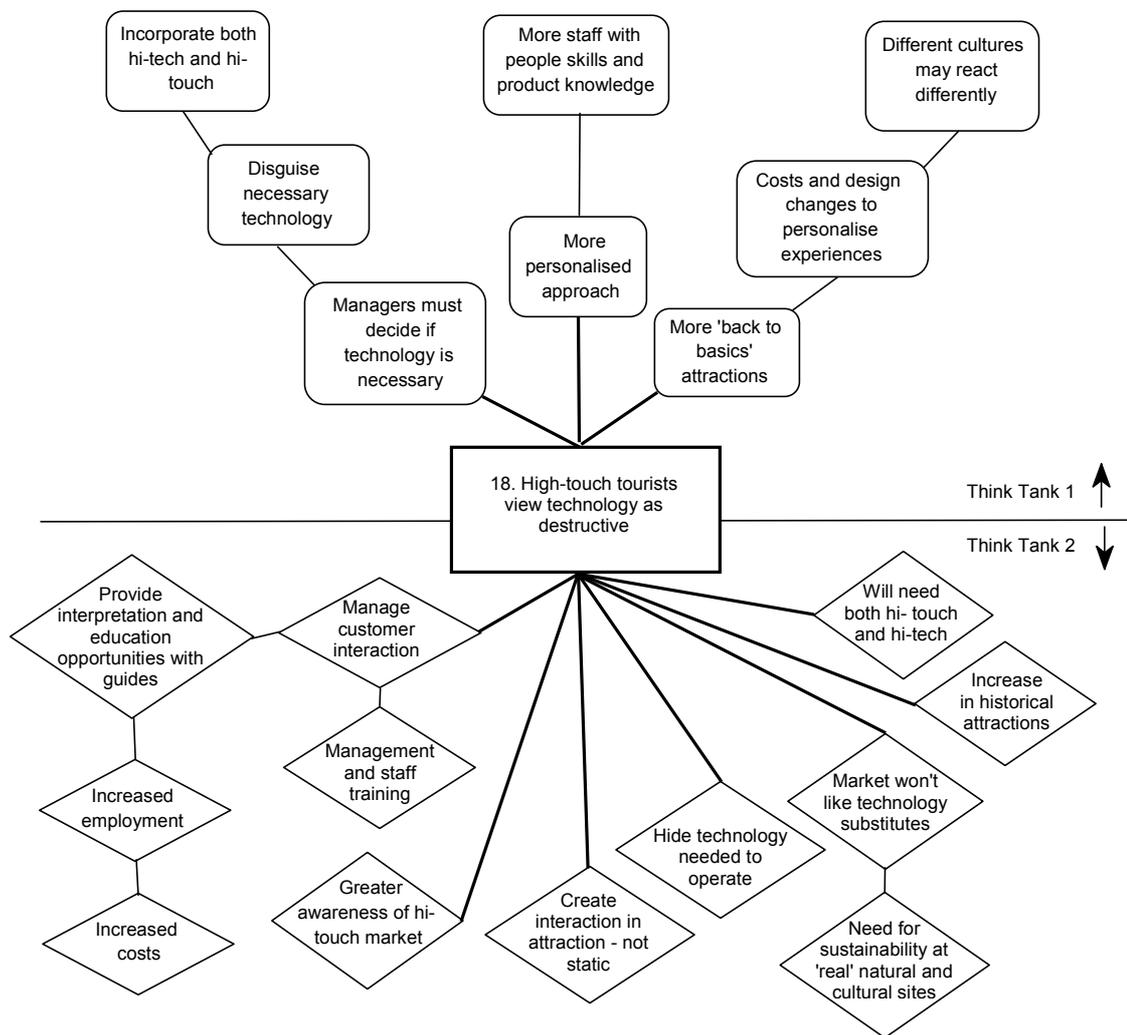


FIGURE 6.6 – Comments about the use of technology in tourist attractions

When technology is used, it may be necessary to balance the experience by offering “interpretation and education opportunities with guides.” There was a recognition that different cultures may react differently to technology in tourist attractions. Think tank 3

concluded that many attractions would probably cater for a mix of high-touch and hi-tech visitors, with the responsibility falling to managers to manage the balance between personal interaction and technology use.

While the preceding discussion considers the human response to technology in tourist attractions it does not consider how attractions might actually use technology. This point was explored by think tank 1, when confronted with the prediction of 1.6 billion international visitors worldwide by 2020. This group suggested that technology could be used to manage visitor access to attraction rides or areas, as well as providing entertainment in areas where visitors form queues. These observations had a number of flow-on implications as shown by *Figure 6.13*.

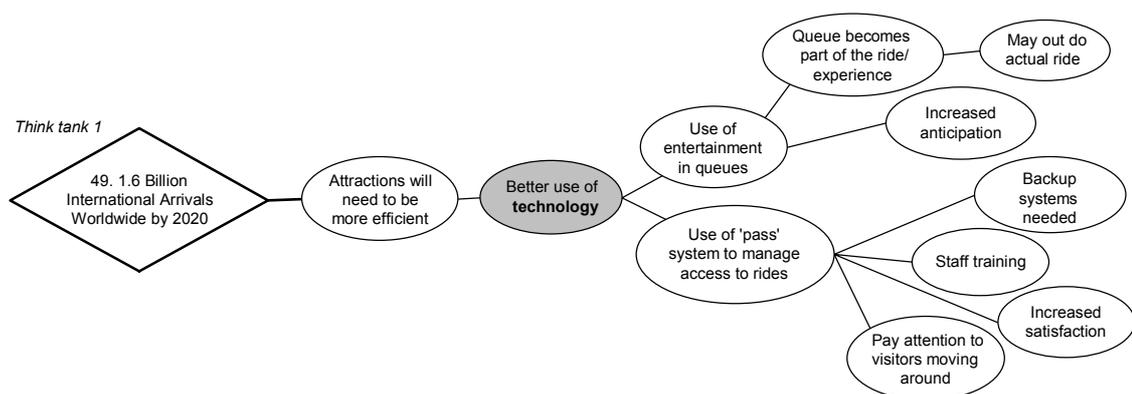


FIGURE 6.7 – Use of technology infrastructure to manage visitors

Changing **climatic patterns** were also identified by participants as having implications for the infrastructure and activities offered by tourist attractions. Both think tank 1 and think tank 2 indicated that global warming was an important but uncertain aspect of the future of tourist attractions. Both groups made comments about the need for attractions to construct facilities that offered protection from the weather. Some participants also suggested that escalating average temperatures would result in new attractions that offered visitors an escape from hot conditions. The opportunities for man-made water and snow attractions were raised by two separate think tanks (see *Figure 6.13*). A further point, which has implications for both infrastructure and operations, was the recognition that there would be more pressure on tourist attractions to be sustainable.

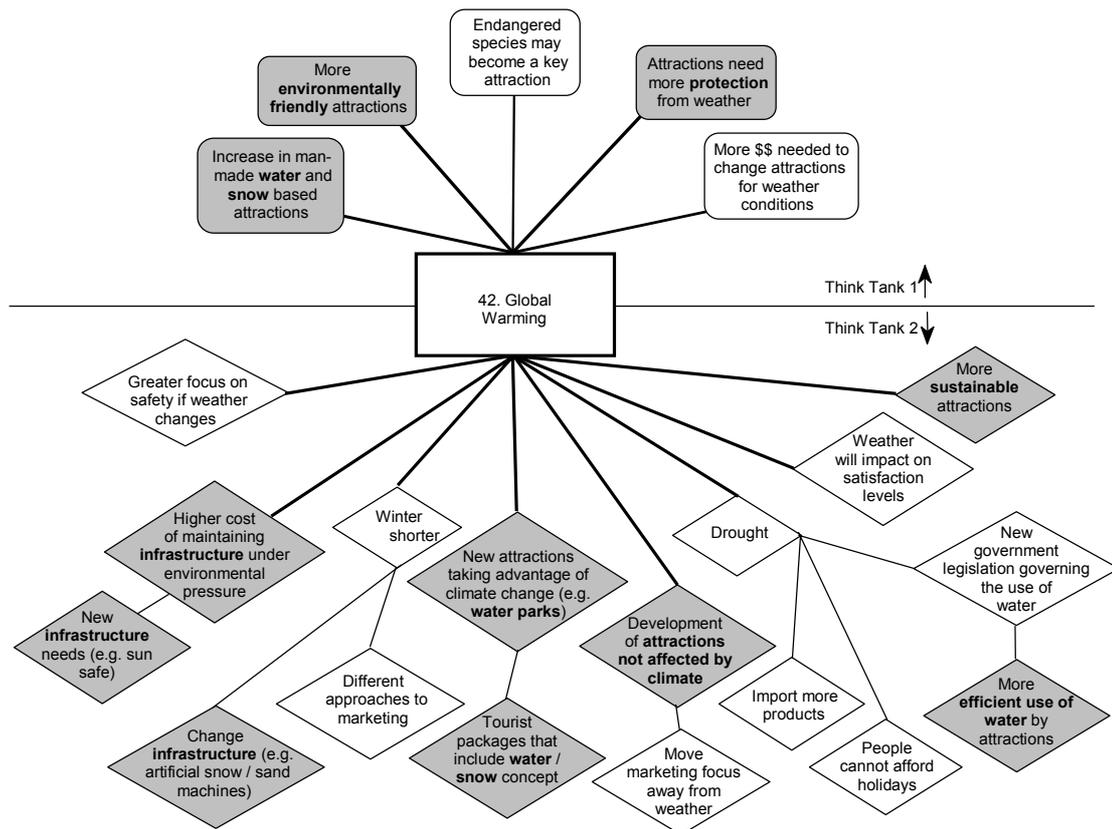


FIGURE 6.8 – Implications of global warming for tourist attraction infrastructure and activities.

With respect to activities, it was noted that some attractions could develop facilities that offered visitors **substitute experiences**. The Futures Wheel for think tank 3 revealed two reasons for a potential growth in substitute experiences:

1. Greater pressure on fragile natural areas, which can be alleviated by separating visitors from natural sites and offering substitutes of equal quality
2. Allowing tourists to experience new types of “extreme tourism” which may be beyond the physical endurance or budget of the average traveller (e.g. diving, underwater expeditions, space travel, etc.).

6.3.5.2 Changes to Visitor Management

Changes to visitor management encapsulate over 50 comments that emerged from socio-cultural trends and market changes. The theme had a mean distance of 2.2, suggesting that many of the comments related to secondary or tertiary implications.

The three key concepts of the visitor management theme were identified as:

- Cultural sensitivity and awareness
- Managing cultural diversity and visitor interaction
- Managing visitor flows

Cultural sensitivity was the most visible concept in this theme, with a range of statements about changing tourist attractions to make them more comfortable for international visitors, particularly Asian visitors. Statements such as “more sensitivity to displays that may cause offence”, “know what is culturally acceptable” and “need to be more culturally sensitive” illustrate this concept. *Figure 6.14* provides a summary of a range of these comments. Examples include changes to signage and food, as well as language training for attraction employees. Think tanks 1 and 2 also identified the need to change the layout and components of tourist attractions to make them more appealing to Asian visitors. A specific example is the suggestion that attractions need to be sensitive to the placement of objects and use of colour in accordance with the Chinese belief of Feng Shui. A further dimension to cultural sensitivity was recognised by think tank 3, which suggested that attractions would need to make a number of changes in order to become more sensitive to the religious backgrounds of their patrons. Practical examples included the need to be sensitive to prayer times for Muslim visitors, and the use of ‘double kitchens’ to ensure that the dietary requirements of visitors with specific religious beliefs were not compromised.

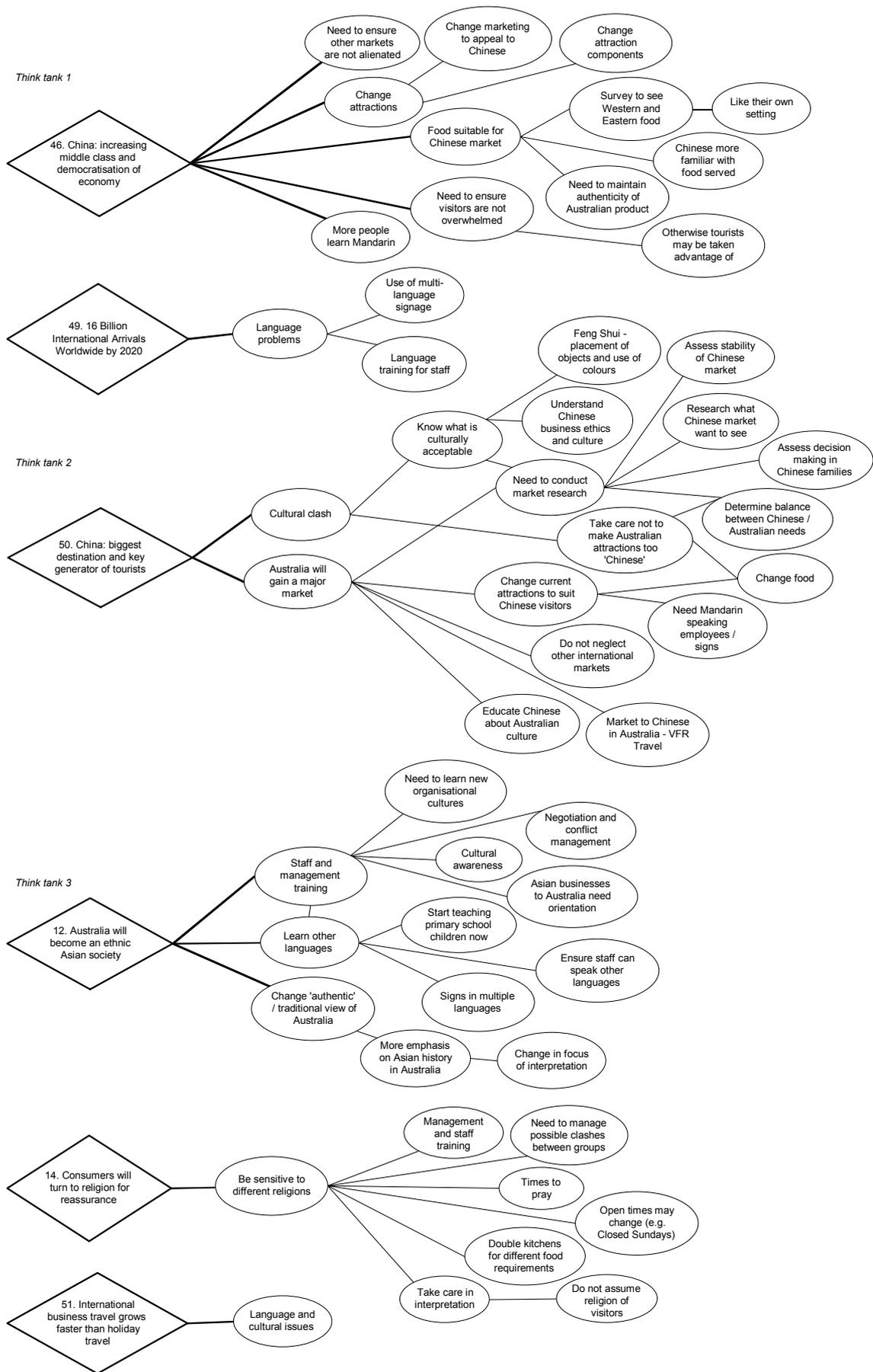


FIGURE 6.9 – Implications for managing cultural sensitivity and diversity in tourist attractions.

Figure 6.14 also contains a number of statements that do not deal directly with cultural sensitivity, but are more appropriately described by the concept of **managing cultural diversity and visitor interaction**. The main line of thought behind this concept is the belief that more international visitors may lead to clashes between attraction patrons. Statements such as “cultural clash”, “different cultural expectations” and “need to manage possible clashes between groups” illustrate this concept. Managing cultural diversity and visitor interaction leads to secondary implications such as the need to train staff in conflict management.

The third concept is less apparent in the futures wheels, but there are several comments that allude to the need for **managing visitor flows**. This concept appears to be driven by the predicted dramatic increase in international visitor arrivals. It is evident in statements such as “better queue management”, “need to police visitors” and “pay attention to visitors moving around”. More of these comments are highlighted in Figure 6.15.

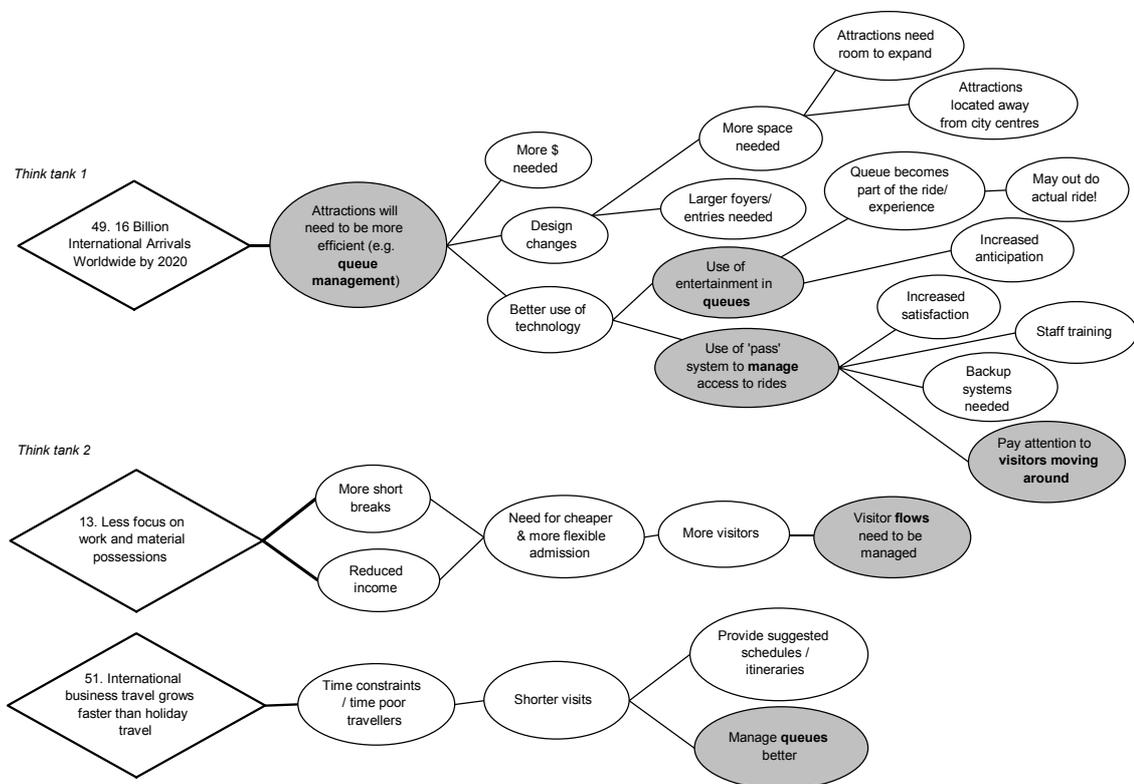


FIGURE 6.10 – Managing visitor flows in tourist attractions.

6.3.5.3 Changes to Attraction Marketing

Marketing was prevalent as a theme throughout all futures wheels. The marketing theme is one of the most consistent, with two clear interrelated concepts accounting for most of the statements made by participants. The two concepts were:

- Improved marketing
- More precise target or niche markets

The concept of **improved marketing** is somewhat broad as there were only a few suggestions from participants for actually making marketing better. The best example was provided by think tank 2, as shown in *Figure 6.15*. Improved marketing was seen as a solution to a range of threats and opportunities created by trends. Only in a few instances did participants make comments about reduced marketing and these tended to be the result of resource constraints emerging from particular trends.

