Tourism Challenge -- Today, my comments on tourism in the 7 counties of the BVDC are not so much an economic forecast as a description of what our research is telling us about TOURISM DEVELOPMENT and the CHALLENGE right here in this region.

World U.S. -- Because tourism is not such a household word as oil or agriculture, let me help put it in perspective.

You may not realize that tourism has risen to world-wide significance: a major item of World-Trade.

...developed countries now realize it is a major export ...

...undeveloped countries seek it as their economic salvation.

As of 1981, tourism was worth $951 billion, world-wide and in the United States amounted to over $180 billion.

In Texas, in 1980, it was worth $10 billion.

But, the MOST SIGNIFICANT is not so much this magnitude but the surprising STABILITY of tourism.

In spite of inflation, recession and high prices, tourism is demonstrating greater stability than nearly all other components of the economy.

In Texas, in 1981, it rose, not dropped, from 10 to $12 billion. Av. of all attractions in TEXAS - up 26% this Oct. over 1981.
Bringing this closer home, here are the figures for tourism here in these 7 counties.

You may be much surprised that it already accounted for about $76 million worth of trade in 1981. (source: USTDC)

Tourism employs about 2,000 people in this region. Because of formulas used, we feel this may even be a low estimate.

My prediction is that because of general community growth, we will see even an increase in 1982 and 1983.

But, within tourism, it is not business as usual.

We are seeing many changes in international currency exchange, political unrest within and between nations, and changes in international social values.

Some tourist businesses are having difficulty; others not.

Some areas, such as the South, are much better off than others.

Tourism is not disappearing, as some predicted a few years ago, but is in a period of DYNAMIC ADJUSTMENT.
In the past, we have let tourism drift.

We now recognize that because tourism is so extremely complicated it is no longer as easy to
...provide the satisfactions the traveler deserves; and
...make our businesses successful; and
...protect the environment from abuse.

*On the demand side:
  * tastes are changing
  * people demand higher quality
  * people seek greater personal rewards from their travels
  * their demographics are changing--more in the older age brackets, requiring different opportunities.

*On the supply side:
  * this means modifying our offerings of the past--
  * sun, sea and sand still have high priority,
    but so does history--historic sites are increasingly important. And so do meetings and conferences.

The question is--are we responding quickly enough and well enough to the changes in demand?
Another major conclusion we have reached is that there seems to be misunderstanding of the TOURISM PRODUCT. Many hotelmen still believe they are selling rooms... airlines believe they are selling seats in airplanes. This is true, only in a narrow sense.

What they are really selling is a SERVICE to people on their way to a travel objective. That objective is the traveler's PERSONAL SATISFACTION -- THE EXPERIENCE.

THAT EXPERIENCE and its PHYSICAL SETTING in a location away from home is the real TOURISM PRODUCT.

We refer to such products as ATTRACTIONS.

ATTRACTIONS provide two functions:
1. provide the incentive to travel
2. provide the personal satisfaction from travel.

In my opinion today, in our 7 counties, we face 2 choices:

1. We can drift along--let travel and tourism take care of themselves.
   In this case, I predict about a 5% increase next year or

2. We can make a concerted effort to increase the volume and quality of Attractions over the next 10 years that could possibly increase travel and tourism by 50% over this period of time.

Tourism is somewhat elastic. But, it takes more than promotion.

I would like to touch upon just a few principles that may be of assistance in increasing travel and tourism.

I might even give you an exam at the end of my talk.
-- If we are to expand tourism, we have found that it is important to understand the factors that underly and influence tourism development.

We have identified at least 14 of them.

In a few minutes, I will describe how we carried out a project in this region in which we applied these factors.

We divided these factors into 2 groups:

These are what we call PROGRAM FACTORS.

Time does not permit my elaboration of these but only to bring them to your attention.

When information on each one is assembled, we have a much better idea of the potential and what is needed to develop that potential.

-- In addition, these are the PHYSICAL FACTORS that need to be investigated.

Most of our attractions in tourism depend upon the characteristics of these physical factors—

- where they are located
- their quality and quantity
- the extent to which they have been developed

-- Another principle is to recognize that resources and development vary somewhat between TOURING CIRCUITS and DESTINATION TOURISM.

For Destination tourism, most activities must take place on the site or nearby.

-- Whereas for TOURING CIRCUITS the development depends upon flows of tourists making relatively short visits.
For the next few minutes, I would like to summarize a project of TOURISM DEVELOPMENT that included this region.

