Public-Private Partnership in Tourism

I am pleased to meet with you today to discuss what I believe is a major dilemma in modern tourism -- the relationship between public and private tourism. I commend those of you in Oklahoma who decided to make this the theme of this conference. It is a topic that I have been studying for some time.

While I do not have easy solutions to the problem, it can be solved only by those of you in the business and government of tourism.

I would like to spend the next few minutes discussing some of the obstacles I feel we must overcome if we are to reduce the negative impact of the extreme fragmentation we now find in the tourism industry. Let me hasten to say, however, that my comments are based on a general overview and not on an understanding of what you are doing here in Oklahoma. It is possible that you have already overcome these obstacles.

But, before this, I would like to raise the question of our tourism GOALS.

What are our goals and what are we doing to make sure we reach these goals?

If I were to ask this audience -- What is the most important goal of tourism today, I am confident that I would be told that it is ECONOMIC.

The economics of tourism dominates our advertising efforts.

If we entice more visitors to a state, we should be able to increase employment, incomes and taxes.

In the state of Texas, the Travel and Information Division of the State Department of Highways and Public Transportation reports that tourism, in 1974, brought $4,800,000,000 in total receipts, contributing over $400,000,000 in taxes and employed over 627,000 people to do so.
I am confident that comparable figures are available to demonstrate the great economic importance of tourism in Oklahoma.

It is the economics of tourism that compels us to establish the U.S. Travel Service—a federal agency dedicated to the promotion of more foreign visitors to improve our balance of payments.

It is the economics of tourism that is stimulating undeveloped countries throughout the world to look toward tourism to improve poor economies.

Seeking the economics of tourism is a very pervasive goal.

But, logical and as important as this is, I would like to challenge economics and profitmaking as the only goal of tourism.

In my opinion, there are two other goals that tourism must meet if the economic benefits are to be obtained.

Let me give some examples from my files that suggest there may be other goals equally deserving of our attention. These may not seem like they have anything in common.

1. The gasoline crisis squeezed out many small operators of tourist businesses, not because they were poor operators but because they were improperly located in the first place.

It has been my observation that generally state highway departments, public park agencies and state planning departments would rather ignore tourist business interests than give them the planning information that would help them make sound decisions on location.

I have evidence that some governmental agencies would even prefer that private enterprise would not succeed and make profits.
Throughout the coastal and waterfront development of the United States, I find a general reluctance on the part of tourist businessmen to defend and protect the very waterfront resources that put them in business.

The example of the Mississippi coastal pollution problem of 1973-74 comes readily to mind.

Bickering over the jurisdiction of the beaches and over how to define pollution overshadowed the issue of cleaning up the beaches.

The main spark of concern did not come from tourism interests but from state health and pollution agencies.

The only voice of tourism came from the hotels and motels who objected to posting beach pollution signs in their lobbies, as their business dropped about 10 percent.

Many of us have experienced the clutter and congestion along the typical motel row as we approach our cities.

Research now shows that the businessman is not necessarily helping himself with his many messages on signs along the street.

Ewald, author of a very enlightening book on STREET GRAPHICS states that "the average observer cannot distinguish between more than seven different sights or sounds presented to him simultaneously." Considering the travel speed along these streets, no wonder that the traveler is confused with the chaos confronting him.

I commend the state agencies for establishing many tourist information centers along highways as they enter the states. However, I wonder if other tourists have had the same experience as I did on a 6,000-mile tour of eastern United States.
At every information center, I was given some helpful information but also some very disconcerting guidance.

I was directed to highways that were not yet built; to interchanges that did not exist; to streets on the wrong side of town that took me an hour and a half to correct; to other information offices, only to discover that they were closed.

I was routed 100 miles out of my way to avoid a bridge that was closed due to flooding. By checking my maps and making a little local inquiry, I found a detour and bridge that took me only 2 miles out of my way.