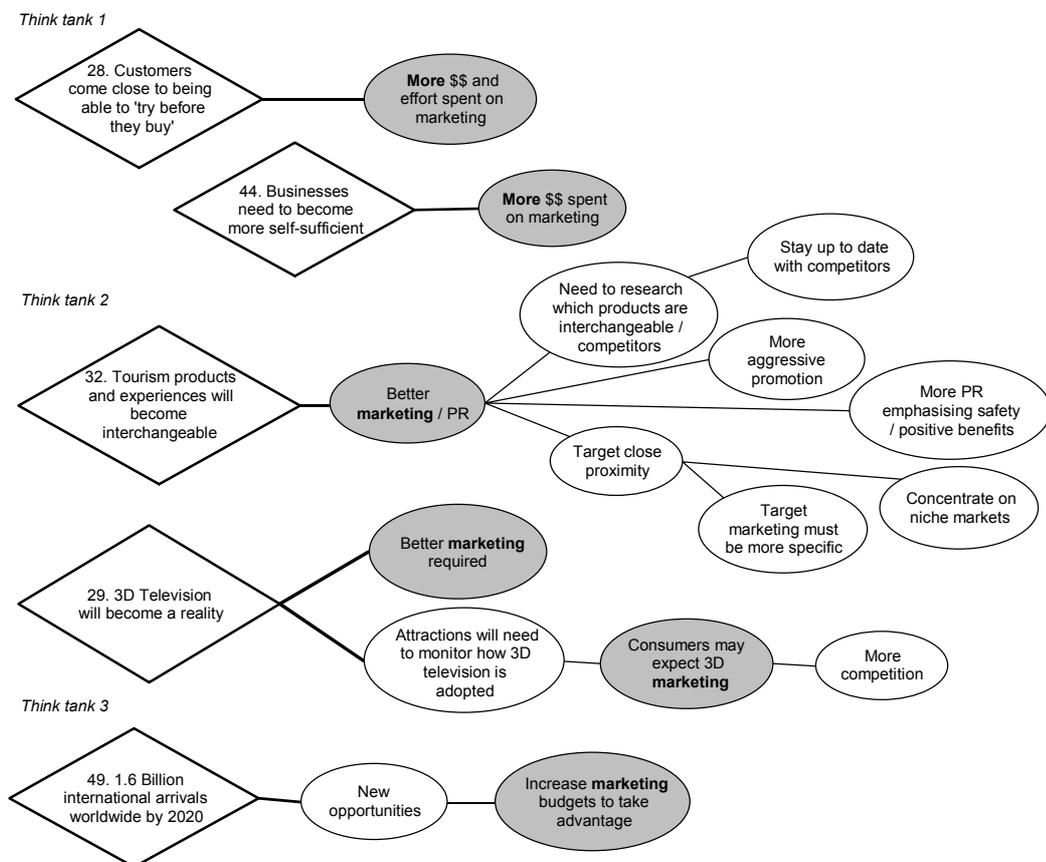


FIGURE 6.11 – Improved marketing in tourist attractions

The need for more **precise target marketing** was illustrated by comments such as “more specific target markets”, narrower target markets” and “concentrate on niche markets”. *Figure 6.16* provides a good summary of trends and implications related to these statements. It is clear from the futures wheels that target marketing often represents the ‘end of the line’. In other words, it is frequently the final implication in a chain of consequences.

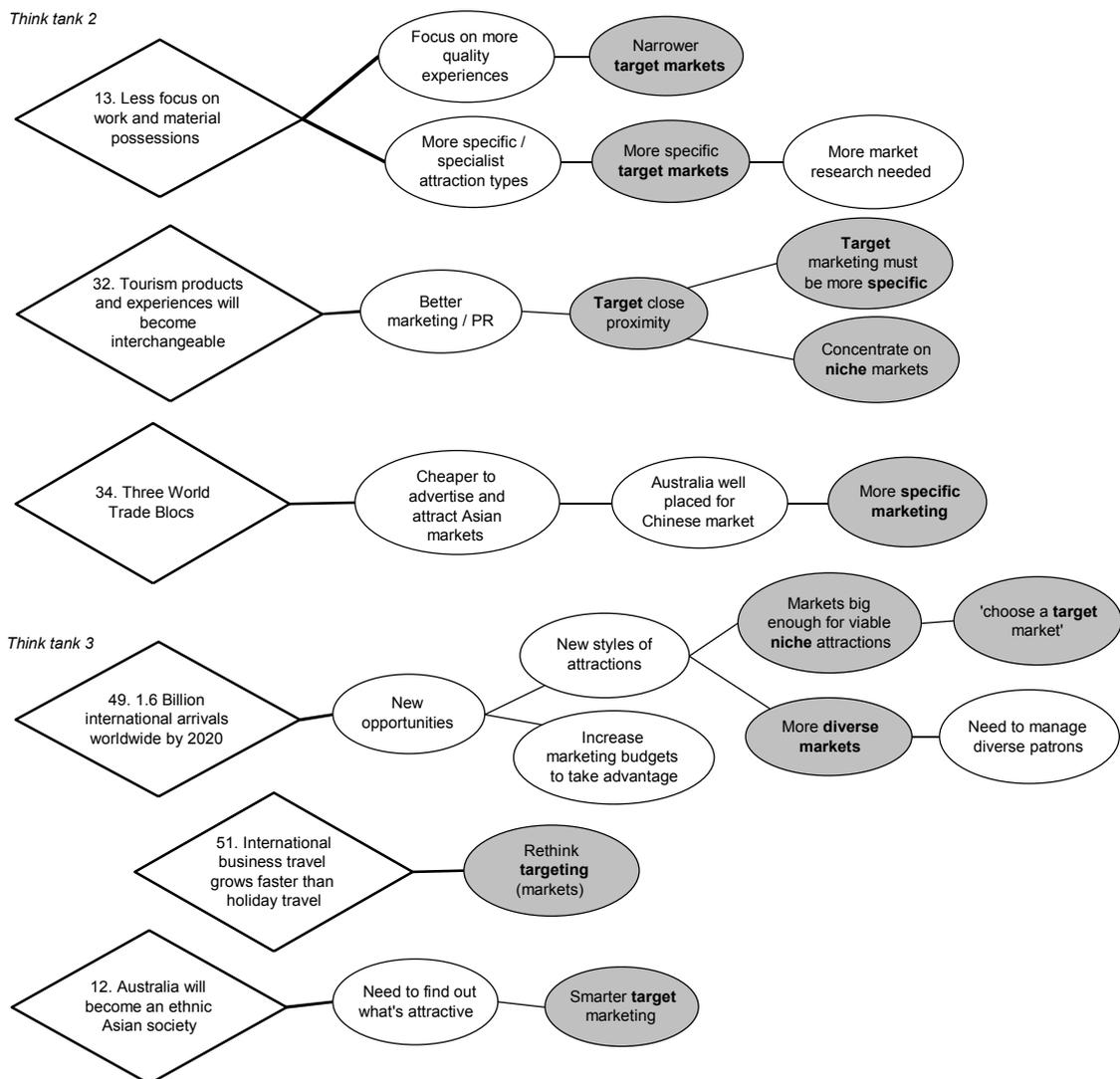


FIGURE 6.12 – The need for target marketing in tourist attractions.

6.3.5.4 Changes to Attraction Operations

A diverse set of 51 statements delineate the operations theme, making it difficult to identify any clear concepts. The most substantial concept, accounting for 19 of the 51

statements, revolves around the concept of **professionalism**. Professionalism includes statements about the presentation of attractions and staff, quality and service. The statements emerged from a range of trends but were most prevalent in think tanks 1 and 2, as shown by *Figure 6.15*. Think tank 1 identified a scenario where quality may decrease, but all other comments were focused on the need for greater professionalism.

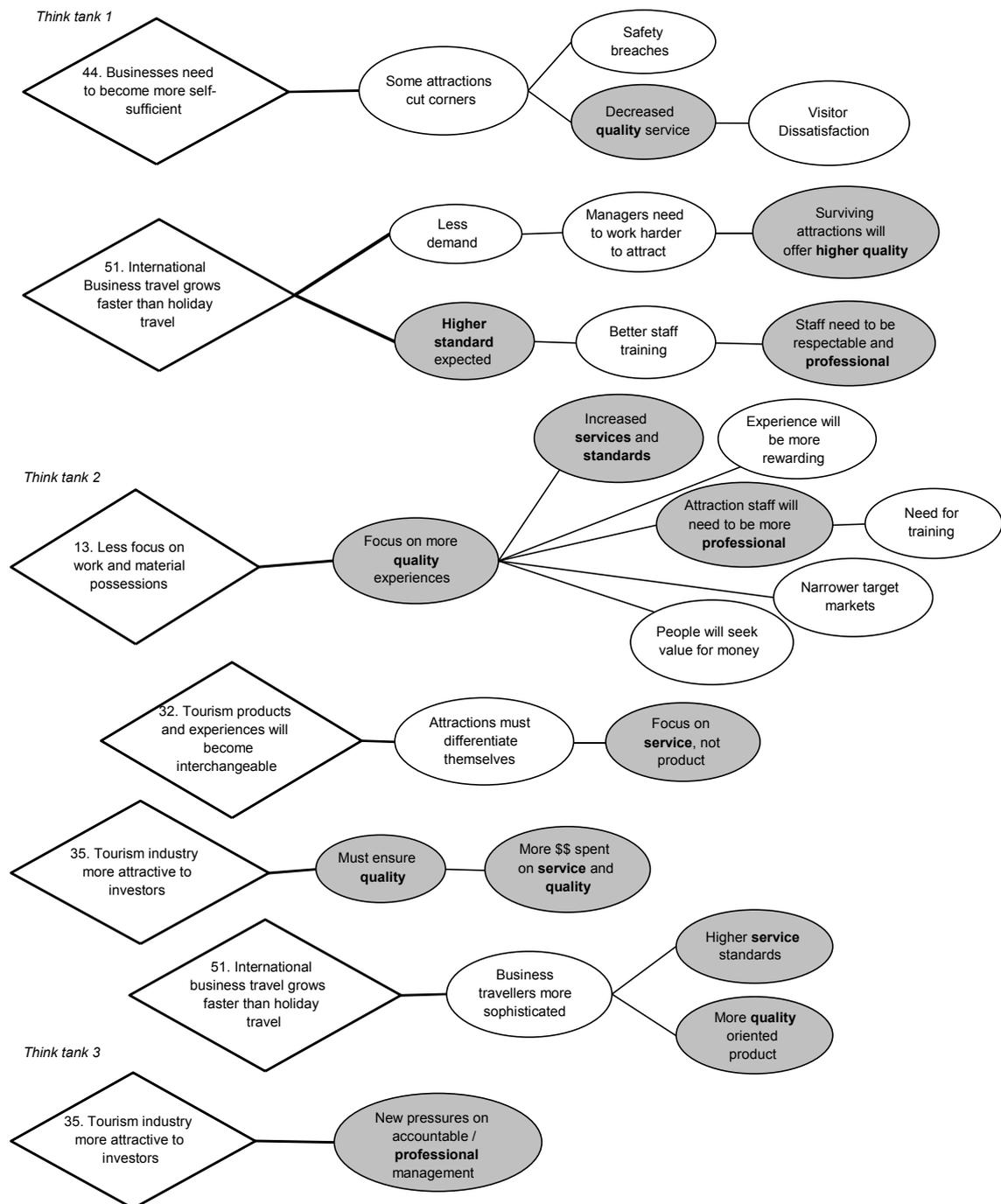


FIGURE 6.13 – Increased professionalism in tourist attractions.

Examples of other statements that illustrate the 'operations' theme include changes in attraction services (e.g. "accept and change foreign currency", "attractions need to change manus"); greater flexibility in open hours; and a focus on safety and security. However, these statements are too fragmented for the development of additional concepts.

6.3.5.5 Changes to Attraction Sustainability

The environmental trends selected by working groups generated lively discussions about the sustainability of tourist attractions. These discussions focussed on the broad concept of the **sustainable management** of tourist attractions. An increase in international visitors led participants in two think tanks to express concerns for the environment with statements such as "more environmental impacts" and "more pollution and rubbish". There were also concerns about crowding and capacity issues. This resulted in the conclusion that attractions would need to become more serious about sustainable management practises. The theme of sustainability was most prominent in think tank 3, which chose to discuss the trend "there will be more demand for sustainable experiences" (see *Figure 6.18*). Suggestions for sustainability included "more efficient water use by attractions", "more attraction substitutes for the natural environment", "access to protected areas controlled" and "investment in technology to management impacts".

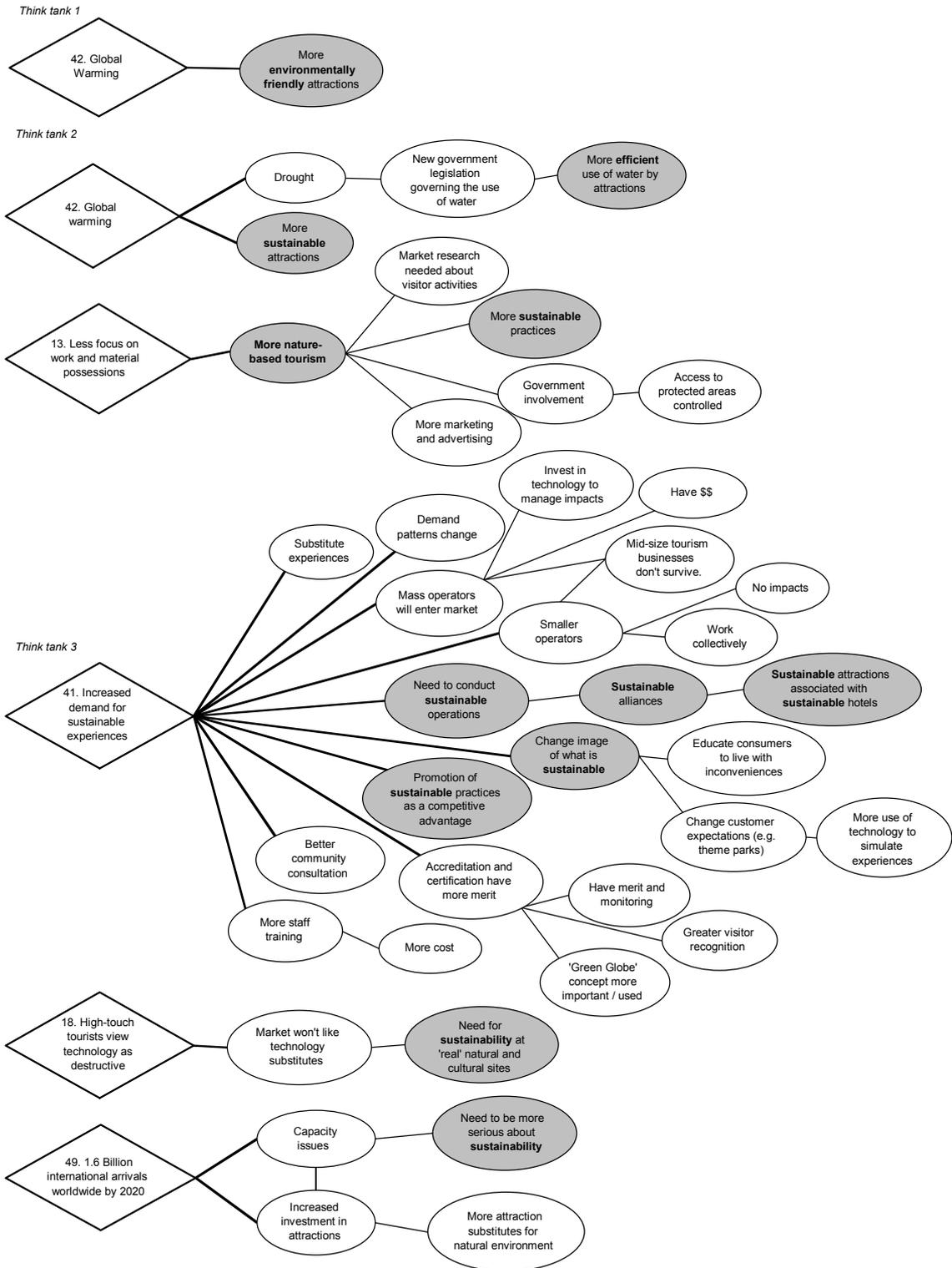


FIGURE 6.14 – Sustainability changes in tourist attractions.

6.3.5.6 Changes to Attraction Pricing and Financial Resources

A range of comments dealing with attraction admission, revenue, profitability, costs, and yield management were grouped under the theme of 'pricing and financial resources'. There were two key interrelated concepts to this theme:

- Flexibility of admission prices
- Changes to the financial resources of attractions

The topic of **admission price** was discussed by all three think tanks but was mentioned most often by think tank 2, as *Figure 6.19* indicates. The figure also shows that admission prices were most frequently discussed as secondary implications. The results indicate two reasons for a change in admission prices: changes in the costs faced by tourist attractions and changes in visitor characteristics. Think tank 3 discussed the impact of increased investor interest on attraction admission prices.

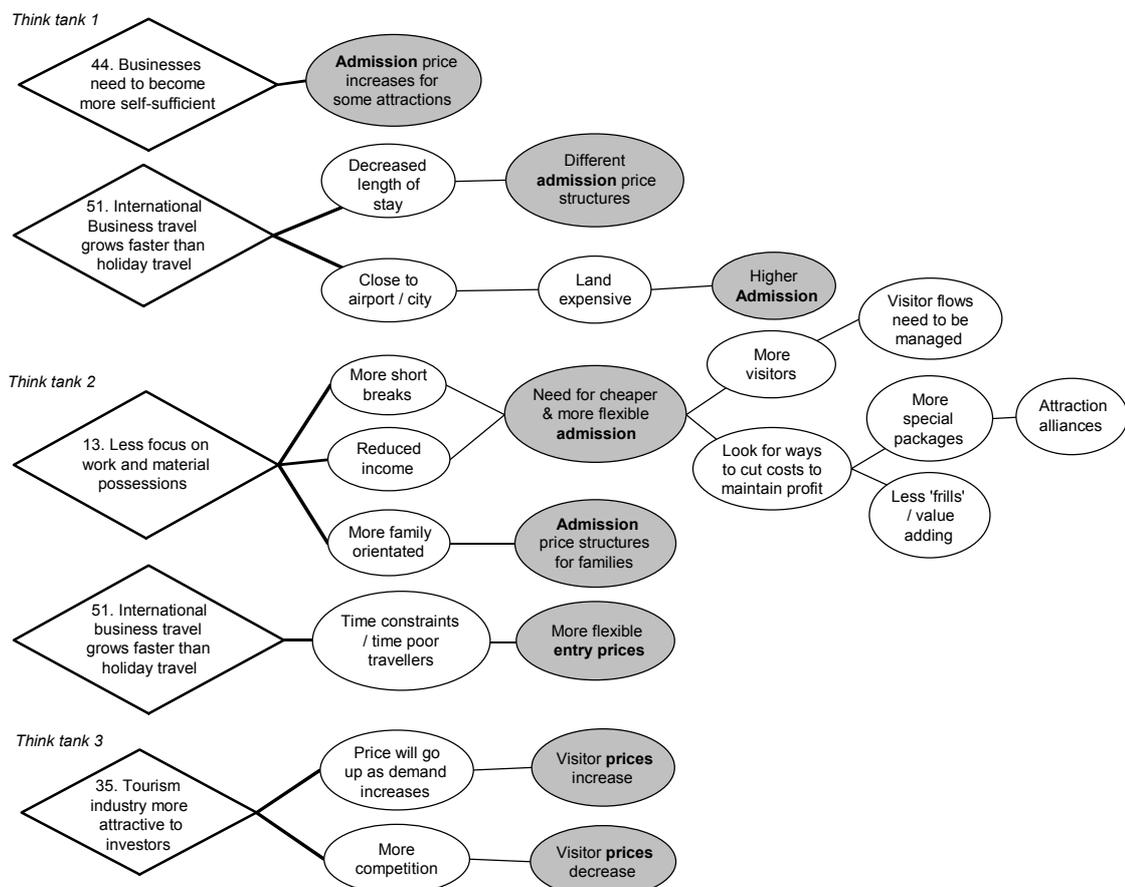


FIGURE 6.15 – Precedents and implications related to admission prices.

A change in the **financial position** of tourist attractions was also a common concept under the theme of pricing and financial resources. Attraction costs, revenue and profitability were mentioned as primary, secondary, tertiary and even quaternary implications, as shown by *Figure 6.20*. Some comments focussed on the increasing costs faced by attractions as a result of technology, marketing and human resources. There was also a view that several trends may lead to a decline in revenue and profit for tourist attractions, causing some attractions to close.