As a graduate class project this fall we studied all these factors for a 19-county area in central Texas--includes the 7 counties of our concern today.

Let me just highlight what it took us 5 months to do.

Lampasas, K. -- We identified many WATER RESOURCES
Both rivers and reservoirs are abundant--but only in certain locations. Very few limitations for recreational use.

Bishop, S.P. -- we studied the VEGETATIVE COVER
Varied Forest and Savanna
Lost pine area
Wildlife - esthetic and game

Golf -- we checked the CLIMATE
Suited to year-round recreation
Better than market areas to north

Near Kileen -- we investigated the TOPOGRAPHY, SOILS
Rolling enough to make interesting
Soils suited to development (some areas limited)

Navasota -- HISTORY, ARCHEOLOGY, ETHNICITY
Has rich background - Indian History
Settlement History

Bluebonnet -- ESTHETICS
Beauty is striking in spring
Many areas attractive for pleasant drives
-- EXISTING DEVELOPMENT
Some attractions are available
Many opportunities for plant-industry tours

-- SERVICE CENTERS
Good basic infrastructure
2 types of communities--major/county-seat
Mainly oriented to agriculture, industry

-- TRANSPORTATION
Excellent highway--bus/auto
Served by air
Good linkage with prime markets

From these studies of the PHYSICAL FACTORS, we mapped
their distribution. Time does not allow my elaborating
on how each factor was weighed against the others.

We turned to the computer to assist in our understanding
of the data for both Touring Circuit and Destination
objectives.

Here are examples --
for Touring Circuit Analysis

-- WATER
-- VEGETATIVE COVER
-- CLIMATE
-- TOPOGRAPHY, SOILS
-- HISTORY, ETHNICITY

-- ESTHETICS
-- ATTRACTIONS
-- SERVICE CENTERS
-- TRANSPORTATION
--- THEN, by adding all these together, we obtained this overall assessment of the resource potential for Destination development.

Certainly, the opportunities vary greatly.
Red indicates the areas where the most factors can be found.
Blue indicates those areas that do have potential but not quite as strong as those in red.

--- Studying this information, we then developed these general zones--areas having the greatest potential for Destination development.
In this 7-county area, we concluded that increased economic impact could be derived from travel, if several types of long-stay or Destination development were made.

Few people realize that last year, the University hosted some 177 conferences and meetings, attracting about 50,000 visitors. But, this in only a clue to much greater opportunity for meetings and conferences in this region.

With greater expansion of meeting and conference facilities for short courses, business-and-technical meetings based on science, agriculture, petroleum, medicine and small industry, much more tourism could be realized.

There is potential for

Greater expansion of entertainment attractions--greater variety of types to meet more markets--includes more festivals.

There are opportunities for

Greater development of water based recreation: resorts, dude ranches, vacation homes, religious camps, youth camps, sports camps. Make greater use of Yeagua Creek, Lake Somerville, Brazos River, Navasota River, Trinity River.

Need much better linkage between meetings and the other features of the area.

Here it seems that we have big city amenities in a small town atmosphere.

*The assets of transportation, water and growing service centers and particularly Texas A&M University, need much greater imagination and creativity to develop them for greater tourism for longer-stay visitors.
-- On the other hand, a slightly different pattern emerged when we added up all the assets for TOURING CIRCUITS. Here we see different strength in different areas, based upon the research data.

Certainly, the 7-county portion showed potential for new touring circuits, provided that the many attractions would someday be developed to foster this type of activity.

-- Here are our concepts for TOURING CIRCUIT potential. These are not now available for promotion but are ideas for future development based on our research.

In these 7-counties, we see potential for:

- Tours of historic homes—need more restoration of architecture and gardens. Greater packaging and interpretation of these will be needed.

- Industrial plant tours have potential—few visitors have an opportunity to visit the variety of industries and businesses that can be found in this region. Again, these will need better planning and management and especially greater interpretation of the processes and activities.

- We feel there is potential for Agriculture—Ranch tours and on a large scale. More people from all over Texas and the country would be interested if these were available to them.

- Nature and scenic tours are possible, especially at certain seasons. The varied topography, soils, and climate offer a special combination of flora and fauna of greater interest to visitors if developed.
So, my conclusions are not only these points about the kind of approach we can make today—but that the OUTLOOK for TRAVEL and TOURISM is very optimistic in this region.

But, only if we give it greater leadership and creativity.

We believe:
- Identifies the resource potential
- Integrates a functional system for tourism
- Is environmentally sensitive
- Provides for greater user satisfactions
- Assists private enterprise