

Theory and practice of strategic planning for tourism

[Business](#), [Strategic Management](#)



It is widely acknowledged that planning is crucial to successful tourism development and management; and planning has been a widely adopted principle in tourism development at both regional and national levels.

Tourism in Europe has been the subject of considerable academic debate and commentary since the political event of 1988-89. The debate has often focused on Central Europe, whose future free market depends on planning especially including tourism. In particular, strategic planning in the region will be critical to the future success of tourism as attempts are made to utilise tourism in the process of planned economic change.

The lack of coordination and cohesion within the highly fragmented tourism industry is a well-known problem to destination planners and managers. Gunn (1988) stated that continuous tourism planning must be integrated with all other planning for social and economic development, and could be modelled as an interactive system. He pointed out that “the go-it-alone” policies of many tourism sectors of the past are given way to stronger cooperation and collaboration. No one business or government establishment can operate in isolation” (Gunn 1988; 272).

On the other hand, Inskip (1991) has pointed out the importance of an effective organisational structure for tourism management and the need for continuous, integrated planning. Achieving coordination among the government agencies, between the public and the private sector, and among private enterprises is a challenging task, however, and requires the development of new mechanisms and processes for incorporating the diverse elements of the tourism system.

Countries need to have an idea about where they want their tourism sector to be in the future and the route it is going to follow to get there. If nations do not have a strategic plan for their tourism, then the old cliché can apply. “If you don’t know where you are going, how will you know when you have arrived”? (Tim Hannagan 1998, p. 120). In this write up, the meaning of both strategic planning and tourism will be analysing, and also analytical argument on strategic planning for tourism will be explored. Furthermore, few example of tourism planning activities will be evaluated to support the subject matter. Thus, what is

Strategic planning / Tourism

“ Strategic planning is concern with deciding what business an organisation should be in, where it wants to be and how it is going to get there” (Smith 1994). Strategy “ is the direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations” (Johnson and Scholes 2005).

Harrison et’ al (1995). Explain that “ strategic is about clarifying your mission, setting clear long term objectives and formulating a comprehensive and integrated set of steps to achieve it”. Strategic planning then is concern with defining and achieving organisational purpose (Porter 1994). “ planning is the purposive process in which goals are set and policies elaborated to implement them” and is “ concerned with understanding and explaining the substance of policy content and policy decisions and the way in which policy decision are made.” (Barett and Fudge, 1981).

On the other hand, According to World Tourism Organisation (WTO) the organisation defines tourism as: “ the short term movement of people to destinations away from the communities in which they live and work, and their activities during their trip, including travel, day visits and excursions” (WTO cited in T. Outhart. et’ al 2001, p. 4) so tourism includes short term travel for all purpose, weather for leisure or business.

Furthermore tourism is about the temporary, short term movement of people to destinations outside the place where they normally live and work and about their activities during their stay at these destinations. (Outhart O. & Taylor L. 2001, p. 6).

Tourism development is the planning and ongoing development of destinations, facilities and services to meet the need of current and future tourist. When tourism is effectively planned and managed, tourism development can result in huge improvement and benefits both for visit and tourist and for the local population, therefore the need of strategic planning for tourism in order to meet the desire of people living in the demanding world has to be encouraged so as to promote and attract tourist as well as building their confidence with tourism activities. Tourism planning has also been seen as a way of extending the life cycle of a destination with a view of exploring new opportunities, adaptation to the current market demand and marketing harmonisation and as well forecast for the future.

As stated by Clegg (1994), “ tourism activities comprise the world’s largest industry with over trillion of dollars in revenue produced” and the challenges

in benefiting from such economic impact is the result of efficient planning that will take into account the preservation and protection of the environment, the enhancement of a community quality of life and development and that will attract not only first-time visitors but also repeaters as a result of building a reputation and be a successful destination. (Inskeep 1991, WTO 1994) in their own contribution to tourism planning and development, they stated that “ planning is crucial to successful tourism development and management; and planning has been a widely adopted principle in tourism development at both regional and national levels.”