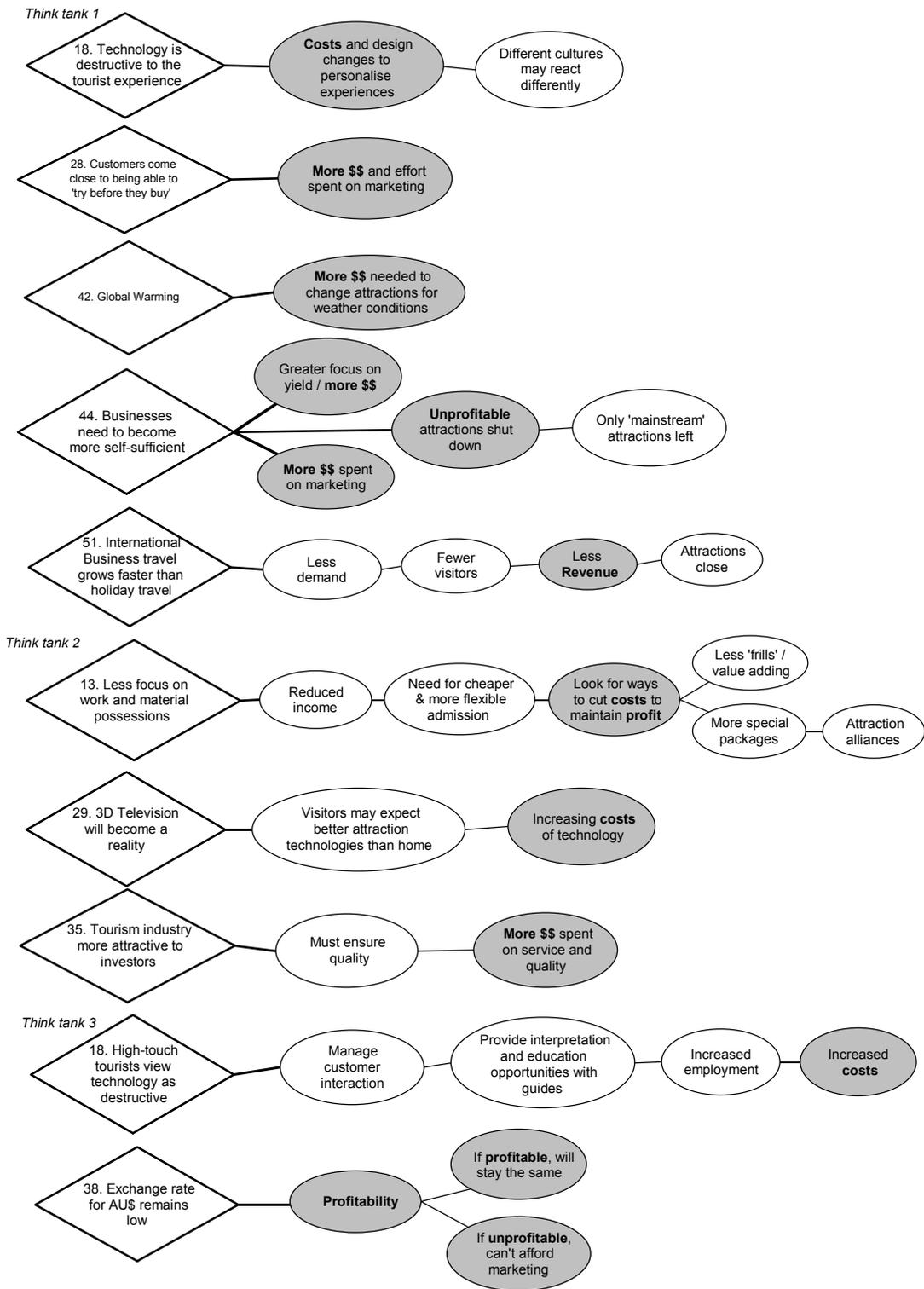


FIGURE 6.16 – Changes in the financial resources of tourist attractions.

6.3.5.7 Changes to Attraction Training and Human Resources

Training and human resources featured prominently as a theme in think tanks 1 and 3. A key concept that emerged was the need for **language training**, which accounted for 7 of the 28 statements in this theme. The need for attraction staff to learn Asian languages was seen as particularly urgent, with one participant suggesting that the Australian education system should start teaching more Asian languages immediately. The need for language training could be broadened to include **cross-cultural training**. In addition, statements such as “staff training to manage visitors” and “staff training of likely conflicts” point toward a close link with the visitor management theme discussed earlier.

6.3.5.8 Changes to Attraction Management Structure and Organisation.

The ‘management structure and organisation’ theme deals with changes to the management style and the way attractions are organised. With only 15 statements making up this theme it was only possible to extract one key concept. The concept of **alliances** was seen by some participants as an effective way for attractions to operate more efficiently in the future. There were suggestions for attractions to form closer alliances with other sectors of the tourism industry, such as airlines and hotels. These comments originated from think tank 2 and 3. There were two underlying references about the need for a more entrepreneurial approach to attraction management, but it was felt that these statements were insufficient to constitute a second concept.

6.3.5.9 Changes to Attraction Research

Attraction research was a relatively homogenous theme that has close links with the marketing theme. Most of the comments about attraction research were concerned with the concept of **market research** to underpin marketing efforts and to understand target markets. Research was not discussed by any of the participants in think tank 1.

6.3.6 Summary of Attraction Management Themes and Concepts

The first chapter provided a detailed summary of socio-cultural, technology, economic, environmental, political (STEEP) and market trends. These trends were subjected to a futures wheel analysis in order to test the usefulness of this approach as a planning tool. The themes and concepts that emerged from the futures wheels provide information that may assist managers during the planning process. *Table 6.6* summarises all of these key concepts.

TABLE 6.6 – A description and illustration of the nine key tourist attraction management themes

Themes	Attraction management concepts
<i>Infrastructure and activities</i>	<ul style="list-style-type: none"> ▪ More variety and continuous 'refreshment' of attractions ▪ Incorporating business facilities into tourist attractions ▪ Facilities and activities for the family market ▪ Infrastructure and activities for a diverse international market, including a growing Chinese market ▪ Balancing of technology and personal interaction in attraction activities ▪ The influence of weather patterns on attraction infrastructure and activities ▪ Offering substitute activities
<i>Visitor Management</i>	<ul style="list-style-type: none"> ▪ Greater need for cultural sensitivity and awareness ▪ Managing cultural diversity and visitor interaction ▪ Managing visitor flows
<i>Marketing</i>	<ul style="list-style-type: none"> ▪ Improved marketing ▪ More precise target or niche markets
<i>Operations</i>	<ul style="list-style-type: none"> ▪ More professionalism in presentation, service and quality
<i>Sustainability</i>	<ul style="list-style-type: none"> ▪ More sustainable management practises
<i>Pricing, investment and financial resources</i>	<ul style="list-style-type: none"> ▪ Flexibility of attraction admission ▪ Changes in financial resources
<i>Training and HR</i>	<ul style="list-style-type: none"> ▪ Language and cross cultural training
<i>Research</i>	<ul style="list-style-type: none"> ▪ Market research more important
<i>Management structure and organisation</i>	<ul style="list-style-type: none"> ▪ Alliances with other attractions and tourism industry businesses

6.4 DISCUSSION

The futures wheel offers only a partial view of trends that may have important implications for the future of Australian tourist attractions. It must be reiterated that this research has chosen to explore those trends that are both most important and most uncertain. The trends that can be more easily anticipated, or those that are both highly important and highly certain, receive less emphasis in this research. A key element of

the grounded theory approach employed here is the need to return to the literature to verify key findings. The present discussion therefore seeks to provide a more complete picture of the future of attraction management by comparing the themes and concepts from the futures wheels with attraction management trends identified in the literature. The themes and trends are also compared with the predictions made by tourist attraction managers who were interviewed in Chapter 5. This approach provides a useful basis for comparing the output of the futures wheel approach with the methods and observations of other researchers and commentators. The assumption is that no study can provide a complete view of the future of tourist attractions. However, by combining the findings reported by other researchers with the data in this thesis it is anticipated that a more complete image of the future will emerge. At the very least, the research may confirm previous findings, but it may also uncover new directions.

6.4.1 Similarities in Future Trends, Themes and Management Implications

The third aim of this chapter was: “to compare the attraction management themes with the broader literature and with comments from attraction managers presented in Chapter 5.” Chapter 1 provided a summary of the tourist attraction trends identified by various authors. These trends, along with the comments provided by attraction managers in Chapter 5, provide a series of items that can be compared with the outputs of the futures wheels. *Table 6.7* provides a summary of trends and themes from each of the three sources discussed in this thesis. The results indicate that eight of the 19 themes identified by the futures wheels can be linked with comments from attraction managers as well as trends from the literature. These trends include a move toward attraction alliances, people pressure management, enlivening attractions, increased professionalism and balancing the needs of hi-tech and hi-touch visitors. The futures wheel approach also revealed three further linkages with existing literature, including a trend toward more sophisticated marketing, the importance of niche markets, and the flexibility of attraction admission.

TABLE 6.7 – Comparison of futures wheel themes with literature and interview responses.

Trends from the Literature	Themes from Manager Interviews	Attraction Management Themes from Futures Wheels
<ul style="list-style-type: none"> · Partnership with other attractions (Pearce, 1998a) · Business alliances (NTTC, 2002) · Tourism corporations (Matathia & Salzman, 1999; Stevens, 2003) 	<ul style="list-style-type: none"> · Need for cooperation / communication Takeovers, consolidation & amalgamation of attractions 	<ul style="list-style-type: none"> · Alliances with other attractions & tourism industry businesses
<ul style="list-style-type: none"> · People pressure management (Pearce, 1998a) 	<ul style="list-style-type: none"> · “Green factor” / natural attractions valued · Manage impacts, biodiversity, natural assets 	<ul style="list-style-type: none"> · More sustainable management practises · Offering substitute activities · Managing visitor flows · Using technology to measure & track visitors
<ul style="list-style-type: none"> · Enlivening attractions (Lavery & Stevens, 1990) · Roving interpretation (Pearce, 1998a) · Special themed events & festivals (Pearce, 1998; Leask, 2003) 	<ul style="list-style-type: none"> · Multi-media / multi-faceted exhibitions; · more meaningful, immersive, engaging experiences; · appetite for learning / life-long learning 	<ul style="list-style-type: none"> · More variety & continuous ‘refreshment’ of attractions
<ul style="list-style-type: none"> · More professional attraction management (Stevens, 2003; Middleton, 2001; Swarbrooke, 2002) 	<ul style="list-style-type: none"> · More professional management & more stringent standards linked to accreditation programs 	<ul style="list-style-type: none"> · More professionalism in presentation, service & quality
<ul style="list-style-type: none"> · Balancing the needs of high-tech & hi-touch visitors (Sheldon, 1997) 	<ul style="list-style-type: none"> · Trade-off between technology & human interaction 	<ul style="list-style-type: none"> · Balancing of technology & personal interaction in attraction activities
<ul style="list-style-type: none"> · Market niche orientation (Pearce, 1998a) · Attracting new niche markets (Tourism New South Wales, 1999; Jurowski & Olsen, 1995) 		<ul style="list-style-type: none"> · More precise target / niche markets · Facilities & activities that cater for the business market, families & a diverse international market.
<ul style="list-style-type: none"> · All-inclusive pricing (Pearce, 1998a) 		<ul style="list-style-type: none"> · Flexibility of attraction admission
<ul style="list-style-type: none"> · Sophisticated & aggressive marketing supported by competitor analysis (Robinson, 1994; Lavery & Stevens, 1990; Swarbrooke, 2002; Robinson, 1994) 		<ul style="list-style-type: none"> · Improved marketing · Market research more important
<ul style="list-style-type: none"> · WWW marketing & purchasing (Pearce, 1998a) 	<ul style="list-style-type: none"> · Online technologies 	
<ul style="list-style-type: none"> · Themeing of attractions (Robinson, 1994; Tourism Tasmania, 1999; Tourism New South Wales, 1999) 	<ul style="list-style-type: none"> · Themeing of attractions 	
<ul style="list-style-type: none"> · Attention to managing entry (Pearce, 1998a) 		
<ul style="list-style-type: none"> · Membership developments (Pearce, 1998a) 		
<ul style="list-style-type: none"> · Retailing opportunities (Pearce, 1998; Lavery & Stevens, 1990) 		
<ul style="list-style-type: none"> · Visual souvenirs (Pearce, 1998a) 		
<ul style="list-style-type: none"> · Alternative use of facilities (Pearce, 1998a). 		
<ul style="list-style-type: none"> · Integrated leisure complexes (Middleton, 2001; Stevens, 2003) 	<ul style="list-style-type: none"> · Government allocation of funding · More flexible staff structures & employment conditions · Simplistic attractions with mood & ambience 	<ul style="list-style-type: none"> · Changes in financial resources
		<ul style="list-style-type: none"> · Greater need for cultural sensitivity & awareness · Managing cultural diversity & visitor interaction · Language & cross cultural training · The influence of weather patterns on infrastructure & activities

6.4.1.1 Attraction Alliances

The trend toward greater cooperation between attractions was confirmed by the tourist attraction managers who were interviewed in Chapter 5. The need for greater cooperation is necessitated by the realisation that competition would ultimately be destructive to an industry that increasingly needs to compete with other entertainment options. Pearce (1998a) notes that partnerships and links between tourist attractions are a partial response to the expansion of large operators in the attractions sector. This thesis suggests that some managers, particularly from metropolitan attractions, anticipated that dominant tourism-based companies would acquire small attractions over the next 20 years. This is expected to result in a broad-based management approach that would conceivably threaten smaller attractions. This theme was also evident in several comments made by participants of the think tanks. Pearce's assertion that smaller attractions can counter this threat by creating alliances and partnerships would appear to be validated by these findings. However, the futures wheel findings also suggest a further reason for attraction alliances. By establishing alliances with other attractions *and* other sectors of the tourism industry, attractions can add value to their products and services, while potentially reducing operational and marketing costs.

Related to these findings is Cetron's (2001) suggestion that attractions that are either very large or very small will be best placed for the future. Think tank 3 noted the possibility of very large and very small operators emerging in the sustainable tourism area. Participants argued that under this scenario, medium-sized companies would lack competitive advantages such as the economies of scale achieved by large operators, or the niche capabilities of smaller operators. Medium-sized companies would be forced out of the market, or would be absorbed by larger competitors. The evidence from the literature and the results reported here would point to an attractions sector comprised of large operators who are part of a broader portfolio of tourism

businesses, and small operators with strong partnerships or alliances with other businesses in the tourism industry. This is an intriguing trend that needs to be confirmed by further research.

6.4.1.2 People and Capacity Management

The findings confirm a broad shift toward a need for people and capacity management. This trend had two interrelated dimensions: one focussed on managing visitor flows, and the other focussed on sustainable management. Pearce (1998a) observes a similar trend, but with examples drawn from heritage sites rather than natural attractions. The management of queues and control of visitor movement and traffic flow were among the strategies identified by Pearce for coping with visitor pressures. The futures wheels also identified a strong need to manage visitor flows, while identifying the potential for using technology to measure and track visitors at an attraction. Martin and Mason (1993) propose that the use of computerised booking systems, smart cards, and electronic security could control visitor flows and allow employees to interact with visitors on a personal level rather than carrying out routine tasks such as admission. The issue of managing visitors impacts has also received recent attention from Garrod, Fyall and Leask (2002) who explored the perceptions that attraction managers held about the range and severity of visitor impacts such as overcrowding, wear and tear and traffic-related problems.

In Chapter 5, some attraction managers spoke in general terms about the need to manage the natural assets that tourism relies upon. Attraction managers also noted a shift in tourist preferences, with an observation that natural attractions were increasingly valued by visitors. One interviewee called this the “green factor”. This corresponds well with the need for sustainable management practises identified through futures wheel approach. The futures wheel from think tank 3 also highlighted the potential for substitute experiences that allow visitors to experience an imitation or simulation of fragile natural or cultural attractions. This notion corresponds with Pearce

(1998a, p.8), who suggests that “a final resource protection strategy ... is to provide replicas or copies of a feature”.

6.4.1.3 Enlivening attractions

Lavery and Stevens (1990) observed that a trend toward experience-based leisure may create a need for more sophisticated ways of enlivening attractions. They provide examples such as the use of live theatre, living history, simulated experiences, holograms and virtual reality. The concept of ‘roving interpreters and entertainers’ is an additional trend that is linked to increasing demand for experience-rich attraction activities (Pearce, 1998a). The views of attraction managers appear to reinforce this trend, with interviewees identifying a need for multi-media and ‘multi-faceted’ exhibitions that offer more meaningful, immersive and engaging experiences. While this trend was not as explicit in the futures wheel analysis, the need for more variety in attractions can be viewed as evidence of this phenomena.

6.4.1.4 Increased Professionalism

Australian attraction managers expressed a very strong and coherent view that the professionalism of the attraction sector would be enhanced over the next 20 years. Chapter 5 details a number of reasons for this trend, including the emergence of more stringent operator standards and accreditation programs. The introduction of voluntary accreditation programs for tourism operators has been foreshadowed in a tourism white paper recently released by the Commonwealth of Australia (2003). According to Stevens (2003) increased professionalism will be driven by large attraction companies and increased investor interest in attractions. Swarbrooke (2002) maintains that competition will force attractions to recruit or train managers that are highly skilled. Irrespective of various perspectives, all three sources of information in this study point clearly toward a trend for greater professionalism, with the futures wheel research broadening this concept to include quality and service.

6.4.1.5 Balancing Technology and Human Interaction

The interviews presented in Chapter 5 did reveal a concern that attractions would need to make a trade off between technology and human interaction at the attraction itself. This concept also emerged in the futures wheel discussions, particularly with reference to Sheldon's (1997) suggestion that 'hi-touch' tourists would view technology as being destructive to the tourist experience. As was the case in the futures wheel discussions, Sheldon recommends that businesses serving high-touch customers should not ignore technology, but should use it in the background to support high levels of personalised service.

6.4.1.6 Niche Markets

The futures wheels identified a number of potential markets that deserve further attention from tourist attraction managers. Specifically, the research suggests that some attractions would benefit by altering their mix of infrastructure and activities to appeal to families, business travellers and a diverse international market. The continued growth in Asian visitors to Australia has particularly important implications as discussed earlier. This trend was not identified by attraction managers, but is supported by a number of authors as shown in *Table 6.7*. The need for attractions to add facilities in order to attract new markets is supported by Pearce (1998), while a niche marketing approach is viewed as increasingly important for smaller attractions (Tourism New South Wales, 1999; Jurowski and Olsen, 1995; Cetron, 2001).

6.4.1.7 Sophisticated and Aggressive Marketing

Another trend not identified by attraction managers, but confirmed by the literature and by the futures wheel approach is the critical importance of marketing tourist attractions. A number of authors have noted that existing attractions are increasingly becoming more sophisticated and aggressive in their marketing (Robinson, 1994; Lavery and Stevens, 1990). The futures wheel identified a number of precursors that led to a need for *more sophisticated marketing* in attractions. Improved marketing also infers that

attractions need to devote more resources to analysing and countering their competitors. This was confirmed by a number of futures wheel comments centred on the theme of *better market research* aimed at providing attractions with an intimate understanding of their visitors and competitors.

6.4.1.8 Attraction Pricing

Pearce (1998a) noted a trend towards all-inclusive pricing, but also described a pricing pattern that included a large single entry fee with one or two additional charges for special facilities or exhibits. He argued that some theme park rides and facilities are expensive features that are used only by certain target markets. Flexible entry fees that allow visitors to choose their own experiences and to pay accordingly could be perceived as offering better value for money. This was the reasoning behind some of the comments found on the futures wheels. Think tank participants suggested that attraction admission would need to be flexible in order to attract certain markets, particularly the price-sensitive family market, and the time-poor business market. Perhaps an 'express entry' fee for business travellers would be attractive at some types of attractions. Entry could be levied on a time-charge basis similar to car park ticketing machines at airports. Scott's (2002) suggestion that the standard two adult-two children 'family' ticket was no longer appropriate would seem to have some support from think tank participants.

As noted in the literature review, staff and ticketing costs make it unfeasible for many attractions to create a number of admission charges for different markets. However, technological innovations may create some new pricing opportunities for attractions. Martin and Mason (1993) suggest that smart card technology may facilitate the admission and tracking of visitor movements in tourist attractions. This would allow attractions to optimise their yield-management strategies. Despite these developments, it is clear that attraction pricing, and visitor responses to different pricing mechanisms requires further research.

6.4.2 Contrasts between the literature and the futures wheel approach

A number of trends identified in the literature did not emerge from the futures wheel methodology. Pearce (1998a) identified the growing importance of the Internet as a marketing and purchasing mechanism. Attraction managers also discussed the Internet in Chapter 5, however the focus of these discussions was on threats posed by the WWW. Similarly, both the literature and the interview method confirmed the broad trend of attraction themeing. It could be argued that themed attractions are a management response to market demands for more engaging visitor experiences, and can be linked with the earlier trend of 'enlivening attractions'.

