

Centerpoint

A Newsletter for the Tourism Industry

Volume V Issue 1

Spring 1997

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Statewide Tourism Research Funding in Jeopardy

While funding for the tourism research agenda moved quickly through the Minnesota legislature in February, the request failed to get hearings before Senate and House finance committees. Introduced as House File No. 1377 and Senate File No. 1244, the companion bills would have appropriated \$875,000 in fiscal year 1998 from the general fund to research the needs of the tourism and travel industry in Minnesota. Funding requests were as follows:

\$235,000

to study how visitors make travel decisions and identify ways to increase visits to the state

\$65,000

to assess community capacity to deliver tourism products and services

\$60,000

to examine laws and regulations that burden the operation and growth of tourism and travel businesses

\$80,000

to study technology and its impact on and role in tourism

\$325,000

to study marketing techniques for the tourism and travel industry

\$110,000

to study environmentally oriented, nature-based tourism

(DFL-Crosby), praised the initiative as a needed step for enhancing the tourism industry in the state. Finance committee hearings in the House's Economic Development and International Trade committee and Senate Jobs, Energy, and Community Development committee never materialized, however. Senator Linda Higgins (DFL-Minneapolis) was able to salvage \$50,000 in an omnibus funding bill for tourism research, but the House finance committee provided no dollars. As a result, any remaining hope of resurrecting funding in conference committees was slight.

The Minnesota Office of Tourism and the University's Tourism Center worked with the state's tourism and travel industry since early 1996 to develop a research agenda focusing on critical gaps in the level of understanding of the tourism and travel industry. Without precedence, the agenda involved more than a dozen of the leading industry organizations. The broad lack of support for funding tourism research suggests the challenge that lay ahead for the industry in educating legislators and economic development officials of the role research plays in new tourism product development and as a foundation for building effective marketing strategies.

Progress in moving the funding bills through the legislature would not have been possible without the contributions and support from Tourism Center Advisory Board member Grant Oppegaard; Linnea Stromberg-Wise and Walt Wittmer of Valley Fair; Chris and Jack Ruttger and an anonymous donor. Their assistance and dedication to the industry is to be applauded.

Dan Erkkila

In the House, the bill was quickly assigned to, and unanimously passed out of, the Commerce, Tourism and Consumer Affairs policy committee. Committee chair and lead author of the bill, Kris Hasskamp

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Current information available from University of Minnesota Extension: <http://www.extension.umn.edu>



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A Newsletter for the Tourism Industry

Workshop Explores Agritourism Potential

How can you make a tourist spot out of a farm field? On March 18, over 100 people met in Cannon Falls, Minnesota, to discuss ways to do it. Agritourism was the theme of the workshop, as participants explored the business opportunities of marketing agriculturally-based products and services to visitors.

The event featured Minnesota Commissioner of Agriculture Gene Hugoson and Steve Markuson, director of the Minnesota Office of Tourism, who addressed the interrelationship of agriculture and tourism and the market opportunities it presents. As well, agritourism specialist Harriet Moyer was on hand to highlight the nuts and bolts of getting started in an agritourism venture.

Workshop participants also had the chance to hear the experiences of several people who are currently operating their own agritourism businesses. Their examples covered a wide range of areas, including farmstead cheese production, bed and breakfasts, cross-country skiing, floral shops, arts and crafts, and children's entertainment. As these entrepreneurs discussed how they got started, their business objectives, obstacles overcome and the satisfaction received from operating their own businesses, participants got a good look at the diversity of entrepreneurial options under the umbrella of agritourism.

The day eventually took on a forward-looking element, as a small group of the workshop participants agreed to meet again to discuss the formal organization of a network of agritourism operators. This network will initially form in Dodge, Goodhue, Olmsted and Wabasha counties.

The agritourism workshop was the result of approximately 18 months of work initiated in the four-county cluster by a team of Extension Educators and citizens led by Toni Smith, Wabasha County extension educator.

Marc Weigle, a University of Minnesota graduate student, was also involved in bringing the participants together. Marc was hired through a grant from the University's Rural Development Council to assist in project development. He identified and surveyed approximately 120 individuals in the four counties that had indicated interest in or actual development of agritourism ventures. While there was a great deal of individual interest, there had not been the opportunity to share ideas.

While the workshop focused on a four-county area in Southeast Minnesota, participants agreed that the agritourism concept has applicability across rural Minnesota with a diversity of products and services that could be developed and marketed to the tourist and traveler.

For more information about agritourism development, contact Toni Smith, Wabasha County Extension Office, 612-565-2662, or the Tourism Center.

Kent Gustafson

Minnesota At Your Service Meets Industry Needs

Last fall the Tourism Center assessed the impact of our customer service training program, **Minnesota At Your Service**, during its first year. A mailed survey was sent to 600 randomly-selected participants; 58% of the surveys were completed and returned.

We were pleased to find that respondents rated the program very highly. Over 85% of respondents affirmed that it met their needs, and 75% or more rated each of the program's core concepts "valuable" to "very valuable." Moreover, respondents are using new customer service skills on the job; over 70% report using at least one of the program's four major skills "frequently" to "constantly" in their work.

The survey also revealed that 92% of respondents had at least one year of experience working in the tourism and hospitality industry, and 83% were over the age of 25. We were pleased to see that the program is valuable not only for new, front-line staff and managers, but for older, more experienced employees as well.

Minnesota At Your Service has been used in community-wide and in-house training. The program is currently used by many large and small businesses across the state to provide customer service training. Over 80 certified instructors throughout the state are available to deliver this effective, affordable program. Contact Cynthia Messer 612-624-6236 or Chris Breva-Erickson 612-624-4253 for information on instructors in your area!