For several years I have been using Mission Bay Park development in San Diego in my lectures as an excellent example of public-private collaboration. This outstanding recreational complex of 4,600 acres (2,600 of which are water) has had millions of dollars worth of input on a collaborative basis from many levels of government and private enterprise. Although the entire area is owned and managed by the city parks department, 25 percent of the water frontage is leased to private enterprise.

However, I was much disappointed to find on my visit there this fall that the information center had been completely taken over by the business interests.

You cannot obtain any literature or information on the fine beaches and other public facilities—only commercial information on the restaurants, hotels and attractions.

Zehnder, in his book, FLORIDA'S DISNEYWORLD, raises the question about the possibility that some areas in the future may not want tourists. This is based upon some of the social and environmental implications that come when a major attraction is established. The tourism assumption that more and more is better and better may be up for text.
I cite these examples, not because they are representative of all of tourism,
but because they illustrate to me some larger and overriding problems related to our goals of tourism.
In seems to me, that in addition to economic goals, two others must be reached.

First, unless all businesses and public agencies in tourism have uppermost in their objectives the satisfaction of visitors—the provision of programs and development that foster satisfactory experiences—they will have difficulty in reaching economic goals.

Second, unless all businesses and public agencies in tourism understand the problems of environmental utilization, the will fail, in the long run, to provide either satisfactions to visitors or economic impact.

So far, I know of no state or federal agency nor any private organization that is directing its efforts toward these two goals.

Why is this? What seems to be the major obstacle toward identifying these goals and working toward their accomplishment?

As I see it, the major difficulty comes from fragmentation of tourism into the many parts that are functionally related but have no policies and take no overt action to relate, one to another.

It seems that the very success of tourism has caused many problems.
In the rush to develop land and facilities for tourism, we seem to have forgotten to establish any mechanism, formal or otherwise, to tie tourism together as a viable functioning system.

Hence, any weakness or failure of a single part weakens or even kills all the other related parts.

Obvious as this truth may be, it has escaped the attention of both public and private sectors of tourism throughout the land.

Let me give you an example.

I need remind no one of the drop in 1974 of DisneyWrold stock from $123.87 to $37.62 a share.

The action of the tourism leaders of Florida to persuade Congress not to ration gasoline was commendable.

But, what have the many segments of tourism across the nation done since to consider the outcome of future threats to tourism no matter the cause?

I see no private or government organization taking any leadership in identifying and interrelating the many parts of tourism and seeing to it that the total system of tourism continues to function.

I am sure that you have noticed so far that I have made reference several times to what I call the TOURISM SYSTEM. Perhaps I should explain.

I believe that this is an important concept if we are to seek out better public-private relationships.

It seems to me that the popular pieces of tourism--hotels, airlines, resorts, commercial attractions, advertising--do not adequately describe the functions of tourism.

What are the various functions?
My research tells me that there are several main components of the tourism system that must function in a dynamic way if each of the many, many pieces of tourism are to succeed.

This was the lesson we learned long ago in our extension advisory program for tourist operators in Michigan. One time I was asked by the highway department if it would matter if they moved an important interchange, one-half mile down the road. Obviously, it would make quite a difference to those who already had invested over 20 million dollars in facilities around the present interchange.

There is more to motel or restaurant success, for example, than only the internal operations of motels and restaurants.

There are many important externalities.

I would like to suggest that all of tourism can be placed into five major components and that all five have very strong external relationships.

If we look at our present state tourism public agencies we see a part of what might be called an information-direction component.

Probably the best known and most heavily subsidized segment of tourism is that of state advertising. But, there are other parts of this component.

What we learn from books, news stories, radio and TV is very important to our understandings of tourist destinations.

Word-of-mouth information from friends and relatives has much to do with our selection of places to travel.

Within our parks, the interpretive programs help us greatly in our understandings of what we are viewing.