A number of trends not confirmed by the futures wheel approach are drawn from the work of Pearce (1998a). Pearce used a multi-method approach that combined on-site visits, Internet reviews, discussions with attraction operators and the resources of the major international attractions association to identify 12 attraction management and marketing trends. The focus was therefore on the operational and marketing aspects of attraction management. The broader trends-based analysis used to inform the futures wheel approach neglects some of the micro-management trends identified by Pearce. Conversely, the global nature of the futures wheel approach identifies a number of broader trends that were not captured in Pearce's multi-method approach. For example, the influence of weather patterns on attraction infrastructure and activities had not been discussed by researchers. The need for cultural awareness and sensitivity, and the need to manage cultural diversity and visitor interaction have been discussed in the broader tourism literature, but there are no specific references to these concepts as attraction management trends.

The futures wheel approach also fails to confirm the concept of 'integrated leisure complexes' suggested by Middleton (2001) and Stevens (2003). This phenomenon appears to be largely restricted to the United Kingdom, and to some extent in Canada and the United States. It is unclear whether this trend will emerge in Australia, which

has a climate more suited to a diversity of outdoor attractions. The appeal of integrated leisure complexes in Australia deserves further research attention.

6.4.3 An Evaluation of the Futures Wheel Method

The final aim of this chapter was “to evaluate the use of the futures wheel concept as a planning tool for managers and researchers.” The research reported in this chapter utilised students and academic staff as respondents because the study was conceived as a trial methodology. The method combined the futures wheel approach with elements of focus group research and grounded theory. It also used an importance/certainty framework as a means for identifying trends for further exploration. The method provided groups of respondents with an ‘informed workgroup’ environment. The stimulus for discussion was provided to respondents in the form of 62 trends. The following discussion evaluates the usefulness of the futures wheel approach by exploring the challenges, limitations and strengths of the methodology. Suggestions are made for enhancing this approach for use by tourism operators, researchers and planners.

6.4.3.1 Practical Challenges of Using the Futures Wheel

There is a clear opportunity to fine-tune the futures wheel approach used in this research. Three aspects of the trial methodology created practical challenges. The first was the need to discuss 11 to 12 trends in a 100 minute timeframe. The second was the increased complexity of conceptualising a futures wheel with 11 or more trends. The third challenge was the selection of trends using the importance / certainty construct.

The first two challenges are easily solved by reducing the number of trends that a group will discuss, or increasing the length of the workshop. Due to the possibility of mental exhaustion on the part of participants, and the complexity of interrelationship between some trends, it is suggested that tourism research employing futures wheels

should limit the analysis to five or six salient trends. If a stratified trend selection strategy is used, as was the case here, researchers could select one trend from each of the following areas: socio-cultural trends, technological trends, economic trends, environmental trends, political trends and market trends. The need for a facilitator to control the amount of time spent on each trend is still paramount, but a smaller number of trends would allow respondents to fully explore the implications of all trends. If there is no need for a comparison between futures wheel groups an alternative methodology could involve allocating separate trends to different futures wheel groups.

The third challenge is somewhat more complex because it is not possible to use the futures wheel to discuss every trend that a researcher may identify. There is considerable merit in selecting either the most important and most certain trends. Alternately the most important and least certain trends can be selected, as was the case in this thesis. The selection of trends is somewhat dependent on the aims and audience of the particular study. Some of the challenges of the importance/certainty construct included:

1. *The location of quadrants* - the selection of trends from importance / certainty matrices depends on the location of quadrants. As a result, the placement of cross-hairs is important because these cross-hairs essentially determine the location of each quadrant on the matrix. This research placed cross hairs at the half-way point of a 10 point scale (i.e. importance = 5, certainty = 5) to allow for equitable comparisons between the three think tanks. If only one think tank were used then there would be a strong argument for locating the cross-hairs at the overall mean scores for importance and certainty. The issue is compounded by the fact that participants tended to rate most trends as relatively important and relatively certain, resulting in a skewed dataset with few trends that were clearly both important and uncertain. This resulted in a number of trends

outside the importance / uncertain quadrant being selected because they were visually judged to be the closest to this quadrant.

2. *Sample size* - where the certainty / importance matrices are used in combination with a futures wheel approach it may be more appropriate to gather ratings of importance and certainty from a larger sample prior to their use on a futures wheel. This gives researchers more time to clearly delineate those trends that should be discussed by a futures wheel think tank. This approach effectively separates the data collection and development of importance / certainty matrices from the futures wheel process, and may result in the futures wheel participants having a lack of connection with trends that were rated by a larger unconnected sample. To overcome this, the futures wheel think tank could perhaps consist of a sub-set of participants who completed the ratings questionnaire.

6.4.3.2 Strengths and Limitations

The futures wheel approach shares some of its strengths and limitations with closely related methods such as focus group research and the Dephi technique. Some of the strengths reported by Glenn (1994) were confirmed by this research. The strengths and limitations of the futures wheel are discussed below based on the method's ease of use, quantity and quality of data, affordability, respondent flexibility, speed of data collection and outputs. A summary of strengths and weaknesses is presented below in *Table 6.8*.

TABLE 6.8 – Strengths and Weaknesses of the Futures Wheel as a Research Method

Strengths	Weaknesses
<ul style="list-style-type: none"> ▪ Easily grasped by participants ▪ Stimulates complex, systematic thinking ▪ Provides a clear visual map of complex interactions ▪ Flexibility for respondents ▪ Fast data collection ▪ No transcription of data required 	<ul style="list-style-type: none"> ▪ 'Intellectual Spaghetti' ▪ Results vary in consistency ▪ Limited by knowledge and perceptions of participants ▪ Information overload ▪ Complex and time consuming data analysis ▪ Higher cost per respondent ▪ Speculative nature of data

The futures wheel is easy to use because it appears to be readily grasped by participants in a focus group setting. The futures wheel think tanks reported in this thesis commenced with a brief example of how the concept works. This was achieved by selecting a topic that was not linked with the research, but that all participants could relate to, and illustrating how the wheel is used to explore consequences. This approach worked well in the three think tanks conducted for this research, but it was found that some participants needed time in the first few minutes of the futures wheel exercise to familiarise themselves with the task. It is suggested that the facilitator needs to play a supportive role during the first few minutes by reassuring participants and encouraging the free flow of ideas.

Glenn (1994) cautions that if a disciplined approach is not adopted in using the Futures Wheel, researchers may end up with "messy intellectual spaghetti" that makes the implications of the trend difficult to interpret. The disciplined use of primary, secondary, tertiary etc. rings is one way to help prevent the problem. However, constant reminders from the facilitator to adhere to this structure can impede the free flowing nature of the discussion, leading to fewer synergies between the responses of various individuals. For example, individuals will at times make observations and provide examples that are not strictly consequences of preceding items on the wheel. It is therefore essential for the facilitator to maintain the discussion while showing some sensitivity for the structure of the futures wheel.

A key strength of the method is the fact that the data produced by the futures wheel encourages participants and the researcher to adopt a more organic, complex view of a phenomenon. Rather than producing simplistic linear data, the futures wheel stimulates complex, systematic thinking and provides a relatively clear, visual map of the potential complexity of interactions. As a result, the futures wheel approach results in a vast amount of qualitative information that has both depth and contextual richness. The ability to link concepts together allows participants, and the researcher to clarify the

relationships between items. These linkages can sometime be lost in a less structured setting such as focus group research.

While the amount of information generated by this method is viewed as a strength, it should be noted that the information varies in consistency. Like related methods, such as the Delphi technique, in-depth interviews and focus groups, the futures wheel is limited by the knowledge and perceptions of participants. If the discussion and timing is not coordinated by a skilled facilitator participants may fall into a pattern of exploring endless chains of consequences. These consequences eventually become so far removed from the central theme that they become irrelevant. The facilitator must therefore choose when to end the discussion of a particularly line of inquiry. The experience of this research shows that participants did not move beyond five levels of consequences.

The detailed nature of the data also creates some complexities in analysis. The research used a grounded theory approach to analyse the data. This approach appears to have facilitated the emergence of key themes and concepts. However, the data could also be conceptualised deductively by testing a pre-existing theoretical framework. Whether an inductive or deductive approach is adopted, the sheer amount of information and complexity of linkages can become overwhelming for the researcher unless patterns emerge.

The futures wheel approach has the potential to be more expensive per respondent when compared with other methods. Like focus group interviews, participants should be rewarded for their attendance. It is also desirable to serve some refreshments in order to foster an informal setting. Furthermore, the use of an independent facilitator was found to be beneficial in this research. These elements add to the costs per respondent for conducting a futures wheel study.

Unlike questionnaires or structured interviews, the futures wheel methodology does offer a great deal of scope for flexibility. The method is intended to allow participants to think freely – therefore responses are not limited by questions. The only question asked repeatedly by the facilitator is “what would happen next if this trend or implication eventuates”? Beyond this, respondents are free to guide the direction of the discussion within the time limitations established by the facilitator. Interviewer bias is reduced because the method does not rely on structured questions, but a set of trends. Care should be taken to ensure that the wording of trends does not cause respondents to infer a socially acceptable response. As is the case with focus groups, respondents can be strongly influenced by their peers. The social acceptance of individual statements may act to censor comments from some participants. The facilitator must therefore encourage all members of the group to participate, and should be aware of dominant and submissive personalities. This limitation can be controlled to a certain extent if participants are carefully selected. In instances where all respondents are required to contribute equally, without fear of social censorship, a method such as the Delphi technique may be more appropriate.

When contrasted with other methods, such as mail surveys, questionnaires and personal interviews, the futures wheel approach is a relatively fast way of collecting data. Assuming that groups can be convened quickly, the actual process of collecting the data is less than 3 hours per group. An added advantage is that the futures wheels can be used by researchers without the time consuming task of transcribing responses, as is the case with focus groups. Links are more obvious and less likely to be overlooked by the researcher during analysis.

The structure of the think tanks in this research did not allow respondents to reflect on the final wheel. If time permits, it may be useful to ask participants to reflect on the final wheel. This may result in participants adding items, deleting items, editing words and making additional linkages between items, thereby improving the quality of the data.

This step would allow a group to clarify its thoughts, thereby making the final wheel more realistic. This task is similar to the clarification step prescribed in other brainstorming processes.

The comparison of results and literature presented above reveals that the outcomes of the futures wheel did share some similarities with other methods. There were some links with the multi-method approach adopted by Pearce (1998a) and the interview results presented in Chapter 5. However, it must be recognised that information produced by the futures wheel is more speculative, rather than being an extrapolation of current statistics, patterns or observations. In this context, the information gleaned from the futures wheel is only as good as the collective knowledge and perceptions of respondents. It is possible for the participants and the researcher to think they understand causal relations between the items that emerge, when these relationships are only speculative. A critical error therefore occurs if participants perceive the possible impacts or consequences as truly representing what will happen. As is the case with focus groups, this has implications for the generalisability of the data.

As noted earlier, the futures wheel approach used by this research overlooks some of the micro-management trends that emerge from the tourist attractions research. In other words, the assessment of trends is externally driven rather than being grounded by current innovations within attractions. This limitation would be partially overcome by using respondents that are closer to the studied phenomena (i.e. using attraction managers rather than an academic sample) and by combining the futures wheel with other methods.

In addition to confirming trends reported by other authors, the futures wheel also highlighted the importance of several concepts that were evident in the tourism literature, but had not been directly linked with tourist attraction futures. The need to manage cultural diversity and visitor interaction in tourist attractions emerged as an

important theme. Greater cultural sensitivity and language skills were also needed. It is suggested that these themes could be subjected to further study using complementary research approaches. An additional novel insight emerging from the analysis is the suggestion that global warming may have a number of consequences for attraction infrastructure. This would be an interesting path of inquiry for further research.

CHAPTER 7

Conclusions and Recommendations

OUTLINE OF CHAPTER

7.1 Introduction

Highlights the purpose of this chapter and introduces the research approach.

7.2 Tourist Attraction Characteristics

Describes the multi-disciplinary nature of the research, the study aims, limitations and key assumptions, research apparatus, procedure and sample.

7.3 Planning Characteristics of the Australian Attraction Sector

Presents an exploratory analysis of the planning context by examining tourist attraction characteristics such as size, income characteristics, market characteristics, age, performance and environmental characteristics.

7.4 Planning Systems in Australian Tourist Attractions

Examines the planning characteristics of tourist attractions, including the proportion of planners and non-planners, the planning process, plan content and planning sophistication.

7.5 Australian Tourist Attraction Futures

Investigates the relationship between attraction characteristics (planning context) and planning practices (process and content) using a range of statistical analyses.

7.6 Research Limitations

Reinforces the key limitations and constraints associated with the three studies presented in this thesis.

7.7 Further Research

Identifies opportunities or further research building on the findings of this thesis.

7.8 Thesis Conclusion

A final summary of the main achievements of the thesis.

7.1 INTRODUCTION

The final chapter seeks to reiterate and summarise the key findings of the thesis. The chapter reviews each of the key aims of the research and provides a further synthesis of the results. In particular, this chapter exploits the mixed-method approach of this thesis in order to draw together some of the findings to develop a framework of tourist attraction planning. The key limitations of the research are reiterated and further research opportunities are identified. The chapter concludes with a reflection of the major achievements of the thesis and the contribution the research has made to the literature.

7.2 TOURIST ATTRACTION CHARACTERISTICS

Aim 1.1: *To examine the broad organisational and environmental characteristics of the Australian tourist attraction sector*

Chapter 3 of this thesis presented the findings of an exploratory analysis of Australian tourist attraction characteristics. In doing so, the research sought to address the lack of information about the business characteristics of tourist attractions. This was achieved by presenting the findings of a tourist attraction planning questionnaire that was completed by over 400 managers. From a planning perspective, the literature suggested that business planning could be assessed along three dimensions: planning process, planning content and planning context. The attraction characteristics presented in Chapter 3 form part of the planning *context*.

The results demonstrate that Australian attractions are generally small operations with low profit margins and a small number of employees. Australia's attraction sector is made up of relatively few very large attractions and a large number of very small businesses. The largest attractions receive several million visitors per year and are located close to major urban tourist centres, such as Sydney, Melbourne or Queensland's Gold Coast. The summary presented at the end of chapter 3 indicates that these attractions are more likely to be theme parks, wildlife parks, aquaria or nature-based attractions. At the other end of the spectrum are a large number of very small attractions, with some receiving only a few hundred visitors per year. Many of these attractions are museums, Australian cultural attractions and military attractions. These attractions are typically staffed by volunteers. Based on this information most attractions can be classed as 'micro-businesses' as defined by the Australian Bureau of Statistics.

The study noted key differences between public sector and private sector organisations in terms of financial size and employee composition. Private sector organisations are more

likely to provide part-time or full time employment while government-owned attractions tend to make extensive use of volunteers. It was also found that local, state and federal governments are major contributors to attraction income. The analysis did not indicate whether government funding favoured public attractions, but anecdotal evidence would suggest that this may be the case. The findings confirm the view that admission is a key source of revenue; however, those attractions not selling souvenirs or refreshments may be able to supplement their revenue by considering these income streams. Highly commercialised attractions such as theme parks, nature-based attractions, wildlife parks and adventure-based attractions have higher mean admission prices.

While previous research by Tourism New South Wales (1999) found that the average length of stay at attractions was 120 minutes, this research indicated that it was only 60 minutes. This difference may be due to the larger number of smaller attractions included in this study. Highly commercialised attractions such as theme parks, nature-based attractions, wildlife parks and adventure-based attractions show a higher mean length of stay. The research did show a great deal of consistency with existing estimates by indicating that only about 10% of attraction visitors originate from overseas.

A number of ratios were employed in this research to objectively measure the performance of the attraction sector. Some of these measures were comparable with Australian Bureau of Statistics (1997) data and show that attractions contrast favourably with recreation industry standards. Measures of subjective performance were distilled into three areas of performance: attraction size, attraction growth and social responsibility. The study showed that many Australian attraction managers perceived themselves as altruistic, with positive scores for social responsibility, but were less confident about growth and size measures. Attraction managers were keenly aware that attractions had a social responsibility to maintain a good relationship with their local community, to ensure that their employees are satisfied, and to maintain a high quality attraction for patrons.

The second element of Aim 1.1 was to describe the characteristics of the environment in which attractions operate. The research achieved this by asking managers to rate the complexity of their business environment by responding to a set of 10 five point rating scales. These were further distilled into three environmental variables: competition, change and confidence. It is clear from the results presented in Chapter 3 that environmental change created some complexities for attraction managers. Despite this perception, managers were also quite confident about the outlook for their attraction.

The results were successful in addressing the first aim of the study, and therefore provided an accurate context for exploring the planning activities of Australian tourist attractions. The results provided a number of categorical variables that were used in Chapter 4 to explore underlying patterns in the planning activities of attractions. The characteristics that have been reported add to literature about tourist attractions by enhancing the understanding of this sector of the tourism industry.

7.3 PLANNING CHARACTERISTICS OF THE ATTRACTION SECTOR

Aim 1.2: *To conduct an empirical assessment of the nature and extent of business planning in the tourist attraction sector*

An analysis of the planning process characteristics of attractions suggests that more than half are engaging in long-term planning. Despite the small-scale nature of many attractions, planning activities are quite sophisticated in the instances where planning is being used. These findings complement Athiyaman and Robertson's (1995) conclusion that the strategic planning processes adopted by large Australian tourism firms are relatively sophisticated. However, when non-planners are included in the analysis, the conclusion is that the attraction sector as a whole is not very sophisticated in its planning approach.

A distinction was made in this research between short-term planners and long-term planners. Short-term planning and long-term planning appear to be applied in tandem, with 66% of short-term planners also engaging in long term planning. Like most businesses, a majority of tourist attractions used a five-year planning horizon. The findings also highlighted the importance of primary research conducted by attraction operators. However, consultancy firms were clearly viewed as a useful resource during the planning process. There is also some evidence to support Faulkner's (1994) view that tourism businesses tend to rely on anecdotal evidence as a basis for making decisions rather than drawing on readily available research.

From a planning content perspective, it was found that the most prevalent strategies found in attraction plans deal with operational activities, reflecting the day-to-day tasks of managing an attraction. Finance and marketing also feature prominently in tourist attraction plans. Competitive and technological changes were neglected in many attraction plans.

The results indicate that attractions engaging in planning can improve their planning activities in some areas. For instance, competitors act as sources of information during the planning phase, but many attractions failed to include the activities of competitors when describing environmental forces that may impact on the attraction. There is also a perception amongst attractions that do not plan that planning is expensive and not appropriate for small businesses. This is often not the case and indicates a level of ignorance or misunderstanding regarding the planning process and its benefits. Reasons dealing with lack of time and expertise are perhaps more valid and need to be addressed by the tourism industry.

Shrader et al (1989) suggested that small businesses do not benefit from strategic plans primarily because they do not take the time or effort to formulate them. However, Robinson and Pearce (1984) argue that if planning enhances small firm effectiveness

but is too complex, or time consuming, then there is a need to design a planning process more appropriate to the needs of small firms. Following this logic, the exploratory study of tourist attraction planning characteristics creates a foundation for a detailed analysis of successful planning models in tourist attractions. The findings provide a base and a benchmark for other attraction and tourism researchers and form the basis of further observations in this thesis. The findings also provide a useful snapshot for the attraction sector, which has not traditionally been the focus of much research.

Aim 1.3: *To investigate the relationship between attraction characteristics and formal planning activities.*

The third aim effectively utilised the results from the first two aims to contrast the planning activities of attractions according to various categorical variables. Lindsay and Rue (1980) found that the size of an organisation plays a key role in the strategic planning process. The findings of this thesis are consistent with the general perception in the management literature that larger organizations are more inclined to engage in formal planning than smaller organisations (Dean, Brown, and Bamford 1998; Chen and Hambrick 1996). The present results concluded that planners outperform non-planners in terms of visitor numbers, visitor growth, number of paid employees, asset value, gross revenue, and total profit.

The results also indicated that military attractions and museums were the least likely to engage in planning. In contrast, gardens, action adventure attractions, and nature-based attractions showed a strong propensity toward higher levels of planning. There were also notable contradictions within some categories, such as theme parks, where planning was observed to be either limited or extensive.

The results suggested that attractions engaging in planning activities have more desirable traits than attractions that do not plan. In addition to the attraction size

findings reported above, higher levels of planning were also associated with higher admission prices, a longer length of stay and a greater number of open days. Managers who planned also appeared to be substantially more confident about their attraction, but were also likely to have lower management tenure.