On the other hand, (Cooper et’ al. 1993; Shepherd, 1998) argued that poor tourism planning will cause social problems, degradation of the environment, short-term benefit and failure or constraints due to “ lack of analytical details or miscalculations regarding the control of land usage” (Cooper et’ al. 1993; Shepherd, 1998). Furthermore, (Tosun and Jenkins, 1996) elongated the above comment by saying that “ the failure of central planning caused by lack of community involvement as well as mismatch between central planning and local possibilities is detrimental for the tourism market. Thus emphasising on a new concept of sustainable development to empower the planning system for long term success of tourism as it can help to promote and support conservation, regeneration and economic development as well as enhance the quality of life of visitors and host communities” (Holden, 2008; Wall and Mathieson, 2006).

Furthermore, Gunn and Varr (2002) stated that “ if tourism is to reach towards better economic impact it must be planned as well towards goals of

enhanced visitor satisfaction, community integration, and above all, greater resource protection.”

Strategic and Its Resources Implication Fig 1

Stage of strategy process

Questions

Description

STRATEGY FORMULATION

Mission statement

Statement of aims

Statement of Values

What is our purpose?

What kind of organisation do we want to take?

A clarification of the purpose of the business

Environmental Analysis

Where are we now?

This involves the gathering and analysis of intelligence on the business environment. E. g. staffing, resources, competitors, stakeholder expectation

Objectives

Where do we want to be?

This involves detailed articulation of aims i. e. setting a target for the organisation to achieve

Strategic choice of strategies

How are we going to get these?

Strategies describe how the objectives are to be achieved

Options analysis

Are these alternative routes

Here you identify options required to be screened

in order to choose the best

STRATEGY IMPLEMENTATION

Action

How do we turn plans into reality?

A specification of the operational activities & task required.

Monitoring and Control

How will we know if we are getting these?

Taking corrective action as necessary and reviewing strategy

Source: (Johnson & Scholes 1997 p. 13) & (Catterick 1995 p. 14)

Many organisations produce separate mission statements and statements of aims, objectives and strategies. The strategic plan will contain all of these, which is also applicable to all countries embarking on tourism activities.

Looking at the meaning of tourism and its activities, the theory and practice of strategic planning for tourism sector in every nation cannot be measured. This is evident on the ground that, it is clear that effective strategic planning and management is a prerequisite for the successful utilization of tourism as an agent of change in every nation. Tourism is seen as transcending the traditional economic sectors and is viewed as an industry which can actively regenerate the small business/entrepreneurial sector with all its flexible and responsiveness to dynamic changes. However, the transformation of a centralised economy, characterised by flexible practices and a low priority for tourism, does involve a change of “ hearts and minds” as much as it is needs outside strategic planning from expertise. No wonder that, Hungary has recognised the advantages that tourism can bring as witnessed by Prime Ministerial statement in 1990 lauding tourism as a potential power-house for the economy.

However, Hall’s (1991a) most persuasive point is that, tourism is seen as an integral part of economic restructuring by exposing the system to both national and international forces and, in so doing, introducing potential foreign investors, encouraging privatisation and reducing the level of

bureaucracy and centralisation. All this are made possible via strategic planning approach adopted by a given nation.

In the case of tourism, Page & Thorn (1997) suggested that a national policy or strategy was required in addition to the RMA, if sustainable tourism goals in New Zealand were to be achieved, since then a national strategy has been produced, reviewed and subsequently updated, emphasising the sustainable development concepts and the desirability of integrating environmental, economic, social and cultural considerations in the long-term management of tourism resources.

Tourism Planning Approaches (Countries overview)

The changing evolution of tourism, its different political and socioeconomic development environments, and the diverse scientific and technical contributions in the field's related disciplines (urban, regional, environmental planning, etc.) shape different approaches to planning. Such approaches have been the object of interesting systematizations, especially the critical perspectives of Getz (1987), and Tosun and Jenkins (1998) for Third World Countries, which are neither mutually exclusive nor a reflection of a chronological evolution: boosterism, economic, physical-spatial, and community-oriented approaches. To these four could be added two more that are omnipresent in today's literature: a strategic approach and planning for sustainable tourism.

Boosterism has been the dominant tradition ever since the emergence of mass tourism. It is based on a favourable, uncritical assessment of tourism

that identifies it as intrinsically positive and ignores its potential negative effects on economic, socio cultural, and environmental levels. Halls (2000) expresses his doubts about its consideration as a way of focusing on Getz's contributions, four approaches can be distinguished, and planning since it is precisely characterized by being a tourism implementation and development method that reveals lack of planning. The economic approach conceives tourism's as an instrument that can help achieve certain economic aims. It reinforces tourism's character as an export industry and its potential contribution to growth, regional development, and economic restructuring. Public intervention, in its regulating and promoting role, gives priority to economic purposes over environmental and social ones, although it also attends to all the factors that can jeopardize its economic efficiency: development opportunity costs, selection of the most profitable market segments, control over demand satisfaction, estimate of its economic impacts, etc. However, this approach does not usually analyze how the benefits derived from tourism are distributed socially (Burns 1999).