The entire INFORMATION-DIRECTION component is very comprehensive and important.
2. Another component of our dynamic tourism system is that which produces the greatest economic impact on communities and states—the **SERVICES and FACILITIES**.

Employment, income and taxes are cited often as the treasures to be found at the end of the tourism development rainbow.

It is through the motels, hotels, restaurants, shops and entertainment that this impact is made.

And, a significant portion of this comes through public agencies as well as through private enterprise.

3. Personally, I like to single out **TRANSPORTATION** as a third component of the tourism system, even though it is similar to other facilities and services.

The total transportation of people is a psychological as well as a commodity process.

In addition to coordination of the many modes of transportation, consideration must be given to the comfort, convenience and preferences of travelers.

For example, it is increasingly acceptable to take people out of their cars for bus tours, horseback trails and carriage rides, provided that they are done in good quality.

Certainly, both public and private roles are critical to the success of all **TRANSPORTATION**.

4. A fourth component—one that cuts across public and private lines—is that of **ATTRACTIONS**.

Attractions are the places and activities that give the traveler satisfaction at his destination and lure him to travel from home in the first place.

In spite of their importance, the powerful force of attractions, such as our national and state parks, is still not well known.
Often these publicly-owned attractions are not well supported
by the prime tourist businesses, such as hotels, motels and
restaurants.

The objective of the traveler is not merely to move about,
or to stay at a hotel that is just like the one he has at home.
Attractions are made up of many things.
They are heavily dependent upon location and a set of
resource characteristics that make them attractive.

While many attractions, such as Six Flags Over Texas and Disney World,
are profitmaking, the majority across the nation
are in either government or non-profit organization ownership.

5. Finally, and probably the most important component
of the tourism system, is that BODY OF PEOPLE with the ability
and desire to travel.

We have become so accustomed to this category
that we often take it for granted.

Many of us who travel frequently by air, for example,
take it for granted that everyone else is also interested.
However, less than 17 percent of U.S. travelers actually go by air.

Delta Airlines reports that 85 percent of their business
comes from 15 percent of their customers,

Not everyone likes to travel.
Not everyone enjoys the same things
Not everyone has the same amount to spend on travel.
Not everyone is located within the same reference to the
transportation systems and attractions.
Yet, much of our development, advertising and promotion
assumes that all travelers are alike.
* My fundamental argument is that each of these five components---
  a body of travelers
  attractions
  transportation
  services-facilities and
  information-direction

tends to ignore the many pieces of the other components
with planning and management policies.

The motel man does not feel he has any relationship
to the government policies that are used in the planning and
management of a highway except perhaps when a policy
irritates him.

Generally, transportation agencies really do not exist.
We have instead, airlines, airports, bus companies, taxi companies,
highways and individuals with their automobiles and
recreation vehicles.

Each is concerned only with his own segment of travel.

* I wonder how many people directly in the tourist service business
have read the complete findings and recommendations of the
National Tourism Resources Review Commission.

Many examples are cited regarding the consequences
throughout the country of the lack of integration
of a total tourism system.

For example, in the federal government alone,
there are over 100 programs scattered throughout at least 50 agencies
dealing with tourism, including ownership of 85 percent
of all outdoor recreation lands--but they never communicate
with one another. Furthermore, there is almost no communication
between these agencies and private enterprise.

How can we possibly reach the goals of better visitor satisfactions
and better environmental utilization if we are not communicating?
Because I believe so completely in private enterprise and realize the critical importance business has had in the development of this country, I would like to see it take the lead.

I am convinced that business interests have everything to gain by insisting upon greater collaboration on planning and managing overall tourist development.

It seems however, that tourist businesses are preoccupied with other missions. And, instead of collaborating, often oppose government. Recently, for example, I met with a state motel association. The members were proud of the information presented by four speakers from government, describing ongoing programs for promoting and developing tourism. However, in face of this, the president declared to the newcomers in the audience that the main purpose of the organization was to FIGHT GOVERNMENT.