The literature review indicated that the relationship between planning and performance has been researched extensively over the last 30 years, with researchers failing to reach a consensus on whether more formal planning results in better business performance. Many of the measures of performance used in the management literature do not take account of organisational size. Measures of profit and revenue (sales) are reported in this research as 'size' variables but have been employed in some other studies as performance variables. Studies that employ financial ratios to measure performance provide a better indication of performance. A number of financial ratios were used in this research as measures of objective performance. These results support those authors who maintain that there is little evidence of a link between planning and performance. While the results do not show a strong link between objective measures of performance and planning, they do concur with other findings suggesting that planning has ancillary positive impacts on businesses. When subjective measures of performance were considered, the research found that planners had a higher perceived rate of *growth* than non-planners. This is consistent with findings by Bracker and Pearson, 1986; Lyles et al, 1993 and Rue and Ibrahim, 1998.

These results do however need to be interpreted with care. There is an inherent complexity in the causality of the variables under consideration in this study. One can adopt the view that the level of planning is a consequence of an organisation's characteristics. In this perspective, it might be predicted that planning may encourage business growth, thereby resulting in larger attractions. Such causal unidirectionality may in fact be misplaced. Attractions may be small in terms of numbers of visitors or staff because, since their inception, they have had a planning regime that has

deliberately suppressed growth. The causal relationship between these elements requires greater attention and represents tourism research opportunities using different methods and forms of data.

Another implication stemming from the results is that attraction size may be an underlying variable that had some potential to distort other comparisons. To add weight to some observations, the attraction characteristics data were subjected to further analysis to determine the extent to which attraction size was related to other categorical variables. The overall conclusion drawn from the detailed analysis in Chapter 4, indicates that there are numerous differences between tourist attractions based on the level of planning undertaken. Some of these differences are due to the underlying influence of attraction size. However, a number of differences may be the result of planning activities. It is suggested that further research with an experimental or longitudinal approach might serve to understand more adequately the directionality of these linkages.

A comparison of various attraction traits based on the four levels of planning contributes to our understanding of tourist attractions. Furthermore, the findings add further comparative richness to the management literature, which has focussed largely on manufacturing and retail businesses. The research provides a broad overview of the link between Australian tourist attraction characteristics and the level of planning in those attractions. It has unearthed a pattern of findings that suggests that the attractions with the highest levels of planning tend to have higher levels of perceived performance and to be more profitable organizations, with a sounder asset base looking to the future with better growth prospects and confidence. It would seem from these findings that there should be an impetus for all tourist attractions to participate in more planning endeavours, although this presumes that the skill levels and resources of those managers who are currently not involved in planning are adequate for these managerial demands.

7.4 PLANNING SYSTEMS IN AUSTRALIAN TOURIST ATTRACTIONS

Aim 2.1: *To explore the planning tasks, procedures and systems in tourist attractions in order to develop a framework of attraction planning.*

The second study in this thesis extended the general findings summarised above by presenting the results of a qualitative analysis of 12 tourist attractions. This analysis detailed the planning systems and procedures in individual businesses. The qualitative approach reinforced some of the patterns observed in the earlier quantitative study, while adding additional detail and explanatory insight.

It is clear from the research presented in Chapter 5 that the planning approaches of Australian tourist attractions vary somewhat from the Rational Systematic Model (RSM) of planning frequently espoused by strategic management texts. Planning processes have clearly been influenced by this structured approach, but have been modified to suit the attractions sector. The findings also suggest a number of parallels with planning research in small business, with planning in tourist attractions being less systematic, and reliant on informal, intuitive processes. The research identifies a number of key differences between the RSM model of planning and the approach used by tourist attractions. These include:

1. A more distinct focus on defining the attraction's *identity*, or core business function
2. *Continuous* environmental monitoring, as opposed to a defined environment analysis stage during the planning cycle. Environmental monitoring is sometimes subjected to analysis, and some larger attractions conduct occasional consultant-based market studies.
3. Monitoring of the external environment is typically focussed on the *task* environment (microenvironment), rather than *broad* environmental influences.

The task environment is strongly linked with the idiosyncrasies of the tourism industry and the attraction sector.

4. Planning, as interpreted by many of the managers interviewed, encapsulated a large *operational* component, suggesting that the interface between operational and strategic management was frequently blurred.
5. Some attractions view networks and partnerships as an important resource in planning.
6. The setting of Key Performance Indicators (KPIs) is more prominent than is suggested by traditional strategic planning frameworks.
7. Smaller attractions were much less likely to adopt an RSM approach. Planning in these attractions is much more likely to consist of operational planning and is less synchronous or sequential.
8. A lack of skills and knowledge about planning led some attraction managers to rely on informal mentors within the business, or to employ outside consultants.

Some of the key planning processes in Australian tourist attractions can be summarised by developing an illustrative framework. The framework, presented in *Figure 7.1* has been developed chiefly from the interviews presented in Chapter 5, with some influence from Chapter 4.

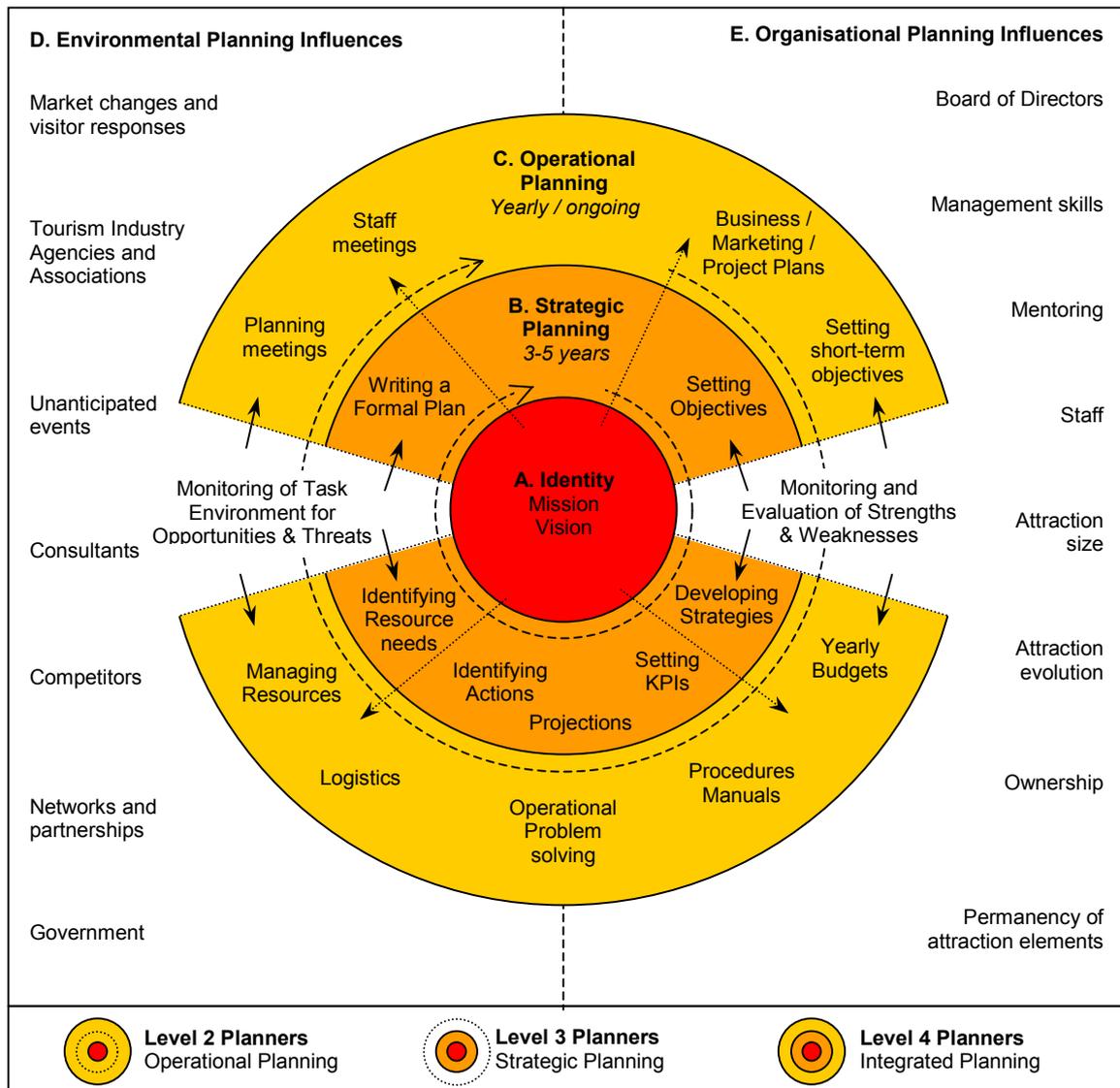


FIGURE 7.1 – Framework for planning in tourist attractions

The planning process begins by establishing or reviewing the **identity** of an attraction as shown by item A in the figure. This is most commonly achieved through the notion of a mission (“what we are”), followed by a statement of vision (“what we would like to be”). The crafting of a business identity is inherently broad and long-term in nature and is not reviewed frequently. The identity radiates outward toward a more specific strategic view of the business. The **strategic planning** level (B) is evident in larger tourist attractions, and follows a relatively systematic cycle, which is repeated on a 3-5 year time-horizon. Some attractions make use of a rolling 3-5 year strategic plan that is updated every 12-18 months in response to changes in the internal and task environment (items D and E).

The framework gives greater emphasis to **operational planning** than traditional planning models. Many business planning researchers have focussed on the more structured nature of strategic planning and it is argued here that operational planning has been somewhat ignored as an area of research. A large amount of planning occurring in tourist attractions occurs at the operational level (item C). The findings presented in Chapter 4 support this view, with significant differences in various organisational measures often occurring between level 1 (non-planners) and level 2 (operational planners). Differences between planners at levels 2, 3 and 4 are less obvious. This suggests that some planning, whether it is operational or strategic, is beneficial for an organisation.

In contrast to strategic planning, operational planning is less sequential. While the framework does use a directional arrow to indicate a chronological series of planning tasks, the sequence is much less apparent than strategic planning. Furthermore, elements in the sequence are not performed by some attractions and are performed arbitrarily by others. The tasks also progress clockwise from those that are less frequent (i.e. once a year) to those that are performed on an ongoing basis. As with strategic planning, operational planning is also influenced by the internal and task environment. For example, some attractions reported that they reviewed visitor statistics on a daily basis. Informal monitoring of the task environment, such as visiting competitor websites, scanning information from tourism organisations and identifying issues from the mass media appeared to be ongoing. This allows attractions to respond to changes in the environment by making operational changes that are within the context of the strategic plan.

In many instances smaller attractions function much more readily at the operational level, rather than the strategic planning level. This is evidenced by the absence of formal long-term plans and a focus on logistics, procedures manuals, annual business plans or marketing plans. The planning approach in these organisations appears to be

driven by yearly budgets, and/or a marketing plan where available. These features are also prominent in many strategic planners, but the process is less systematic in smaller, operational planning attractions.

While *Figure 7.1* is useful in describing the key planning tasks it is essentially a static model that does not accurately convey the interplay between operational planning and strategic planning over time. This interplay is particularly apparent in attractions that have an integrated planning approach (i.e. level 4 planners). *Figure 7.2* extends the explanatory power of the framework by indicating how operational and strategic planning are integrated in level 4 attractions.

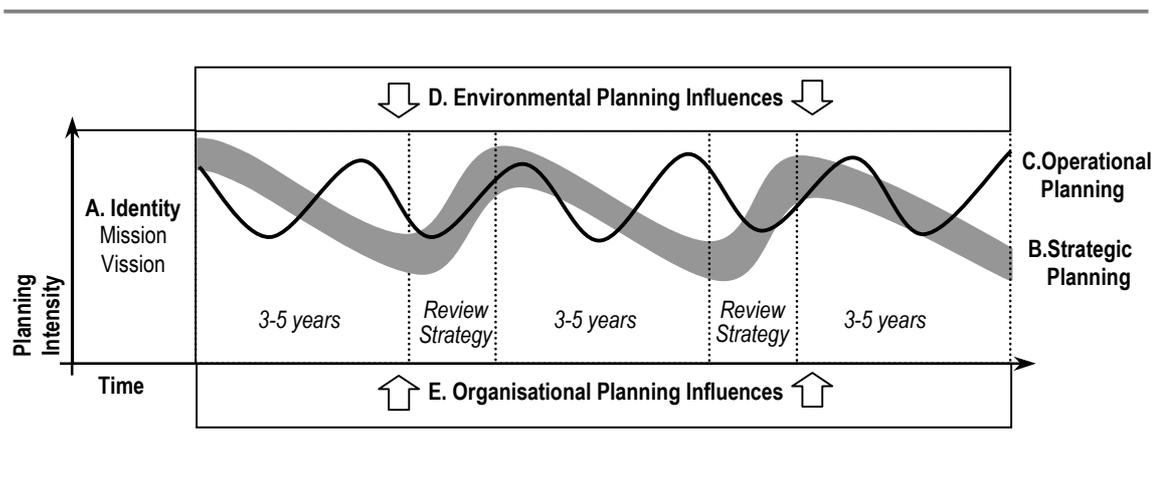


FIGURE 7.2 – A longitudinal timeline of integrated planning in tourist attractions

The figure indicates that strategic planning intensity is typically at its highest at the start of a 3-5 year planning horizon. This intensity is marked by all of the strategic planning tasks indicated in Figure 7.1. Every strategic plan outlives its usefulness and when this occurs it becomes necessary to review the attraction's strategies. Operational planning within the attraction is in a constant state of flux, although it typically follows a yearly cycle dictated by budgeting and reporting tasks. The figure indicates that there is often an overlap between operational and strategic planning. Operational planning should reinforce broader strategic plans. However, operational plans sometimes deviate from strategic plans in response to environmental and organisational influences.

The framework provides a summary of the influences that may impact on the planning approach adopted by a particular tourist attraction. These should not be confused with environmental forces; they are not forces, but characteristics of the organisation and environment that have some bearing on the planning conducted in tourist attractions. Environmental planning influences include:

- Market changes and visitor response – changes in visitor preferences, expectations and responses to the attraction. These appear to be frequently identified by the attraction's own research, or by studies conducted by consultancy firms.
- Tourism industry agencies and associations – the information generated and disseminated by organisations such as the Bureau of Tourism Research, the Australian Tourist Commission, state agencies and so forth provide information used by attractions in formulating strategies and plans.
- Unanticipated events – while the other environmental influences are concerned with the attraction's task environment, unexpected incidents often occur in the broader environment. In severe cases they can cause an attraction to abandon its plans. These events can be unanticipated for two reasons. Firstly, the findings suggest that most attractions do not readily consider the broad environment in their planning, perhaps causing them to overlook important developments. Secondly, some events are simply unpredictable. Examples provided by managers include the 2002-2003 drought in rural Australia, and the impact of terrorist activities on travel in 2001.
- Consultants – some small attractions employed management consultants to assist with their planning, while larger attractions made use of marketing consultants to conduct independent studies and polls. The presence of management consultants can influence the formality of planning and the planning process, thereby compensating for a lack of management planning skills. On the other hand,

marketing consultants can provide the attraction with a systematic analysis of some aspect of the marketplace.

- Competitors – many attractions assess their competition informally, usually through promotional activities and websites. This provides a further source of information for attractions, with potential to generate plans to counter innovative competitor offerings.
- Government – some attractions mentioned the role of government in providing financial support, raising the standards of the sector, and funding public attractions that may compete with commercial operations. Government policy has a larger impact on some attraction types than others, and planning parameters in some attractions is dictated by government policy.
- Networks and partnerships - metropolitan attractions operating in a competitive environment were more inclined to share visitor numbers and other information in a cooperative arrangement. The process of benchmarking performance allows attractions to formulate plans to improve their market position, while also providing a gauge of the consistency of visitor trends.

Organisational planning influences are also included in the framework. These influences involve characteristics and players within the attraction that may impact on the process and formality of planning. They include:

- Boards of Directors – a number of attractions commented on the role of boards of directors. In large, highly structured attractions, these boards have the power to effectively approve or veto strategies. They do not, however, greatly influence planning at the operational level. The consensus appears to be that boards play the role of ‘devil’s advocate’, rather than becoming intricately involved in the formulation of plans.

- Management skills - the skills and background of management may be important in the planning process. Some managers in the research readily admitted that they did not have sufficient planning skills, and hence employed external consultants to assist with this aspect of their attraction.

- Staff – while this research does not seek to determine whether staff involvement in planning is useful or detrimental, it is apparent that many attractions do involve staff to various degrees. By virtue of their input, staff members therefore have the potential to influence the development of plans. In particular, the skills and number of staff available appear to be important variables. It would seem reasonable to suggest that staff involvement is more prevalent at the operational level, as staff are often responsible for implementing plans rather than formulating them.

- Mentoring – the role of informal mentoring was uncovered by the research. Mentoring provided either by a CEO or the attraction’s board of directors allow attraction managers who may not have a management background to ‘learn on the job’. Without this mentoring role, it could be argued that some planning efforts would lack sophistication and structure.

- Attraction size – while it is difficult to ascertain the direction of causality in the relationship between attraction planning and size, the interviews would suggest that a bi-directional relationship is probably at play. In other words, planning allows attractions to grow, however at the same time, attraction size impacts on the style and formality of the planning process. The larger an attraction becomes the more formal and systematic its planning practices and techniques appear to be.

- Attraction evolution – a key suggestion arising from the research is that attractions that evolve accidentally have a different planning approach than those that have a history of planing from conception. In particular, ‘accidental’ attractions have a less systematic, informal approach to planning, with operational aspects being

dominant. Attraction size and management skills are likely to be underlying variable in this observation.

- Ownership – some attraction managers distinguished between large, planned government attractions and small commercial operators in terms of planning. A subtle observation in the research is that the bureaucratic nature of public attractions results in systematic planning processes with few deviations from the textbook RSM approach.
- Permanency of attraction elements – the final organisational influence is particularly concerned with exhibition-based attractions such as art galleries and museums. These businesses exhibit different planning processes because the attraction is often changing, requiring extensive planning and organisation to ensure that new exhibitions are successful. An attraction that retains its core product, without extensive change would have less need for continuous formal planning activities.

The framework in *Figure 7.1* shows the core of the organisation at the centre, with activities radiating out to planning influences on the periphery. More broadly, the following observations can be made as planning activities radiate from the centre to the outer operational level:

1. Planning activities further from the centre are less complex and less formal
2. Planning changes from a long term focus at the centre to a short-term focus at the operational level
3. Planning activities at the centre are undertaken chiefly by senior attraction managers or owners, with more staff being involved at the operational level

The planning framework is the key integrative model of this thesis. It implies, in essence, that smaller attractions have a greater tendency to plan at the operational

level, and provides an indication of the key planning activities at this level based on a number of attraction case studies. Conversely, the framework implies that larger attractions operate at the strategic or integrated planning levels. These levels exhibit a more formalised planning process as detailed in the model. The model also shows the variables that appear to have an influence on the planning approach adopted by attractions.

7.5 AUSTRALIAN TOURIST ATTRACTION FUTURES

Aim 2.2: *To investigate how managers perceive trends that are relevant to the future operation of tourist attractions.*

The second aim of study 2 provides a link to the final study by garnering the views of attraction managers regarding the future of Australian tourist attractions. The findings showed that management opinions varied considerably, with a large number of disparate comments and (in some cases) elaborate visions. However, there was a reasonably strong notion that the attraction sector would become more professional in the next 20 years. This prediction corresponds favourably with the findings reported later in chapter 6. Several attraction managers also expressed opinions about the growth of technology, with particular mention of the impact that online technologies would have on the future operation of tourist attractions. The themeing of attractions and the need to create more meaningful, immersive and engaging experiences for visitors were also common themes.

While these findings are far from conclusive on their own, they provided a useful contrast for the results reported in Chapter 6. They also raise a number of themes that may provide useful stepping-stones for researchers interested in exploring the future of tourist attractions, or the broader tourism industry, in more detail.

Aim 3.1: *To determine the relative importance and certainty of broad trends that may impact on the future of Australian tourist attractions.*

Chapter 6 extended the futures research described above, by using a novel futures wheel methodology to consider how trends in the medium-term future may impact on tourist attractions. The research distilled a total of 62 trends from the futures research presented in Chapter 1. Three think tank participants were asked to rate the importance and certainty of these trends. Following Schwartz (1996), the most important, but least certain trends were selected for further analysis by the think tanks. While this aim is not a major focus of the thesis, it does contribute to more significant aims that follow.