Cynthia Messer
Chris Breva-Erickson

Minnesota
At your service

New Tourism Video Now Available

A new video, produced by the Tourism Center, is now available for purchase or rental. *Opening the Doors to Tourism* is a 15-minute video that explores tourism as a strategy for community economic development.

The video raises awareness of the direct and indirect impacts of tourism within a community. It provides examples of communities that have benefited by developing their tourism activities. The video also discusses community planning issues and resources available to assist in making tourism planning decisions.

Kent Gustafson

Order Today!

Opening the Doors to Tourism
15 min. VHS Video Order# VH-6838
Produced by the University of Minnesota
Tourism Center

This new video examines the impact of tourism within a community and helps community planners develop tourism activities that promote economic development.
\$25 plus shipping

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Minnesota Extension Service
Distribution Center
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outstate 1-800-876-8636.

For the Asking ...

Q: Can festivals or events help expand a positive tourist image of our community?

A: In 1995, the World Championships in Athletics were held in Göteborg, Sweden. As the largest event in the world that year, the competition received global media coverage. Surprisingly, however, an impact study of tourists showed that their image of the destination did not change significantly. In fact, survey respondents could not think of any characteristics of Göteborg as a vacation destination.

One reason for these reactions may be Göteborg's lack of image in the first place which shows that creating an image is not automatic, but takes a great deal of effort. In addition, the media coverage dealt very little with Göteborg itself, but instead focused on the sports activities. This suggests that local tourism officials did not work effectively with media to provide the kind of information that would help position the community to the world. While the championships may have been a complete success as a sporting event, the expected long-term tourism benefits to the community were not realized. The research suggests that this may have been a lost opportunity.

When compared with annual events, large one-time mega-events such as this, while having major immediate benefits, may have few long-term benefits. The ability of annual festivals or events to play a role in the development of the tourism image can be significant. This research may have its greatest value in pointing out that sheer numbers and extensive media coverage at an event are not the key to long-term success and that creating an image cannot be left to chance.

Glenn Kreag

For the Asking is a regular feature of **Centerpoint**. Readers should direct brief tourism questions to the Tourism Center, 116 Classroom Office Building, University of Minnesota, 1994 Buford Ave., St. Paul, MN 55108. Center faculty will answer questions in each issue.

SHORT TAKES...

Tourism Innovations Topic of 1998 National Conference

The National Extension Tourism Conference will take place in Hershey, PA. Tentative dates for the conference are May 17-19, 1998. For more information contact Glenn Kreag at 218-726-8714.

Bismarck to Host CenStates Conference
September 10 is set for the CenStates Travel and Tourism research Conference. Call Tim Schroeder at 701-777-4339.

1998 Tourism Conference scheduled
Breezy Point Resort will hold the 1998 Tourism Conference set for January 20-22. Contact Jan Sawinski, MOT, for further information at 612-296-5205.

Off the Top

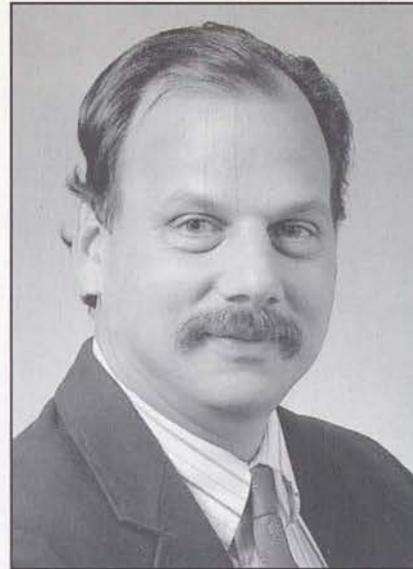
The Federal Reserve Bank of Minneapolis, Ninth District, recently held a full day forum on tourism. Representatives from the private sector, state agencies and universities were invited to participate.

There was general agreement that tourism in our region is enjoying a prosperous period, although problems still exist. Some of these problems are directly related to the characteristics of tourism-dependent businesses. For almost every sector over half of the businesses are classified as small businesses. While small businesses may prosper during periods of growth, they have real problems during a down cycle. Inability to adapt to changing consumer tastes due to limited research-based information about the market or lack of marketing skills may prove fatal for many of these businesses. The ability of businesses to adjust quickly to changing markets is key to their long-term survival. Small businesses need the assistance of public agencies and university programs to meet this challenge.

International travel increases are expected in the Ninth District as more

international visitors gain experience with U.S. travel products and visitors to the interior increase. Group travel business, very popular with Americans traveling abroad, is not as common in the states. Developing travel packages was viewed as one way of increasing foreign visitation in our area. In addition, small businesses who use new telecommunications technology such as the Internet and World Wide Web are in a better position to compete against much larger firms.

Labor concerns were also addressed. Travel and tourism is generally recognized as the world's largest employer with wages generally above average. Finding qualified workers is a challenge and may require a number of innovative solutions. Businesses that offer benefits or advancement opportunities are finding a pool of qualified workers for each position offered. For a small business, offering employee benefit packages may be next to impossible. They may need to form organizations that can obtain insurance and benefit coverage at group rates which can be offered to organization member businesses.



William Gartner, Director

A final discussion focused on recognition by local and state government leaders of the importance of tourism and its role as a legitimate economic development strategy. The tourism industry is quite young. It has grown at a much faster rate than people's understanding of what tourism is and what it does. Meanwhile the issue of industrial legitimacy should be met head on with educational assistance coming from state agencies, university programs and the private sector.

The sponsorship of this forum by the Federal Reserve Bank of Minneapolis, Ninth District, clearly indicates a positive step toward achieving a measure of respect for the tourism industry.

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