So, if private enterprise abandons this role, government may have to accept it. Perhaps the function of an overall catalyst for collaboration on tourist development is logical at both the state and federal level. It may be that the existing powers of state tourism agencies should be enlarged to take on this responsibility.

Let me give you an example in which this could have been very effective. It took two years and over a million dollars for environmentalists, fishing and oyster interests and owners of a major resort complex in South Carolina, completely on their own, to defeat the enticements of the state industrial development agency to lure a German petro-chemical plant to Hilton Head Island. Ironically, no state tourism business interests nor the state tourism agency came to their aid. They looked the other way.
Frankly, I am not so much concerned about who does this job as that it get done.

Without the creation of any new agencies or organizations, I am confident that all existing elements of tourism could do a better job if attention were directed more toward collaboration.

Before I speculate on what might be possible with greater collaboration—a scenario—let me draw some conclusions to what we have discussed thus far.

* First, from a marketing point of view, the public is looking for security and certainty that they are not getting. When package tours are aborted midstream; when advertising promises tropical temperatures and bikini-clad maidens on the beach and the tourist finds near-freezing temperatures and no other life on the beach than a dead crab; when a park is closed after driving 2000 miles to get there—

that set of human activities directed at facilitating and consummating exchanges," a contemporary definition of marketing, completely breaks down.

Second, tourism as now practiced, violates basic tenets of modern human ecology.

As we have exploited our natural resources, we have been more concerned about economics than ethics, property rights than societal amenities, and consumption of resource assets than their protection.
Third: today in 1976 in America, tourism, as a unified system with continuity and integration of its parts, does not exist.

Yes, we have tourist businesses;
We have state and national advertising agencies;
we have tourists.

But, if we think of a total functional system of tourism,
we do not have in this country any organization or agency, public or private, that is concerned with bringing the many parts into harmony and with keeping the system running in harmony.

* Just a few minutes ago, I mentioned that I would like to have you speculate with me on a SCENARIO--
not a projection of the past, but to share with me some brainstorming.

Some of these ideas may seem pretty FAR OUT, as our students would say.
But, before you reject them completely, please remember that commitments to dreams have accomplished great things in this country, such as progress in medicine and even putting a man on the moon.

* Let me begin this scenario by starting with the family planning a vacation trip.

Instead of stumbling upon place names by scanning distorted advertising by only those places wealthy enough to advertise, the family makes contact with the local tourist advisor.

Every city has one as part of the local continuing education or local park and recreation department.

The advisors are financed jointly by the local community and the state tourism agency.
The family is given instant computer video and printout information on the location of attractions, accommodations and highway routings. With refinements, data on alternate routings, the climate of the destination area and the proper clothing to wear could be offered.

This information is backed up, not with a promiscuous scatter of voluntary advertising folders that really provide little help but rather a series of well-written and beautifully illustrated guide books.

The writing is not promotional but is an accurate description of the features in terms of responses already obtained from previous visitors.

In addition, a regular daily column written by a new breed of journalists—the travel critic—offers insight into the many aspects of tourist travel.

Instead of producing saccharine descriptions of utopian resorts, this writer tells it like it is, in exactly the same manner as a drama or music critic.

Because word-of-mouth information has proven to be more influential than advertising upon most travelers, a new service capitalizes on this fact.

The prospective traveler can obtain from his travel counsellor the names of neighbors who have visited the attraction he wishes to learn about. The names have been forwarded to the counsellors from the attraction destination who keeps a running registry of visitors.

In this scenario, all information systems are coordinated with highway departments, airlines and advertisers to assist travelers in finding these locations as they travel.

All highway signs are coordinated.

Because information is provided primarily by literature, radio, TV and counsellors, the need for billboards is eliminated, maintaining a more beautiful roadside.
Each state transportation agency has regular input from the tourist agency, keeping it informed on trends in tourist flows and new land development.