The findings indicate that participants selected a diverse range of trends as being important. The trends were categorised using a STEEP and Market Trends organiser and the results indicated that think tank participants selected the top ten most important trends from all of these categories. Strong growth in international tourists, developments in transport and information technologies, globalisation and terrorism were all prominent themes. Conversely, participants showed some reluctance to rate speculative technologies as being important. A number of social trends grouped under 'mind, body and soul' were clearly also viewed by participants as being too esoteric and of less importance to attractions.

There was a great deal of similarity between the trends selected as being most important, and those selected as most certain. Technology was again a dominant theme and participants expressed a high level of certainty that technology would impact on geographic accessibility, visitor management, marketing and business operations. Globalisation was also a recurring economic theme. Social trends dealing with the ageing populations of western countries were also viewed as inevitable. Highly speculative technologies and esoteric social trends dealing with 'mind, body and soul'

were again singled out as being amongst the least certain trends. Participants were also cynical about the prospect of increased corporate investment in tourism.

These trends provide a useful organiser for the next aim, but it is hoped that they also provide useful fodder for further reflection about the future of the tourism industry. The participants involved in this research were in most cases individuals who will be the tourism managers of the future. Due to the sampling procedure employed here, it cannot be claimed that these results are a conclusive summary of the views of future attraction managers. However, the participants' perceptions about the importance and certainty of trends provide some interesting insights into how this group prioritises events and changes.

Aim 3.2: *To explore the consequences of the most important but least certain trends in order to identify more specific attraction management themes and concepts.*

The core focus of Chapter 6 was to detail the future attraction management implications of trends selected by the three think tanks. This was achieved by using the futures wheel methodology to obtain qualitative data that could be subjected to a grounded theory analysis. The grounded theory approach resulted in a number of attraction management concepts, which were summarised in *Table 6.7*. While the complete set of themes will not be reiterated here, it is useful to summarise some of the management concepts to in this final review of the aim. Chief among these were a suite of concepts related to the infrastructure and activities offered by attractions. For example, participants identified a need for more variety and the continuous refreshment of attractions; as well as incorporating activities and facilities for markets such as business travellers, families and Asian visitors. Somewhat surprisingly, visitor management also emerged as a strong theme, with three clear implications: a greater need for cultural sensitivity and awareness; managing cultural diversity and visitor

interaction; and managing visitor flows. While a small handful of authors have addressed these issues in the context of tourist attractions, there is scope for a much better understanding of these aspects of attraction management. Furthermore, tourism is increasingly reliant on sophisticated marketing approaches and the research suggests that attractions will need to improve both their marketing techniques and target marketing approaches.

There is considerable scope for further futures research in the tourism literature. Different methodologies and forms of data need to be employed to test and build upon the conclusions of this research. The tourism literature offers only a few views about the future of tourist attractions and these are considered by the next aim.

Aim 3.3: *To compare the attraction management themes with the broader literature and with comments from attraction managers presented in Chapter 5.*

The attraction management concepts were compared with the findings from Aim 2.2, and attraction management trends identified from the literature. In particular, the recent works of Pearce (1998a), Leask (2003), Middleton (2001) and Stevens (2003) were particularly insightful in providing contrasts with the current research. Key trends confirmed by all three sources of information included:

- Attraction alliances – a trend toward greater cooperation between attractions
- People and capacity management – an increasing need to manage visitor flows as well as sustainability
- Enlivening attractions – a shift toward more sophisticated attractions that offer more meaningful, immersive and engaging experiences

- Increased professionalism – a demand for highly skilled staff and management specifically trained in the management of tourism enterprises to deliver a high quality experience.
- Balancing technology and human interaction – delivering personal experiences while ensuring that the gains from technological efficiencies are realised.

A broad interpretation showed that a number of other trends from the literature were also confirmed by the futures wheel approach but were not discussed by attraction managers.

The view that the future cannot be predicted with absolute certainty has been an important philosophy of this research. The future offers unlimited opportunities for tourism research, provided rigorous and diverse quantitative and qualitative methodologies can be devised to test and compare findings. Since the future is constantly evolving, ongoing research is certain to reveal new market trends and industry changes. However, a small handful of studies cannot pretend to provide strong predictive power of the future. It is only through a concerted effort by a larger number of researchers that a more complete view of the future of tourist attractions and the tourism industry will emerge.

Aim 3.4: *To evaluate the use of the Futures Wheel concept as a planning tool for managers and researchers.*

The final aim of this thesis was to evaluate the use of the futures wheel as one of many approaches to help managers and researchers plan for the future. The potential of the futures wheel lies in its ability to help managers predict the outcomes of trends. In doing so managers can use the output of a futures wheel to simulate how a business might fare if certain strategies are implemented. This could help managers to modify

strategic plans to ensure that strategies and objectives are sufficiently robust to withstand future shocks.

Clearly the futures wheel does not provide a predictive capability for events such as the September 11 attacks in New York, but it does allow managers to ask question such as “what would happen to our business strategies if there was an escalation in global terrorism?” or “what would happen if a new virus grounds international aviation?”. Such events have occurred in the relatively recent past, however a broad sweep of the futures literature presented in Chapter 1 shows that some authors expressed opinions about terrorism and disease in the mid to late 1990s. At the very least, an awareness of the possibility of future events could allow businesses to put in place crisis management strategies.

The futures wheel was conceived as a tool for exploring the future of a place, industry or phenomenon. In this context it is an immensely useful methodology, which produced information that was consistent with past findings, while also providing several new insights. When the futures wheel is coupled with a strong methodological approach such as grounded theory it becomes a useful tool for exploring the future of tourist attractions. An analysis of the futures wheel revealed a number of challenges, strengths and limitations that researchers need to weigh up before employing the technique. The technique compares favourably with other forecasting techniques, such as data extrapolation and the Delphi technique. In spite of this, the futures wheel does not of course provide a definitive analysis of the future. However, a more complete picture of the future can be constructed by combining a futures wheel analysis with complimentary qualitative and quantitative forecasting techniques. As a qualitative technique, the futures wheel is particularly useful in adding both conceptual and contextual richness to traditional quantitative methods that rely on the extrapolation of statistical data. Alternatively, the outcomes of a futures wheel can be used to identify key concepts as the basis for a more structured quantitative study.

While this research utilised an academic sample, the method could be adapted for an industry group. The method is an easy means of diagnosing any group's collective thinking about the future. The futures wheel offers a structured approach for envisioning various futures in the tourism industry. In the context of this thesis, the futures wheel can be used in strategic planning as a way of assessing changes in the environment of an organisation. It has some application for allowing attraction managers to consider the consequences of the various environmental planning influences presented in *Figure 7.1*. Furthermore, as suggested by Schwartz (1996) and Ringland (2002), the futures wheel can be used to produce trends and scenarios against which strategic plans can be developed or tested.

7.6 RESEARCH LIMITATIONS

The research reported in this thesis should be interpreted within the context of the limitations that have been identified for each of the three studies. A key limitation of the first study was the fact that the types of businesses qualifying as attractions were strictly controlled. This was partly due to the way in which attractions were defined in this research, and also for pragmatic reasons associated with the need to ensure that the sample was not diluted by other types of businesses. It was argued that the organisational structure of some businesses would introduce statistical irregularities. Specifically, the sample excluded non-managed attractions and landscape features, national parks, craft shops, souvenir stores, tearooms and retail outlets, markets and festivals and wineries.

The final sample contained a large number of museums and volunteer organisations. This should not be viewed as a weakness of the study, as Australia is indeed dominated by a large number of small museums and community attractions. However, the interpretation of the results should give due consideration to the presence these smaller non-profit organisations because there does appear to be a tendency to

associate the attraction sector with larger commercial enterprises. Furthermore, the response rate received for the first study was acceptable but not spectacular. While over 400 attraction managers responded to the study and the results show great consistency, it would have been desirable to achieve a higher response rate. This would have provided a greater degree of confidence that the findings were representative of the Australian attraction sector.

The issue of outliers was also discussed in Chapter 3. Following Barnett and Lewis (1994) a decision was made to eliminate outliers. This decision was entirely justified because the scope of the first study was to provide an undistorted view of the entire attraction sector. However, it was recognised that statistical outliers can be a valuable source of information simply because they differ from the rest of the sample. In particular, a few attractions receiving an unusually high number of visitors were excluded from the research. While confidentiality arrangements do not allow for further elaboration, it would suffice to say that some of these businesses are arguably amongst Australia's most recognised attractions. The modelling of managerial behaviour and planning in these statistical outliers may produce additional insights into the nature of tourist attraction management.

An inherent limitation of the second study presented in Chapter 5 is the need to recognise that the qualitative research does not allow for the generalisability of findings to the entire attraction sector. The purpose of the qualitative research was to gain a detailed understanding of planning systems in individual attractions so that the findings could be compared with the earlier quantitative study. It is argued that this mixed-method approach strengthens the findings of the thesis. The methodology certainly succeeded by providing a number of insights to the broader patterns observed in the first study. However, the issue of generalisability is noted here because the tourist attraction planning framework presented earlier in this chapter is based on both the

quantitative and qualitative study. With this comes recognition that there is some scope for further empirical testing and adjustment to the framework.

An analysis of the strengths and limitations of the futures wheel method noted a number of additional constraints. Many of these constraints could be overcome by modifying the methodology as proposed in Chapter 6. However, an important constraint of the futures research lies with the interpretation of the importance / certainty data. The placement of cross hairs on the importance / certainty matrices clearly affects the selection of trends for further discussion. Furthermore, there is a good argument for exploring both the most important / most certain trends as well as the most important / least certain trends. In accordance with Schwartz (1996) the focus of this thesis was on the latter. It also needs to be reiterated that while the selection of an academic sample in this study was deliberate, the results may be distorted by this approach. The next step in employing this method in tourism research would involve its use with a tourism industry group to yield interesting comparative data.

7.7 FURTHER RESEARCH

The studies reported in this thesis offer a number of opportunities for further research. Given the emergent status of tourist attraction research, there is more to be done to test the findings reported in the present context, both within this sample and in studies of attractions in other countries, states, or destinations. It may be useful to view the findings of this thesis as implicit hypotheses that could be substantiated in more densely populated regions or in locations where there are world leaders in attraction management and innovation. An extension of the quantitative research reported in Chapters 3 and 4 could include further comparative studies to explore whether the attraction sectors of other countries exhibit similar organisational and planning characteristics to Australian attractions. There are also broader opportunities for researching attractions. The characteristics reported in this thesis provide a starting point

for researchers interested in various types of attractions within the sector. It is clear that there are considerable contrasts in characteristics between different types of attractions and this offers a potentially rich area of investigation. The research reported on how managers perceive their own attractions, but there are also opportunities to explore how visitors and other industry partners perceive different types of attractions. Additional research could also give due consideration to the role that attractions play in the communities in which they are embedded.

The quantitative methodology used in this thesis offers a contemporary approach to studying organisations in the tourism field. The methodology could be applied not only to tourist attractions, but also to other sectors of the tourism industry, including tour operators, accommodation providers, travel retailers and transport providers. Cross-sector comparisons are also possible, allowing researchers to analyse the planning activities of various parts of the tourism industry. For researchers keen to pursue longitudinal and historical studies in tourism, there are also possibilities to explore the way attractions have planned their futures since their inception. Longitudinal studies tracking changes in the characteristics of the attraction sector would also provide valuable information for the tourism community.

The framework of tourist attraction planning presented in *Figure 7.1* and *Figure 7.2* also offer opportunities for further research. It would be presumptuous to claim that the model is conclusive; however it does add to both the management and tourism literature. The contrasts between the model and the traditional view of strategic planning provide a number of research opportunities. The observations made in this research need to be confirmed and further developed by researchers employing a variety of methodologies. An extension of this research could include an assessment of whether some of the observations are unique to tourist attractions, or whether they apply to other tourism businesses, or indeed other industries.

The futures research reported in this thesis offers an additional line of inquiry for researchers. On their own, the attraction trends gleaned from attraction managers in Chapter 5 were far from conclusive, however, they provided a useful contrast for the results reported in Chapter 6. They also identified a number of themes that may provide useful stepping-stones for researchers interested in exploring the future of tourist attractions, or the broader tourism industry, in more detail. The findings of the futures wheels compared favourably with past research but identified additional trends that require further attention. In particular, participants in the think tanks identified a need for greater cultural sensitivity and awareness. Linked to this theme were observations that suggest that cultural diversity, visitor interaction, language and cross-cultural training may need greater management attention in the future. Further investigation is needed to confirm or dispel these themes.

This research deliberately limited the futures wheel methodology to an academic sample. An obvious extension of this research would involve the use of the futures wheel to solicit management perceptions about the future of tourist attractions (with the modifications suggested in Chapter 6). Further removed from this research are applications such exploring the future of the tourism industry in a defined geographic area (i.e. town, region, country, world) or specific sector (accommodation, transport, attractions etc.). The futures wheel can also be used to determine community attitudes to future developments in tourism. As suggested by Glenn (1994) the information gained from a futures wheel exercise can be used in the construction of alternative scenarios, which could themselves be presented to respondents for further feedback.

The futures wheel can be adapted to become a tool for evaluating the understanding individuals or groups have of particular tourism phenomena. The use of an academic sample in this research confirms the suggestion by some authors that the futures wheel can be used as an analytical tool for students in tourism education. The data do provide a further opportunity to explore the perceptions that tourism students have

about the present and future of the tourism industry. With an appropriately designed methodology, these perceptions can be compared with tourism operators, perhaps with a view to enhancing the education of tourism and hospitality students.

The future offers unlimited opportunities for tourism research, provided rigorous and diverse quantitative and qualitative methodologies can be devised to test and compare findings. A more complete picture of the future can be constructed by using the concept of triangulation to combine a futures wheel analysis with complementary qualitative and quantitative forecasting techniques. Since the future is constantly evolving, ongoing research will undoubtedly reveal new market trends and industry changes.

7.8 THESIS CONCLUSION

While answering a series of research questions about the planning and future of attractions, this thesis appears to have uncovered a number of new avenues of inquiry. It is hoped that the study of attractions is stimulated by this broad overview from one continent. In particular, it is anticipated that the contribution of this research to the tourism and management literature may provide a grounding for researchers wishing to further explore the characteristics of tourist attractions as well as the planning activities of attractions and other tourism businesses. It is also hoped that the treatment of tourist attraction futures presented in this thesis creates enthusiasm for further research in this area. This type of tourism research has the capacity to contribute to the theoretical, methodological and professional needs of the research and management community.

This thesis has used a mixed-method approach to evaluate the characteristics, planning systems and futures of tourist attraction characteristics. As a final commentary, *Table 7.1* reiterates the major achievements of the thesis. At the pragmatic level, this research has important implications for tourist attractions, both large and small. Some of the small attractions in this research have been compared with the larger Australian attractions where evaluation teams are employed to deal

specifically with the future scenarios of highly commercial business operations. The table highlights some of the differences between these attractions. While many of the research achievements add to the management literature, they also contribute additional contextual information to the planning and management literature.

TABLE 7.1 – Summary of the major achievements of this thesis

<p>Study 1 Attraction and Planning Characteristics</p>	<ul style="list-style-type: none"> ▪ Confirmation of anecdotal observations that the attraction sector consists of many small operators and a small number of large well-recognised commercial attractions ▪ Planning was relatively sophisticated in attractions where managers engaged in planning but not very sophisticated for the overall attraction sector. ▪ Planners outperformed non-planners in terms of visitor numbers, visitor growth, number of paid employees, asset value, gross revenue, total profit, admission prices, length of stay and the number of open days. ▪ Managers who planned were significantly more confident about their attraction, but were also likely to have lower management tenure.
<p>Study 2 Planning Systems in Tourist Attractions</p>	<ul style="list-style-type: none"> ▪ Most managers came from a non-tourism or non-management background. There was a strong emphasis on 'on-the-job' training and mentoring as a means of acquiring planning skills. ▪ Attraction planning contained elements of the RSM model of strategic planning but was less formal and more operational in nature. ▪ Business identity and the use of KPIs was found to be much more prominent in attraction planning than has been suggested in the broader planning literature and there were differences in the way in which attractions monitored their environment. ▪ Smaller attractions were more likely to engage in informal operational planning while larger attractions tended to have sophisticated, multi-layered planning systems composed of both operational and strategic planning. ▪ There was a clear contrast in planning approaches between 'serendipitous' attractions and 'premeditated' attractions. ▪ The thesis presented a framework of tourist attraction planning
<p>Study 3 Trends Influencing the Future of Tourist Attractions</p>	<ul style="list-style-type: none"> ▪ The findings of the futures wheels compared favourably with past research and confirmed important themes related to attraction alliances, people and capacity management, enlivening attractions, increased professionalism, and balancing technology and human interaction. ▪ The final study provided an evaluation of a futures wheel methodology coupled with a grounded theory approach and concluded that this approach may be suitable for investigating the future of a range of tourism contexts.

By way of a conclusion, it seems clear that if the future were certain, the exhaustive process of planning would become far less mysterious for all concerned. With this in mind it is appropriate to end this thesis as it commenced, with a quote that places this research in a more holistic context:

*In preparing for battle I have always found that plans are useless, but
planning is indispensable.*

Dwight Eisenhower, US General and President.

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APPENDIX 1

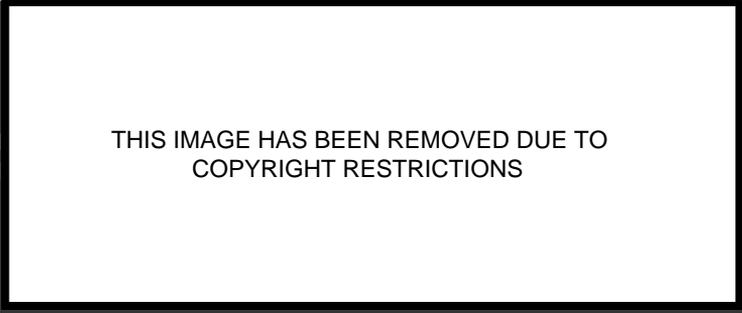
Attractions and the Development of Destinations

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Source – Swarbrooke. 1995

APPENDIX 2

Canter's 'Sense of Place' Model



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Sources – Canter, 1975;
Pearce. 1991

APPENDIX 3

1. Strategic Process Model

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Source – Mintzberg, 1990

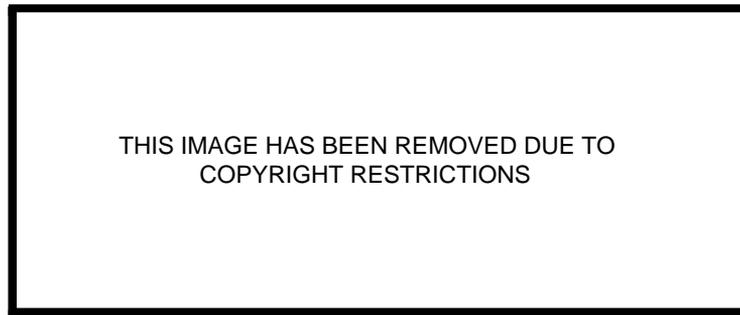
2. Strategic Management Model

Feedback

Source – Wheelen and Hunger, 1995

APPENDIX 4

The Strategic Planning Matrix



Source – Patterson, 1986

APPENDIX 5

Dynamic Analysis for Strategic Planning



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Source – Gilbert and Kapur, 1990

APPENDIX 6

The Strategic Decision Making Process



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Source – Mintzberg, Raisinghani and Theoret, 1976

APPENDIX 7

Survey instruments used by previous strategic management researchers

TABLE 1 – Summary of planning questionnaire, after Lindsay and Rue (1980)

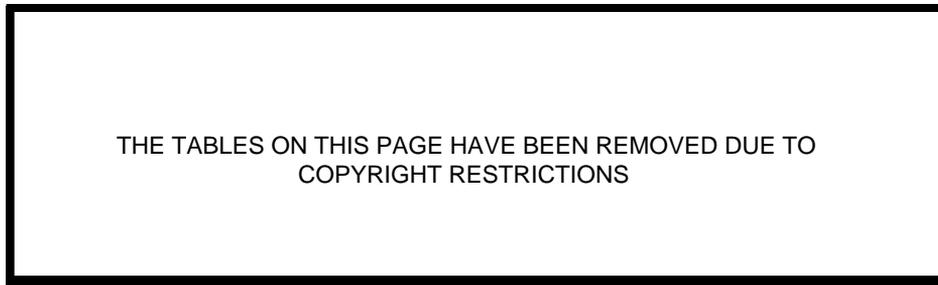


TABLE 2 – Summary of planning questionnaire, after Shrader et al (1989)