The physical-spatial approach incorporates the territorial dimension with the aim of adequately distributing economic activities, and specifically tourism activities, in space, while also ensuring a rational land use. It is an approach in which both town and country planning and tourism planning coverage as a result of the recognition that its development has an environmental basis. This approach mainly focuses on the preservation of the natural resources that make the industry possible and on the management of the environmental impacts it causes. Among the examples of the physical-spatial

approach, Hall (2000) mentions the work by Gunn in the late 70s (Gunn 1994) or Instep's integrated approach (Inskeep 1991).

The community oriented approach originated in the late 70s with the numerous works that criticized tourism's negative sociocultural effects (de Kadt 1979; Smith 1977). It is not exclusively confined to the aim of solving and preventing those effects. In fact, it promotes a local tourism development control scheme so that residents are the ones who benefit the most from that development, thus avoiding conflict situations that could put the industry's future viability in danger. Murphy's work (1985) undoubtedly constitutes a basic reference point of an approach revitalized by the need to achieve greater social involvement in planning processes. This circumstance has provided the momentum to undertake, from public instances, bottom-top planning schemes, among them the European initiative leader for rural development.

Strategic planning moved from the business context to regional and urban planning in the 80s, and it has a strong influence on economic restructuring schemes for declining places and sectors (Borja and Castells 1997; Va'zquez Barquero 1993). This approach has been progressively incorporated into tourism planning and essentially focuses on the search for competitiveness of firms and destinations in a changing, complex environment. In short, it contributes to or reinforces the following distinguishing elements of tourism planning: analysis of the competitive environment as a fundamental element in the definition of the firm's or destination's strategy; definition of a wide time scope for planning on the basis of foresight and prospective techniques;

stress on social participation and the creation of coordination and cooperation channels among stakeholders; and the rise in value of planning as a process that is permanent, flexible and integrated into management (Ansoff 1988; Borja and Castells 1997; Hall 2000; Ivars 2001; Porter 1982). Planning for sustainable tourism is related to the great deal of interest aroused by the development paradigm ever since the celebration of the Rio Summit in 1992. The application of its principles to tourism is especially relevant due to its ambivalence, for it can help to preserve and improve the environment.

THE STRATEGIC PLAN AND IMPLIMENTATIONS OF COUNTRIES

For example, the strategic plan and implementation program for the county of Szolnok in Hungary highlight many of the problems facing the future development and reorientation of tourism in Central European States.

During the construction of the strategic plan, the largest obstacle was identifying tourism facilities that would meet the development needs of the county while minimising the risk of social or environmental damage. The county strategic planner came up with the following planning strategy;

Phase 1; Immediate Action

Improve Quality of Existing Facilities

Improve utilization of existing facilities

Improve Economic Benefits from Tourism

Improve Performance of existing Entrepreneurs

Create environment for future tourism planning

Phase 2; Immediate to Medium Term Action

Develop Szolnok town as tourist centre

Increase Accommodation stock

Create new restaurants/cafes in tourist areas

Develop new tourism activities

Build on existing cultural/heritage attractions

Encourage the development of closer linkages between sectors

Phase 3; Medium to Long Term Action

Wider tourist base-conference business

Develop new up-marker tourist facilities

Widen the marketing activities

Establish strong links with national/international organisations

Adopt a fully international computerised reservation system

Continue to develop monitoring/regulation and research into tourism activities in the county

Develop new 5 year tourism development plans.

The result of the strategy plan and its implementation is a county that is now poised to break through into wider tourism markets, armed with promotional materials of high quality, tourism information and maps together with a broad spectrum of products, a network of commercial and organisational links that will enable it to capitalise on the potential market for visitors from within and to Hungary.