As soon as a major attraction or vacation home complex is decided upon, for example, the highway planning office goes into gear to determine if highway changes are needed.

Affected communities are alerted before a development takes place so that proper transportation and other services can be planned.

Better mixes of transportation modes are available.

Airports are tied to bus lines, mass transit and the interstate highway system.

At every node, complete information about related travel is available.

Regarding attractions, all federal and state agencies relating to land for recreation and protection have identified those portions of their lands that serve the tourism function of attractions.

Guide and interpretive functions have been set up not only for protection of the environment but for the interest of visitors. Sites connected to, but away from, the prime attractions are planned for concentrated services, such as lodging and food service because they can be operated with greater efficiency here.

Instead of exercising antagonistic attitudes toward private enterprise, these agencies collaborate by assisting businesses on location and planning.

Through market research, it has been found that all travelers can be classified into interest clusters.

The activity listings of the past—fishermen, hunters, skiers, etc.—were found to be of no value to planning.

The cluster approach provides a better basis for planning. For example, those who like symphonies also like superlative scenery as in our national parks, fine road plays at vacation playhouses, gourmet restaurants and nature paintings and photographs.
Attraction development in all states has taken on an entirely new concept.

As sophisticated planning system eliminates much of the hodge-podge popular today.

The foundation for this is recognition, as in agriculture, that not all lands have equal potential for development.

Contrary to the egalitarian "chamber of commerce" approach, each piece of geography is recognized as having a different set of natural and cultural assets and liabilities, different relationships to sources of people, different relationships to service communities and different relationships to access and transportation.

Therefore, some areas have great potential for tourism whereas others do not.

Federal and state tourism policy provides incentives to those areas with greatest potential,

which includes as a prerequisite, least damage to the both the social and physical environment.

Each state has been analyzed to lay the base for two types of potential:

1) areas with greatest assets for TOURING or TRAVEL-THROUGH types of tourist development and

2) areas with potential for DESTINATION-oriented tourists. Where the two types converge, there is greatest potential for private enterprise to provide all the commercial support services--food, lodging, entertainment.

In either case, planning coordination provides public-private land use and design of the highest quality.
Readily available to both existing elements of tourism and potential investors is this complete data base and coordinated planning service.

Both natural resource and cultural resource factors, very important to attractions, have been studied and mapped.

Additional factors, such as transportation routes, existing development, established community centers, and relationship to prime tourist markets have been indentified.

Well, there you have it--a scenario of some ideas that are not necessarily far-fetched because I see some trends in this direction already.

I offer this scenario not as a blueprint for state tourism agencies or for private enterprise organizations.

Rather, I suggest it only for consideration of new collaboration and cooperation between and among the many parts of tourism.

The lack of attention to the total system and the lack of desire on the part of both public agencies and private enterprise to share common goals and work out their own mechanisms for planning together--for the selfish benefit to each one--are obstacles that can be overcome.

Why can't we research markets more completely and more deeply to see what people really want and do?

Why can't we improve our transportation systems to reflect the real needs of people on vacation and in their leisure?

Why can't we recognize the interests of people in the development and operation of both public and private attractions no matter the jurisdiction?

Why can't the service businesses see more clearly the need for supporting the protection of certain resource assets and
the development of public and non-profit attractions?

When major public recreation and park areas are established, why can't government agencies see their responsibility to both visitors and private enterprise?

Why can't some so-called environmental groups recognize that the mass traveling public as well as ecology buffs have a right to enjoy and gain enriching experiences from contact with natural and cultural resources?

Why can't our information and direction services be more accurately and more clearly directed to people's needs and interests and at the same time foster both the social and economic values of tourism?

Why can't our state and federal governments accept a more comprehensive coordinating and planning role in concert with private enterprise?

* IN SHORT--

Why can't we have joint planning between private enterprise and government that will be concerned about making the tourism system work--

for the betterment of the visitors,

for the betterment of business,

and for the betterment of the environment?