TABLE 3 – Summary of planning questionnaire items, after *Matthews and Scott (1995)*

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TABLE 4 – Summary of planning questionnaire items, after Powell (1992)

TABLE 5 – Summary of planning sophistication question, after Robinson and Pearce (1988)

APPENDIX 8

The Australian Tourist Attraction Planning Survey 2000

ATTRACTION CHARACTERISTICS	
<p>1. Do you consider your business to be a tourist attraction? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not sure</p> <p>2. Is your business dependent on tourists for its survival? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not sure</p> <p>3. What category would you use to describe the nature of your attraction (<i>select all that apply</i>) <input type="checkbox"/> Action/Adventure <input type="checkbox"/> Aquarium <input type="checkbox"/> Australian Culture or History <input type="checkbox"/> Casino <input type="checkbox"/> Factory or manufacturing <input type="checkbox"/> Farming or agriculture <input type="checkbox"/> Gallery <input type="checkbox"/> Gardens <input type="checkbox"/> Military <input type="checkbox"/> Museum <input type="checkbox"/> National Park, Marine Park or protected area <input type="checkbox"/> National Trust <input type="checkbox"/> Natural, Landscape or Ecological Attraction <input type="checkbox"/> Theme Park <input type="checkbox"/> Wildlife Park, Sanctuary or Zoo <input type="checkbox"/> Other (<i>please specify</i>) _____</p> <p>4. How many visitors did the attraction receive last year? <input type="checkbox"/> We received _____ visitors in 1999 <input type="checkbox"/> The attraction is less than 1 year old <input type="checkbox"/> Not sure</p> <p>5. Is the number of visitors to your attraction: <input type="checkbox"/> Increasing <input type="checkbox"/> Staying the same <input type="checkbox"/> Not sure <input type="checkbox"/> Decreasing</p>	<p>6. To the best of your knowledge, what percentage of your visitors are part of an organised group? • About _____% of visitors are part of a group</p> <p>7. How much time do visitors spend at your attraction? • The average visitor spends _____ hrs : _____ mins</p> <p>8. To the best of your knowledge, what proportion of visitors to your attraction originate from the following categories: • Local _____% → (<i>within 2 hours drive</i>) • State _____% • National _____% <input type="checkbox"/> Not sure • International _____%</p> <p>9. How long has the attraction been operating? • _____ years <input type="checkbox"/> Not sure</p> <p>10. How long has the attraction been operating under <i>current management</i>? • _____ years <input type="checkbox"/> Not sure</p> <p>11. How many days a week is the attraction open to visitors? • We are open _____ days a week</p> <p>12. How many people are employed by your attraction in each of the following categories? • We have _____ volunteers, _____ casual employees, _____ part-time employees, and _____ full-time employees.</p> <p>13. At what postcode is the attraction located? _ _ _ _ _ </p>

	Very good	Good	Average	Poor	Very poor
14. On a scale of 1 to 5, with 1 being very good and 5 being very poor, how would you compare your performance in the following areas against your competitors?					
• Total revenue	1	2	3	4	5
• Total asset base	1	2	3	4	5
• Net profitability	1	2	3	4	5
• Market share (percentage of visitors)	1	2	3	4	5
• Growth in visitor numbers	1	2	3	4	5
• Diversification of the attraction	1	2	3	4	5
• Development of new elements	1	2	3	4	5
• Employee satisfaction	1	2	3	4	5
• Quality of your attraction	1	2	3	4	5
• Relationship with the local community.	1	2	3	4	5

ENVIRONMENTAL CHARACTERISTICS					
	Strongly agree	Agree	Impartial	Disagree	Strongly disagree
15. Please indicate your level of agreement to the following statements dealing with the business environment in which your attraction operates:					
• The attraction is frequently faced with changing customer preferences	1	2	3	4	5
• The business environment seems to change frequently	1	2	3	4	5
• It is difficult to anticipate change	1	2	3	4	5
• It is not possible to anticipate when and where new competitors will emerge	1	2	3	4	5
• Unforeseen threats occur regularly	1	2	3	4	5
• There is a lot of innovation from competitors	1	2	3	4	5
• The actions of competitors are difficult to predict	1	2	3	4	5
• The business environment is complex	1	2	3	4	5
• The market for the attraction is growing	1	2	3	4	5
• The business outlook for the attraction over the next 12 months is good	1	2	3	4	5

PLANNING CHARACTERISTICS

16. Is a short term business plan of one year or less prepared for the attraction?
 Yes No
17. Is a long term business plan of more than one year prepared for the attraction?
 Yes No → skip to question 28
 _____ ↘ _____
18. What time period does the long term plan cover?
 • The plan covers _____ years
19. Who is responsible for the long-term planning of the attraction?
 A manager is responsible for planning activities
 A planning unit exists to plan
 Planning includes all employees
20. Information contained in your long-term plan is available to (*select all that apply*):
 Management
 Employees
 Other stakeholders (ie investors)
 General public
21. Your long term plan attempts to specifically identify which of the following environmental forces:
 Social and cultural trends
 Economic and political trends
 Technological trends
 Market trends
 Competitor trends
 Other _____
22. Your long term plan includes strategies for which of the following: (*select all that apply*)
 Sales and marketing
 Human resources
 Budgets and financial
 Operational activities
 Research and product development
 Other _____
23. Do you plan to expand the attraction in the next 5 years?
 Yes No Not sure
24. What sources do you use when searching for information about competitors, customers and the general environment (*select all that apply*):
 Competitor publications (eg. brochures)
 Consultancy reports
 Government information
 Educational institutions
 Tourism Industry Intelligence
 Mass media (newspapers, television etc)
 Own research
 Other _____
25. Does the attraction employ outside assistance to aid with the long-term planning process?
 Yes No Not sure
 ↘
 If yes, what is the primary source of this assistance?
 Educational institutions
 Consultancy firms
 Lawyers
 Accountants
 Marketing firms
 Other _____
26. Why does management make use of formal planning? (*select all that apply*)
 Allows us to explore alternatives
 Allows us to identify key problem areas
 Creates greater flexibility
 Facilitates faster decision-making
 Helps to predict future trends
 Improves long term performance
 Improves short term performance
 Improves our competitive position
 Increases employee commitment
 Stimulates new ideas
 Strengthens managerial control
 Leads to efficient resource allocation
 Provides a clearer sense of 'vision'
 Reduces feeling of uncertainty
 Reduces our vulnerability to surprises
 Other _____

27. Please answer yes or no to the following statements:
- | | Yes | No | Not sure |
|--|--------------------------|--------------------------|--------------------------|
| • The attraction has a mission and/or vision _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Short term goals & objectives (one year or less) have been established for the attraction _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Long term goals & objectives (more than one year) have been established for the attraction _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Procedures for assessing the attraction's strengths & weaknesses have been established _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • We hold regular meetings to discuss strategies _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • We use computer software as planning aids _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Our planning outlook is more long-term than short-term _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Management actions are based more on formal plans than on intuition _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • We search frequently for information about our markets and customers _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • We search frequently for information about our competitors _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • We search systematically for new products, acquisitions, and investments _____ | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

↘

↙

Thank you, please skip to Question 29

PLANNING CHARACTERISTICS (Cont'd)

28. What are the main reasons for not having a formal plan? *(select all that apply)*

- It is hard to obtain trustworthy data
- It is too difficult to coordinate the planning process
- It is too expensive to do properly
- Lack of time for planning
- Lack of commitment from employees
- Planning is not appropriate for the attraction
- The boss has a mental plan or 'mud map' and a written plan is not needed
- The business environment is too unpredictable
- The attraction is too small
- We don't have the skills or expertise for planning
- Other _____

FINANCIAL CHARACTERISTICS

The following questions ask you to provide financial details about the attraction that may be viewed as sensitive. We remind you that all information will be treated with the strictest confidentiality. We ask that you provide answers only to those questions that you feel comfortable with.

29. Please estimate the percentage of revenue that was derived from the following sources in the last financial year *(complete where applicable)*:

- Admissions _____ %
- Souvenirs/Merchandise _____ %
- Food and refreshments _____ %
- Donations _____ %
- Financial Institutions _____ %
- Government Grants _____ %
- Heritage Trust _____ %
- Investments _____ %
- Local Council _____ %
- National Parks _____ %
- Venture Capital _____ %
- Other *(please specify)* _____

30. What are your admission/gate charges for the following categories: *(complete any that apply)*

- Adult \$ _____
- Child \$ _____
- Concession \$ _____
- Family \$ _____
- Season pass \$ _____
- Group \$ _____
- Other *(please specify)* _____

31. What was the **gross revenue** for your attraction in the last financial year (1998/1999)?

\$ _____

32. What was the **total profit or loss** for your attraction in the last financial year (1998/1999)?

\$ _____

33. What was the **asset value** of the attraction in the last financial year (1998/1999)?

\$ _____

Thank You!

34. Please tick the boxes below if you would like to receive any of the following publications when they become available. They will be forwarded to you at no charge and are our way of thanking you for your participation.

- Internet marketing guide for tourist attractions
- Industry summary of findings from this study

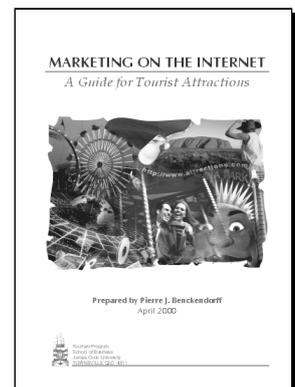
Please indicate the address to which the above publications should be sent:

Contact person: _____

Attraction name: _____

Address: _____

State: _____ P'Code _____



APPENDIX 9

Previous use of items on the attraction planning questionnaire

14.	On a scale of 1 to 5, with 1 being very good and 5 being very poor, how would you compare your performance in the following areas against your competitors? <ul style="list-style-type: none">• <i>Hart and Banbury (1994)</i>
15	Please indicate your level of agreement to the following statements dealing with the business environment in which your attraction operates... <ul style="list-style-type: none">• <i>Hart and Banbury (1994)</i>
16	Is a short term business plan of one year or less prepared for the attraction? <ul style="list-style-type: none">• <i>Matthews and Scott (1995); Robinson and Pearce (1988)</i>
17	Is a long term business plan of more than one year prepared for the attraction? <ul style="list-style-type: none">• <i>Matthews and Scott (1995); Cragg and King (1988); Lindsay and Rue (1980)</i>
18	What time period does the long term plan cover? <ul style="list-style-type: none">• <i>Orpen (1985); Lindsay and Rue (1980)</i>
19	Who is responsible for the long-term planning of the attraction? <ul style="list-style-type: none">• <i>Check-Teck, Grinyer and McKiernan (1992); Lindsay and Rue (1980)</i>
20	Information contained in your long-term plan is available to... <ul style="list-style-type: none">• <i>Lindsay and Rue (1980)</i>
21	Your long term plan attempts to specifically identify which of the following environmental forces... <ul style="list-style-type: none">• <i>Check-Teck, Grinyer and McKiernan (1992); Shrader, Mulford, and Blackburn (1989); Lindsay and Rue (1980)</i>
22	Your long term plan includes strategies for which of the following..... <ul style="list-style-type: none">• <i>Check-Teck, Grinyer and McKiernan (1992)</i>
24	What sources do you use when searching for information about competitors, customers and the general environment? <ul style="list-style-type: none">• <i>Brouthers, Andriessen and Nicolaes (1998)</i>
25	Does the attraction employ outside assistance to aid with the long-term planning process? <ul style="list-style-type: none">• <i>Robinson (1982); Lindsay and Rue (1980)</i>
26	Why does management make use of formal planning? <ul style="list-style-type: none">• <i>Wilson (1994); Kargar (1996); Ramanujam and Venkatraman (1987); Orpen (1985)</i>
27	Please answer yes or no to the following statements.... <ul style="list-style-type: none">• <i>Matthews and Scott (1995); Powell (1992); Lindsay and Rue (1980)</i>
28	What are the main reasons for not having a formal plan? <ul style="list-style-type: none">• <i>Shrader, Mulford, and Blackburn (1989); Orpen (1985)</i>

The questions appear as shown on the questionnaire and not as used by previous studies. All questions were adapted and modified to meet the needs of the current study.

APPENDIX 10

Correlation Matrix of Attraction Numbers, State Population, International Visitors and Domestic Visitors.

Attractions (2000)	-		
Population (1999)	0.961	-	
International Visitors (1999)	0.902	0.961	-
Domestic Visitors (1999)	0.921	0.986	0.977
	Attractions (2000)	Population (1999)	International Visitors (1999)

APPENDIX 12

Sample Invitation Letter, Study 2

Dear Manager,

You may recall recently receiving a short report from James Cook University about planning in tourist attractions. I am continuing to explore the issue of planning in tourist attractions. The second stage of this research involves completing several case studies of tourist attractions. In order to complete these case studies I plan to visit 10-12 attractions Australia-wide. I would like to invite you to take part in this study.

I have selected your attraction because I feel that it is a quality tourist attraction which has played a proactive role in the local tourism industry. The focus of the study is to identify attractions that are excelling and to examine the role that planning plays in the success of these operations. As an attraction manager, you have a unique perspective on tourist attraction planning issues. The study will involve a conversation of about 45 minutes during which I would like to discuss a number of aspects related to tourist attraction planning. Specifically, I will be seeking your views about:

- your attraction
- what planning means to you
- the way you plan for the future of your attraction
- the results of your planning efforts
- the future of tourist attractions and tourism in Australia

It would also be beneficial if I could view a copy of your business plan, or a tourism award submission where available. I recognise that these documents sometimes include sensitive information and I wish to stress that the University requires such information to be treated confidentially. I can assure you that your attraction will not be identified by name in any material released by me or the University.

I have included a factsheet about the study as well as a second copy of the *Planning for the Future: A Study of Australian Tourist Attractions* publication. A summary of the interview questions is also included.

If you are prepared to assist the University with this study please contact me by phone (07 4781 4590) or e-mail (Pierre.Benckendorff@jcu.edu.au). I would anticipate that the study will take place in mid January, 2002.

Kind Regards

Pierre Benckendorff
Associate Lecturer

APPENDIX 13

Sample of Informed Consent Form for In-depth Personal Interviews, Study 2

INFORMED CONSENT FORM

SCHOOL : *School of Business*
PROJECT: *Australian Tourist Attraction Planning Study*
CHIEF INVESTIGATOR: *Pierre Benckendorff*
CONTACT DETAILS: *Tourism Program*
School of Business
James Cook University
TOWNSVILLE QLD. 4811
Phone: (07) 4781 4590

DESCRIPTION:

The second phase of the **Australian Tourist Attraction Planning Study** seeks to gain more detail on attraction planning practices by working with a small number of operators. This will involve speaking with managers at tourist operations. Questions will investigate the extent of planning, how planning decisions are made and who is involved in the planning process.

CONSENT

The aims of this study have been clearly explained to me and I understand what is wanted of me. I know that taking part in this study is voluntary and I am aware that I can stop taking part in it at any time and may refuse to answer any questions.

I understand that any information I give will be kept strictly confidential and that no names will be used to identify me with this study without my approval.

Name: <i>(printed)</i>	
Signature:	Date:

WITNESSED BY RESEARCHER OBTAINING CONSENT

Name: <i>(printed)</i>	
Signature: <i>(Principal Investigator)</i>	Date:

APPENDIX 14

Interview Questions with Prompts, Study 2.

1. I would like to start by asking you to tell me about your attraction...
 - ▶ *History*
 - ▶ *Achievements/highlights/awards*
 - ▶ *Visitor numbers / growth*

2. Tell me a bit about your own background?
 - ▶ *How did you learn about the planning process – formal education, consultant, experience?*

3. If you were to give a guest lecture about planning, how would you explain the concept to students?
 - ▶ *What does planning mean to you?*

4. Can you give me an idea of the tasks that you think are most important when you plan for your attraction?
 - ▶ *How do you go about the planning process? Do you follow any specific steps or rules during the planning process?*
 - ▶ *How do you set goals or objectives for your attraction?*
 - ▶ *How do you examine various forces that can have a bearing on the performance of your attraction (eg. government policy, economy, technology, social change). Which are most important?*
 - ▶ *How much time per week do you spend on planning tasks?*
 - ▶ *Do you hold regular planning meetings?*
 - ▶ *Once you have set up a plan, do you change it?*
 - ▶ *Short term, 1 year or less and / or long term plan of more than 1 year? How many years?*

5. Who is involved with planning at this attraction?
 - ▶ *Do you ask for advice or information from employees?*
 - ▶ *Do you feel that it is rewarding for employees to be involved?*
 - ▶ *Who is given the task of actually writing and distributing details of your planning?*
 - ▶ *How are your plans communicated to employees?*

6. Where do you look around for information and advice when you are planning for your attraction?
 - ▶ *How do you gather information during the planning process?*
 - ▶ *Do you mostly rely on information from family, friends, colleagues, and competitors or do you draw on information from government and tourism agencies?*
 - ▶ *What sources of information are most important/carry the most weight*

7. What do you think are the most important or useful parts of your plan?
 - ▶ *What sorts of changes and decisions have resulted from your planning?*
 - ▶ *Is the focus on visitor profiles/marketing, or finance/budgeting or operations/everyday running of the attraction or human resources?*

8. A common thread in the research we have been doing is the fact that larger attractions are much more likely to plan. What are your thoughts on this?

9. I imagine that during the planning process you would have given some thought to the future of your attraction and to the tourism industry in general. Would you like to share some of your thoughts about this future with me?
 - ▶ *What might the attractions sector be like in 20 years?*
 - ▶ *What might the attractions sector be like in 50 years?*

10. How do you think attractions, and the way they are managed, will change in the next 20 years?

APPENDIX 15

Trends selected for study 3

SOCIO-CULTURAL TRENDS

Family Composition and Fertility Trends

1. There will be a decline in traditional families
2. Women will have fewer children
3. The one child policy in China will be maintained

Ageing population

4. Average life expectancy will increase
5. There will be a greater proportion of older citizens
6. There will be proportionately less employees of working age

Work and Leisure time

7. Consumers will be cash-rich but time-poor and will have lower job security.
8. Work hours will become more flexible
9. Holiday time will change to multiple, shorter vacations spread throughout the year.
10. Tourism will face competition from recreation and entertainment substitutes

Cultural Diversity

11. Cultural diversity will increase in Australia
12. Australia will gradually become an ethnic Asian society.

Mind, Body and Soul

13. There will be a growing disenchantment with lifestyles that focus purely on work and material possessions.
14. Consumers will turn to religion to seek solace and reassurance in an uncertain world.
15. There will be greater interest in the mysticism and spirituality of Eastern and new age religions.
16. Health resorts and 'wellness centres' will become more popular

TECHNOLOGY TRENDS

Tourist Responses

17. *High-tech* tourists will appreciate the application of technology to deliver more efficient experiences.
18. *High-touch* tourists will view technology as being destructive to the tourist experience.

Business Efficiencies

19. Advances in technology will create new efficiencies in menial management tasks
20. Technology will provide more detailed information about business performance and target markets.
21. Technology will be used to control visitor flows

Product Development

22. Technology innovations will provide interactive exhibits using virtual reality shows, animatronics and holograms.

Geographic accessibility

23. Transport technology will be safer, faster and more convenient
24. Space tourism will become a reality.

Language

25. There will be devices that will simultaneously translate spoken languages.

Medicine

26. Advances in medicine will deliver relatively good health to individuals well into their 80s.

Marketing Applications

27. CD-ROM / DVD videos and Internet movies will change the way tourism is marketed
28. Consumers will come close to being able to 'try before they buy'.
29. 3D television will become a reality.

ECONOMIC TRENDS

Globalisation

30. Organisations and products will be increasingly interdependent.
31. Businesses will need to recognise that they are competing in a global marketplace.
32. Tourist products and experiences will become interchangeable
33. Tension between globalisation and localisation will grow - businesses will need to operate globally while being sensitive to consumers in the local market.

Economic Blocs and Political Alliances

34. The world will eventually consolidate into three trade blocs: Europe, North America & Asia

Investment and Visitor Yield

35. The tourism industry will become more attractive to investors.
36. There will be a shift towards tourism strategies that optimise the yield potential of different market segments.