On the other hand the strategic planners for tourism in Spain came up with what is refer to as FUTURES (Master Competitiveness Plan for Spanish Tourism) (Ministerio de Comercio y Turismo 1994). This plan opened a new state of tourism policy in which the state redefined its role within an institutional discourse that intended to consolidate a system of coordination and cooperation between the different administrations. The FUTURES plan became the catalyst of this change encouraging the design of specific plans for the 1992-1995 period, favoring cooperation through actions financed jointly by the different administrations and fostering the participation of public and private agents. The plan was a reflection of the third generation of tourism policies, according to Fayos' classification (1996) where competitiveness turned out to be a key element for tourism management.

The FUTURES plan formed a part of the structural adjustment theory (Bote and Marchena 1996) which focused on the adaptation of Spain's supply to the structural changes caused by the market that jeopardized the competitiveness of the country's tourism industry.

Finally, this period witnessed the start of the planning model derived from Spain's entry into the European Union with the preparation of the 1989-1993 Plan de Desarrollo Regional (Regional Development Plan) for Objective -1 regions and the 1989 - 1993 Plan Regional de Reconversio'n Regional y Social (Regional Plan for Regional and Social Restructuring) for Objective - 2 regions. These plans made possible the application of Europe Structural Funds to tourism in Spain and implied the definition of a regional development strategy where special attention was paid to tourism, both in those autonomous communities in which it has a strategic role and in others where it was perceived as an emergent industry (Ivars 2001).

Essential objectives included taking advantage of tourism growth expectations, the valuation of non-exploited resources, the contribution made by new products to territorial rebalance and finally, the incorporation of tourism into local development strategies both in rural and urban milieus.

In the case of Barnette County, Wisconsin, a strategic planning was formulated to improve its tourism industry as for decades tourism has been the main economic revenue for the area. Based on existing data collected from a 1993 assessment, an action plan was implemented and the main issues encountered were lack of organisation, marketing performance, finding and government perceptions from which actions were created to eradicate the problem but it didn't escape failure since estimated budget to find a visitor centre wasn't reach due to lack of fund, marketing guides on the county printed but not distributed, eco-tourism was to be developed using a joint marketing grant but was refused by the state of Wisconsin.

Overall, it showed the issues of lack of interest and participation from stakeholders (tourism businesses and government) for further tourism development of Barnett County.

Looking at New Zealand as a case study, a county that want to increase the level of its tourism activity and sustainable tourism has become the key of the country to do so, which according to Bramwell & Lane 2000; Hall & Page, 2006), “ the success of sustainable tourism planning depends on existing planning and management functions that guide appropriate developments and the ability to respond to pressure on infrastructure and environments that increasing tourism demand creates”. The concerns for New Zealand are that the tourism product relies a lot on the natural resources and the image of a ‘ clean and green country’ (Tourism New Zealand’s marketing campaign) and its has been quite a problematic issue in some areas with regards to conservation and preservation of the environment.

Page and Thorn (1997) suggested that “ a national policy or strategy was required in addition to the RMA (Resource Management Act), if sustainable tourism goals in New Zealand were to be achieved.” Based on the previous research undertaken by Page and Thorn in 2001 and 2002, the following issues were encountered such as lack of considering the number of international tourist’ arrival at national level, lack of planning at national level which Page and Thorn argued that if a national plan was needed in order to achieve a more “ balance equitable and beneficial patterns of tourism activity and development for destinations and host communities,” however a PCE (Parliamentary Commissioner for the Environment) report on

education for Sustainable development, suggested that the like and dislike and the caring of something lies with the people.

What was found from the previous study was the lack of communication and integration between the RMA and the local authorities and resources available from the government was inadequate. However the recent study also reflect the incapacity of the RMA to work together with the national government, since tourism related project were not released but effort has been done to integrate the process of a sustainable development and increase the continuity of collaboration between the public and private sector, but there is still that major gap between strategy and the implementation of the policy formulated in the evolution towards a more sustainable New Zealand.

Based on which Page and Thorn (2002) stated that a national plan is required if tourism is to be developed with the target of enhancing the quality of life of its local people and increase environmental protection from the tourism activity. Furthermore, within the tourism planning the goal and objectives set should be achieved to challenge pro-development policy in order for New Zealand to keep up in the term of competitive advantage as a 'clean, green and sustainable tourism destination'. As argued by Edgel, Allen, Smith and Swanson (2008), "those destinations, localities and nations that prepare good policies and implement detailed strategic plans will reap the benefits for sustaining their tourism products in the future", which is the indispensable and fundamental basis of New Zealand tourism strategy. Hence leads to betterment of tourism activities in New Zealand.