Fiscal Policy

37. Government fiscal policy will deliver benefits to certain groups in the community

Exchange Rates

38. The exchange rates for the Australian dollar will be relatively low

Fuel Prices

39. Fuel prices will continue to fluctuate

ENVIRONMENTAL TRENDS

40. There will be a greater awareness of environmental impacts
41. There will be increased demand for sustainable experiences
42. Global warming will continue, resulting in climate change.

POLITICAL TRENDS

Government involvement

43. Governments will utilize privatisation, regulation and accreditation to ensure minimum standards of service.
44. Businesses will need to become self-sufficient, rather than relying on government subsidies and grants.
45. The Australian government will play a role making tourism more attractive to investors

Geopolitical Developments

46. An increasingly wealthy, urbanised middle class will emerge in China at a time when the Chinese economy is becoming more democratic
47. There will be more terrorism activity, fuelled by the rise of Islamic fundamentalism.
48. Liberal democracy and capitalism will triumph over totalitarianism and communism to become the most successful political and economic model

MARKET TRENDS

Visitor movements

49. There will be 16 billion international arrivals worldwide by 2020.
50. China will be the world's biggest destination and a major generator of international tourists
51. International business travel to Australia will grow more strongly than holiday travel.
52. Domestic travel will continue growing gradually.
53. Rationalisation, consolidation and change in the Australian and international aviation industries will alter visitor numbers and travel patterns.

Visitor Preferences

54. Consumers are becoming more sophisticated in their tastes, needs and expectations.
55. There will be a need for life-long learning and visitors will seek 'edutainment' opportunities that offer culture and education, as well as variety
56. Visitors will seek a more intensive, adventure-oriented leisure experience
57. Visitor will look for more independent holidays
58. Visitors will seek travel that offers relaxation, with a healthy diet, gentle exercise, beauty and body care and other therapies.
59. Visitors will hunt for products that represent value for money: holidays at rock-bottom prices and growing market transparency
60. Visitors will take more frequent, shorter trips that offer occasional variety.
61. There will be a demand for 'spontaneous' travel offers that can be booked at the last minute and which are not only cheap but also comprise an element of surprise.
62. Tourists will seek socio-culturally acceptable tourism products, particularly those that explore the natural environment and indigenous cultures.

APPENDIX 16

Sample entry screen for study 3

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APPENDIX 17

Information provided for coding validation

CODING KEY

Code	Themes
IA	Infrastructure & activities Changes in the size and type of facilities and activities offered by attractions (and the attraction sector)
OP	Operations Changes that impact on the day-to-day management of attractions
SO	Management structure and organisation Changes to management style and the way attractions are organised in terms of business structure
M	Marketing Changes in the promotion and market-related aspects of attractions
THR	Training and HR Comments about in staff and training
R	Research Comment about the information and research needs of attractions
VM	Visitor Management Comments dealing with issues such as visitor movement, conflict management and visitor interaction
EV	Sustainability Statements about the environment and sustainability of tourist attractions
PF	Pricing, investment and financial resources Changes in pricing and financial resources of attractions.

STATEMENT	CODING
Access to protected areas controlled	
Activities on earth to entertain those in space	
Admission price increases for some attractions	
Alliances formed	
Assess decision making in Chinese families	
Attraction staff will need to be more professional	
Attractions change	
Be aware of new demand	
Be sensitive to different religions	
Better management practices	
Better marketing required	
Caution not to oversell product attributes	
Connect / link attractions with conference centres	
Determine balance between Chinese / Australian needs	
Different cultures may react differently to technology	
Emergence of tourist attraction 'chains' / corporations	
Encourage return visitation	
Ensure staff can speak other languages	
Focus on more quality experiences	
Globalisation of companies	
Highly trained staff	
Increase in historical attractions	
Increased O/S investment in Australian attractions	
Invest in technology to manage impacts	
Keep up with latest health trends	
Less Revenue	
More \$\$ from government	
More attraction substitutes for natural environment	
More diversified product	
More emphasis on Asian history in Australia	
More family activities	
More focus on entrepreneurship	
More insurance cover	
More market research needed	
More special packages	
More specific target markets	
More staff with people skills and product knowledge	
More value for money	
Need to learn new organisational cultures	
Need to manage possible clashes between groups	
Need to research which products are interchangeable / competitors	
New attractions taking advantage of climate change (e.g water parks)	
Open times may change (e.g. Closed Sundays)	
Pay attention to visitors moving around	
Promote more festivals and aspects unique to attraction	
Promotion of sustainable practices as a competitive advantage	
Shorter queue times needed	
Staff to take business travellers around attraction	
Start teaching primary school children now	
Use of 'pass' system to manage access to rides	

APPENDIX 18

Descriptive measures for 62 STEEP and Market Trends

Socio-Cultural Trends

	Importance 1 = VERY IMPORTANT 10 = VERY UNIMPORTANT			Certainty 1 = VERY CERTAIN 10 = VERY UNCERTAIN		
	Mean	Median	StdDev	Mean	Median	StdDev
Family Composition and Fertility Trends						
1. There will be a decline in traditional families	3.3	3.0	1.7	3.6	3.0	1.9
2. Women will have fewer children	3.0	3.0	1.3	3.2	3.0	1.5
3. The one child policy in China will be maintained	5.3	5.0	2.4	3.9	4.0	1.6
Ageing population						
4. Average life expectancy will increase	2.6	2.0	1.4	2.8	2.0	2.0
5. There will be a greater proportion of older citizens	2.8	2.0	1.6	2.5	2.0	1.5
6. There will be proportionately less employees of working age	3.5	3.0	1.6	4.1	5.0	2.0
Work and Leisure time						
7. Consumers will be cash-rich but time-poor and will have lower job security.	2.1	2.0	1.1	3.8	3.0	1.8
8. Work hours will become more flexible	3.3	4.0	1.6	4.3	4.0	2.0
9. Holiday time will change to multiple, shorter vacations spread throughout the year.	2.2	2.0	1.8	4.3	4.0	2.1
10. Tourism will face competition from recreation and entertainment substitutes	3.0	3.0	2.0	4.2	4.0	1.8
Cultural Diversity						
11. Cultural diversity will increase in Australia	2.9	3.0	1.2	3.6	3.0	2.2
12. Australia will gradually become an ethnic Asian society.	3.6	3.0	1.5	4.9	5.0	1.8
Mind, Body and Soul						
13. There will be a growing disenchantment with lifestyles that focus purely on work and material possessions.	3.8	4.0	1.7	5.5	5.0	2.0
14. Consumers will turn to religion to seek solace and reassurance in an uncertain world.	5.4	5.0	2.1	6.7	7.0	1.8
15. There will be greater interest in the mysticism and spirituality of Eastern and new age religions.	5.2	5.0	1.6	6.1	6.0	2.1
16. Health resorts and 'wellness centres' will become more popular	3.2	3.0	1.7	4.4	5.0	1.9

Technology Trends

	Importance			Certainty		
	Mean	Median	StdDev	Mean	Median	StdDev
Tourist Responses 17. <i>High-tech</i> tourists will appreciate the application of technology to deliver more efficient experiences.						
	2.4	2.0	1.3	3.4	3.0	1.8
18. High-touch tourists will view technology as being destructive to the tourist experience.						
	3.0	3.0	1.4	5.0	5.0	2.1
Business Efficiencies 19. Advances in technology will create new efficiencies in menial management tasks						
	3.3	3.0	2.1	3.4	3.0	2.1
20. Technology will provide more detailed information about business performance and target markets.						
	1.9	2.0	1.0	2.4	2.0	1.3
21. Technology will be used to control visitor flows						
	2.2	2.0	1.3	3.1	3.0	1.7
Product Development 22. Technology innovations will provide interactive exhibits using virtual reality shows, animatronics and holograms.						
	2.6	3.0	1.3	3.3	3.0	1.9
Geographic accessibility 23. Transport technology will be safer, faster and more convenient						
	1.8	1.0	1.2	2.6	2.0	1.6
24. Space tourism will become a reality.						
	3.7	4.0	2.2	6.1	7.0	2.9
Language 25. There will be devices that will simultaneously translate spoken languages.						
	2.1	2.0	1.1	4.3	4.0	2.8
Medicine 26. Advances in medicine will deliver relatively good health to individuals well into their 80s.						
	3.6	3.0	1.7	4.4	4.0	2.4
Marketing Applications 27. CD-ROM / DVD videos and Internet movies will change the way tourism is marketed						
	2.9	3.0	1.6	3.0	2.0	2.0
28. Consumers will come close to being able to 'try before they buy'.						
	2.6	2.0	1.5	4.7	5.0	1.5
29. 3D television will become a reality.						
	4.1	4.0	2.2	5.3	5.0	2.2

Economic Trends

		Importance 1 = VERY IMPORTANT 10 = VERY UNIMPORTANT			Certainty 1 = VERY CERTAIN 10 = VERY UNCERTAIN		
		Mean	Median	StdDev	Mean	Median	StdDev
Globalisation							
30.	Organisations and products will be increasingly interdependent.	2.8	3.0	1.3	3.3	3.0	1.9
31.	Businesses will need to recognise that they are competing in a global marketplace.	1.9	2.0	0.9	2.3	2.0	1.6
32.	Tourist products and experiences will become interchangeable	2.5	2.0	1.4	4.4	4.0	2.0
33.	Tension between globalisation and localisation will grow - businesses will need to operate globally while being sensitive to consumers in the local market.	2.1	2.0	1.0	2.9	3.0	1.6
Economic Blocs and Political Alliances							
34.	The world will eventually consolidate into three trade blocs: Europe, North America & Asia	4.2	4.0	2.5	5.4	5.0	2.8
Investment and Visitor Yield							
35.	The tourism industry will become more attractive to investors.	2.0	2.0	1.0	5.1	5.0	2.2
36.	There will be a shift towards tourism strategies that optimise the yield potential of different market segments.	2.4	2.0	1.6	3.6	4.0	1.6
Fiscal Policy							
37.	Government fiscal policy will deliver benefits to certain groups in the community	3.7	4.0	1.5	4.4	5.0	1.8
Exchange Rates							
38.	The exchange rates for the Australian dollar will be relatively low	2.4	2.0	1.4	5.0	5.0	1.9
Fuel Prices							
39.	Fuel prices will continue to fluctuate	2.8	3.0	1.4	3.4	3.0	2.1

Environmental Trends

		Importance 1 = VERY IMPORTANT 10 = VERY UNIMPORTANT			Certainty 1 = VERY CERTAIN 10 = VERY UNCERTAIN		
		Mean	Median	StdDev	Mean	Median	StdDev
40.	There will be a greater awareness of environmental impacts	1.9	2.0	0.9	2.6	2.0	1.6
41.	There will be increased demand for sustainable experiences	2.1	2.0	0.9	3.1	3.0	1.6
42.	Global warming will continue, resulting in climate change.	3.0	3.0	1.6	4.0	4.0	2.3

Political Trends

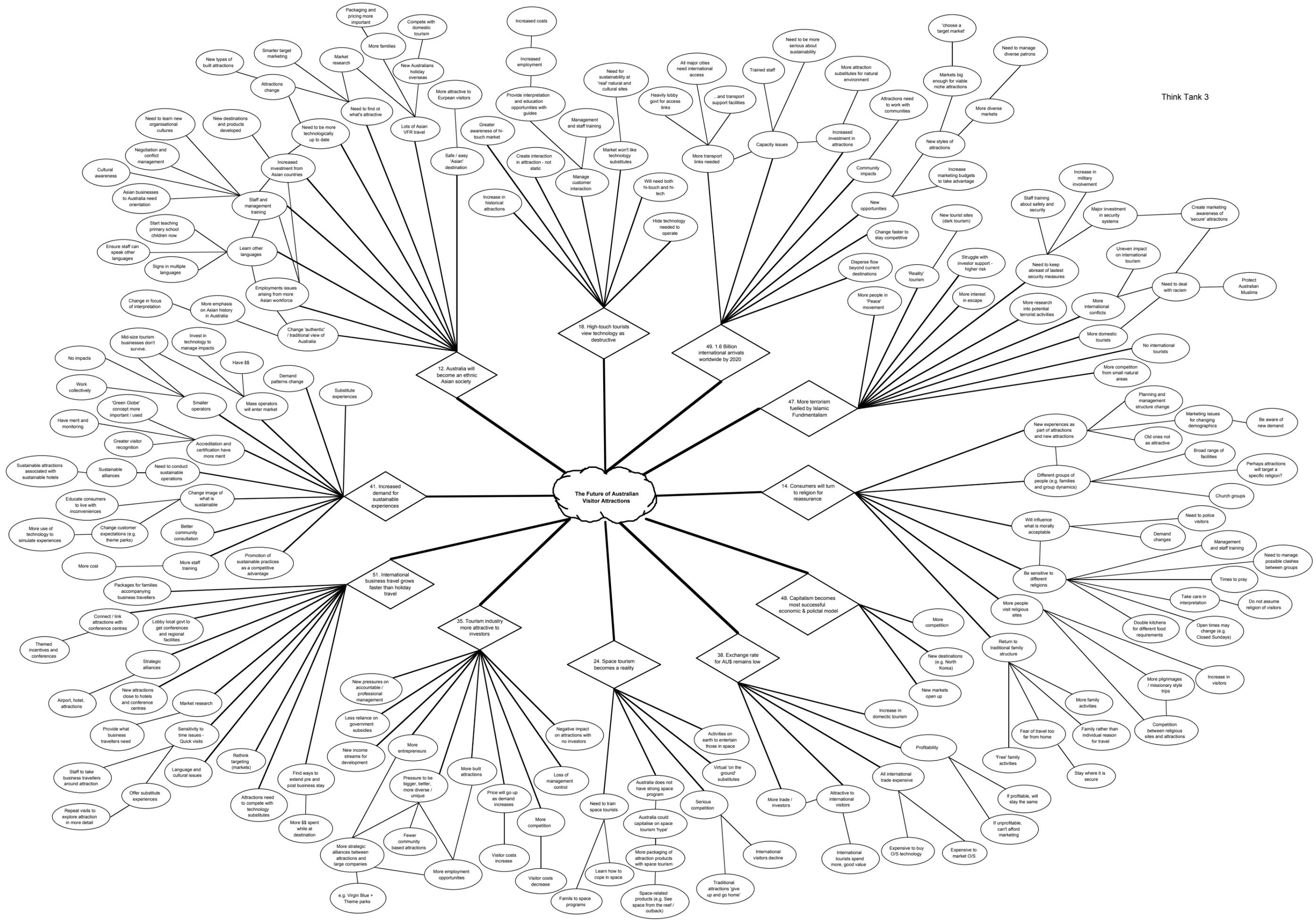
		Importance 1 = VERY IMPORTANT 10 = VERY UNIMPORTANT			Certainty 1 = VERY CERTAIN 10 = VERY UNCERTAIN		
		Mean	Median	StdDev	Mean	Median	StdDev
Government involvement							
43.	Governments will utilize privatisation, regulation and accreditation to ensure minimum standards of service.	2.6	2.0	1.7	3.8	4.0	1.7
44.	Businesses will need to become self-sufficient, rather than relying on government subsidies and grants.	2.6	2.0	1.6	4.1	4.0	2.1
45.	The Australian government will play a role making tourism more attractive to investors	2.3	2.0	1.1	4.5	4.0	2.3
Geopolitical Developments							
46.	An increasingly wealthy, urbanised middle class will emerge in China at a time when the Chinese economy is becoming more democratic	2.7	3.0	1.2	4.1	4.0	2.0
47.	There will be more terrorism activity, fuelled by the rise of Islamic fundamentalism.	2.1	2.0	1.1	4.3	4.0	1.9
48.	Liberal democracy and capitalism will triumph over totalitarianism and communism to become the most successful political and economic model	3.4	3.0	1.6	5.0	5.0	2.1

Market Trends

		Importance 1 = VERY IMPORTANT 10 = VERY UNIMPORTANT			Certainty 1 = VERY CERTAIN 10 = VERY UNCERTAIN		
		Mean	Median	StdDev	Mean	Median	StdDev
Visitor movements							
49.	There will be 16 billion international arrivals worldwide by 2020.	1.7	1.0	0.9	4.9	4.0	2.0
50.	China will be the world's biggest destination and a major generator of international tourists	2.3	2.0	1.0	4.8	5.0	2.3
51.	International business travel to Australia will grow more strongly than holiday travel.	3.0	3.0	1.6	5.6	6.0	1.7
52.	Domestic travel will continue growing gradually.	2.2	2.0	0.8	3.6	3.0	2.1
53.	Rationalisation, consolidation and change in the Australian and international aviation industries will alter visitor numbers and travel patterns.	2.4	2.0	1.2	3.9	4.0	1.7
Visitor Preferences							
54.	Consumers are becoming more sophisticated in their tastes, needs and expectations.	2.2	2.0	1.0	3.4	3.0	1.7
55.	There will be a need for life-long learning and visitors will seek 'edutainment' opportunities that offer culture and education, as well as variety	2.1	2.0	1.0	3.9	3.0	1.7
56.	Visitors will seek a more intensive, adventure-oriented leisure experience	2.4	2.0	1.4	4.4	4.0	1.5
57.	Visitor will look for more independent holidays	2.4	2.0	1.3	4.0	4.0	1.8
58.	Visitors will seek travel that offers relaxation, with a healthy diet, gentle exercise, beauty and body care and other therapies.	3.2	3.0	1.4	4.7	4.0	2.3
59.	Visitors will hunt for products that represent value for money: holidays at rock-bottom prices and growing market transparency	2.3	2.0	1.1	3.6	4.0	1.8
60.	Visitors will take more frequent, shorter trips that offer occasional variety.	2.0	2.0	0.9	3.1	3.0	1.3
61.	There will be a demand for 'spontaneous' travel offers that can be booked at the last minute and which are not only cheap but also comprise an element of surprise.	3.1	3.0	1.5	4.9	5.0	2.1
62.	Tourists will seek socio-culturally acceptable tourism products, particularly those that explore the natural environment and indigenous cultures.	2.5	3.0	1.3	4.2	4.0	1.8

APPENDIX 19

Futures wheels generated by think tanks



APPENDIX 20

Cross-tabulation of trends with themes and concepts emerging from the futures wheel

	Trends																						
	12	13	14	15	16	18	24	28	29	32	34	35	38	41	42	44	45	46	47	48	49	50	51
<i>Attraction Changes</i>																							
Infrastructure & activities	7	21	5	2	2	7	3	0	1	2	1	4	0	1	8	2	0	2	2	1	8	1	26
Visitor Management	0	1	6	3	0	2	0	0	0	0	3	0	0	0	0	0	0	8	2	4	14	10	3
Marketing	1	5	2	0	1	1	2	2	6	8	8	1	0	1	2	1	0	1	1	4	3	2	3
Operations	0	5	2	0	3	4	0	0	0	2	0	4	4	0	4	3	1	0	3	2	3	0	16
Sustainability	0	5	0	1	0	1	0	0	0	0	0	1	0	18	6	0	0	0	0	1	3	0	1
Pricing and financial resources	1	5	0	0	0	1	0	0	1	1	0	5	3	1	2	2	1	0	0	1	1	0	7
Training and human resources	9	1	1	0	1	3	0	0	1	0	0	1	0	1	0	1	0	1	1	0	7	0	1
Management structure & organisation	0	2	1	0	0	0	0	0	0	1	0	5	0	0	0	1	0	0	0	2	0	0	2
Research	2	2	1	0	2	0	0	0	1	1	0	0	0	0	0	0	0	0	1	0	0	4	1
<i>Visitor Changes</i>																							
Positive	1	5	1	0	0	0	0	0	0	0	0	0	5	0	1	0	0	0	1	6	2	1	5
Negative	1	2	1	1	0	1	1	0	0	0	0	0	0	0	1	1	0	0	1	2	0	1	3
Neutral	1	6	5	0	0	0	0	2	0	1	3	0	2	1	1	0	0	0	2	2	0	0	3
<i>Competition</i>																							
	1	1	1	0	1	0	2	0	1	2	1	4	0	0	0	0	0	0	1	2	2	1	1
<i>Tourism Industry</i>																							
	0	1	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	5	0	0
<i>Community</i>																							
	0	0	0	3	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	2	0	0
<i>Investment</i>																							
	1	0	0	0	0	0	0	0	0	0	0	15	1	0	0	0	4	0	1	1	1	0	0
<i>Other</i>																							
	3	3	4	3	0	0	4	0	1	1	3	0	0	0	3	0	2	0	2	3	0	2	1