Furthermore, before any implementation, analysis study will be performed through survey of existing data and collection of primary data. The data requirements will include information such as existing tourism profiles, “travel patterns, tourist attractions, accommodation and other tourist facilities, land availability, economic and government structure, education and training needs and provisions, environmental indicators, socio-cultural characteristics, investment sources and available capital, relevant legislation and regulation and private sector organisation.” (Cooper et’ al. Tourism Principle and Practices).

Ones data has been collected, the issues associated with it will be analysis in terms of assets (infrastructures), market assessment of demand and supply and feasibility study, source of funding and impact of economic, environment and social factors in terms of tourism needs and opportunities and overcome detrimental impact.

The result derived from these analysis will help in the formulation of plan and policies such as marketing strategies, human resources management, environmental conservation, economic and tourism development by which implementing and monitoring to ensure the development path and avoid deviation from the actual plan of the nation on tourism sector.

The diagram below represents the key stages in the planning process.

Fig 2 Key stages in the planning process

Source: Tourism principle and practices by Cooper et al.

RECOMMENDATION

Tourism has been identified as one of the primary industries with the potential to assist local communities in developing economic diversity (Allen et' al 1993, Davis & Morais, 2004) However, tourism is not a panacea for economic decline. Tourism has the potential to create both positive and negative impacts. Gunn (1994) indicated that, there is no other form of development “ that has so many far-reaching tentacles as tourism” (p. 16). For tourism development to be successful, it must be planned and managed responsibly (De Oliveira, 2003; Inskeep, 1991; Martin, 1995).

Inskeep, (1991) furthered the concept of responsible management, warning that “ ill-conceived and poorly planned tourism development can erode the very qualities of the natural and human environment that attract visitors in the first place” (p. 460).

Thus communities that use or plan to use tourism as an economic development tool to diversify their economy must develop strategic planning policies for the sustainable development of the community.

It should be noted that one key to strategic planning for sustainable development of tourism in a community is the inclusion of stakeholders. Without stakeholders support in the community, it is nearly impossible to develop tourism in a sustainable manner. Therefore, a clear understanding of the attitudes and interests of stakeholders is a necessary precursor to the strategic planning and management of sustainable tourism.

Strategic planning also emphasise the integration of economic, socio-cultural and environmental, therefore stakeholders should collaborate and take into consideration the preservation of culture and environment while maximising economic growth and returns to community. Jamal and Getz (1995) define these collaborative efforts as “ a process of joint-decision making among autonomous key stakeholders of an inter-organisational, community tourism domain to resolve planning problems of the domain and/or to manage issues related to the planning and development of the domain.”

CONCLUSION

Tourism exists as a powerful economic force in the development of both community-based and global markets. Today, its activities comprise the world’s largest industry with over three trillion dollars in revenues produced. (Clegg 1994). Accordingly, the success of sustainable strategic planning depends on existing planning and management functions that guides appropriate developments and the ability to respond to pressure on infrastructure and environments that increasing tourism demand creates.

As Iskeep, (1991) argues, the special relationship between tourism and the environment, based on a unique dependency on natural and cultural resources, requires a balanced approach to tourism planning and development to maximise the associated benefits and minimise the negative impacts. Therefore, if ill-planned or excessive development is permitted, tourism can damage the special qualities that are essential for sustainable development.

Finally, the importance of strategic planning for tourism within a sustainable development context is now acknowledged globally as it was addressed as a specific topic in a review of Agenda 21 in 1997. In 2002, the world summit on sustainable development included a submission on sustainable tourism (chapter IV, paragraph 43) in the Johannesburg plan of implementation, which identified that while tourism has positive effects, uncontrolled (lack of strategic planning) tourism growth can undermine the basis of tourism. However, the extent to which sustainable development ideology is translated into policy and practice requires a strategic planning investigation to uncover the tourism activities that need urgent attention to meet the demand of visitors. This can be in a form of language to be used, create an image to be used, practically assistance and guidance, promotional material and its design, and strategic for the provision of tourism information.

Tourism planning has also been seen as a way of extending the life cycle of a destination with a view of exploring new opportunities, adaptation to the current market demand and marketing harmonisation and as well forecast for the future. Therefore, it is on this premise that the researcher believes that the role of strategic planning in tourism development of any nature can not be quantified.

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