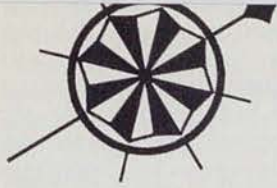


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Volume IV Issue 2

Centerpoint

A Newsletter for the Tourism Industry

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Statewide Research Agenda Identifies Industry Needs

Early in 1996 the Minnesota Office of Tourism and the University of Minnesota Tourism Center embarked on a project to help develop a research agenda for the state's industry. The agenda focuses on gaps in the level of understanding of the tourism and travel industry. The agenda is a critical first step in identifying the information needs that, once resolved, could strategically place the industry where it needs to be in the next five to 10 years.

Key representatives from the following industry sectors gave input: MN Association of Innkeepers; MN Festivals and Events Association; Retail trade/group tour operators; MN Association of Campground Operators; MN Resort Association; MN Hotel and Lodging Association; MN Retail Merchants Association; MN Bed and Breakfast Guild; MN Association of Convention and Visitor Bureaus; Outfitters; Twin Cities Attractions Association; Congress of MN Resorts; MN Restaurant Association; Duluth Area Attractions Council.

Industry leaders polled or convened their groups to provide research issues. The top 24 research projects resulting from this industry-driven process have been grouped into nine broad categories. Estimates of each project's duration, cost and expected outcomes have been made.

1. Consumer Behavior In Minnesota, the period 1994 to 1995 saw a growing travel trade deficit as more Minnesotans traveled out of the state than out-of-state travelers and Minnesotans traveled in the state. As tax revenue to Minnesota increases by \$36 for each visitor, it is critical to learn how visitors make their travel decisions. Projects will look at how Minnesota travel products influence the customer's travel decisions; how consumers select destinations and length of stay based on expected costs; and what trends unique to each

demographic group will affect the industry in the next five to 10 years.

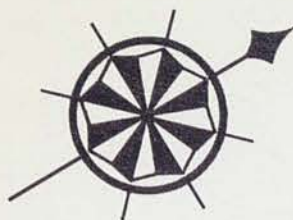
2. Development and Community Issues Urban and rural tourism development have been increasing as communities become aware of tourism's economic benefit to the local economy. With this growth has come increased competition. To be competitive, businesses must provide hospitality and customer satisfaction. Critical questions include: How does the community's acceptance of tourism relate to its size, ethnicity, economic base and prior tourism experience? What indicators can communities use to assess their capacity to deliver tourism products and services? What investment indicators should be used to assess tourism development projects?

3. Economics and Finance As Minnesota communities make greater efforts to attract visitors to their areas, they need a better understanding of the dollar flows and economic relationships between businesses in the state. Most of the economic expenditure research is region-based. All out-of-region expenditures are grouped together. The disaggregation of these flows and the tracking of expenditures would allow for more efficient state-wide tourism marketing efforts and a clearer understanding of the economic connections between rural and urban (metro) tourism businesses.

4. Industry Relations and Organization Tourism organizations and associations bring together the varied interests of the tourism and travel industry in Minnesota. They help eliminate duplication of effort and serve as distribution channels for tourism products and member services. It is imperative that all industry partners unify in order for governmental lobbying efforts to succeed. Related research tasks include a review, evaluation and profile of private sector tourism association structure.

Agenda to 2

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



Centerpoint

A Newsletter for the Tourism Industry

Agenda from 1

Services, roles and funding mechanisms could be examined and the most effective method of collecting and disseminating tourism information could be identified.

5. Marketing and Advertising Most tourism businesses are very concerned with marketing and advertising spending. As competition increases, state-wide target marketing becomes a key to survival. Research would look at visitor profiles comparing mode of transportation and resident versus non-resident travel patterns; advertising methods of different industry groups and perceived effectiveness of each method; and successful tourism product packaging models.

6. Policy and Regulations Government and industry are partners in the delivery of state travel products. Quality, safety and health are of mutual concern. Often regulations are imposed without a complete understanding of industry operations. Further, existing legal system arrangements frequently allow easy access for those offering frivolous lawsuits, leaving a perception that businesses are left to pay high court costs and increasing liability insurance rates. Research efforts would identify and profile, by industry sector, the regulations that are perceived to be most harmful or that are barriers to businesses.

7. Technology New technology is dramatically changing the workplace for tourism and travel businesses. The implications of these technologies for the industry as a whole and for specific industry sectors is unclear. These and other questions influence the industry's willingness to develop and adopt new methods and tools. Research needs identified would identify and compile a descriptive list of tourism and travel data and make it available on the Web; assess recent changes in productivity with relation to technological developments and review implications for future business operations; and assess ways to share proprietary data.

8. Transportation An effective transportation system in the state is critical to a successful tourism and travel industry. Consistent funding for operation and maintenance of such a system is vital. Research related to the Intermodal Transportation Efficiency Act of 1991 suggests that strong State Department of Transportation and Office of Tourism relationships will ultimately lead to increased economic development opportunities. Research would address: What attributes of the transportation system are important to the travelers? At the community level, how aware are transportation planners of the needs of tourism businesses? What are the benefits and costs of including routes in urban (metro) mass transit bus systems for visitors seeking transportation to city attractions?

9. International Tourism Increasing international visitors to Minnesota, along with the inadequacies of national in-flight measurement tools, translates into poor information on international travelers and their expectations,

Committee Creates Action Plan

The Research Committee of the Tourism Center Advisory Board met on October 28 to develop a strategy for submitting the research agenda to the Minnesota legislature. The committee is chaired by Linnea Stromberg-Wise, Marketing Director, Valleyfair Amusement Park. Other members are William Gartner, Director, University of Minnesota Tourism Center; Arnold Hewes, President, Upper Midwest Hospitality, Inc.; Barbara Muesing, Director of Outreach and Collegiate Program Leader, University of Minnesota - Crookston; Hank Todd, Vice President, National Marketing and Promotions, Carlson Corporation; and Steve Markuson, Director, Minnesota Office of Tourism.

It was decided that the transportation issues would be presented to the Minnesota Office of Tourism Transportation Task Force for consideration. Eight of the remaining issues were selected to be presented in a package to the legislature. The eight issues were deemed the most crucial to the continuing competitiveness of the state's tourism industry. Legislative endorsement of the package will be needed. Once a bill is drafted and introduced, the tourism industry of Minnesota will be asked to support its passage.



The committee (left to right) standing: William Gartner, Arnold Hewes, Linnea Stromberg-Wise; seated: Barbara Muesing, Hank Todd, Steve Markuson.

preferences and destination selection processes. This lack of information makes it difficult for the Minnesota tourism and travel industry to capitalize on the growth of the international market. Research would answer these questions: What are the barriers to Minnesota expansion in the international scene? How can the Minnesota tourism industry increase and enhance service to international visitors? What are the opportunities for nature-based tourism and what are the demographic characteristics of visitors seeking such activities?

The Tourism Center, along with the Minnesota Office of Tourism, is working with industry leaders to formulate a legislative strategy for funding the identified research needs. The Tourism Center is committed to this effort and plans to dedicate the maximum amount available from its Carlson Tourism, Travel and Hospitality Chair (\$25,000 per year) to be used as leveraged funds plus associated in-kind costs for research projects that gain funding. Further, the Tourism Center will reconvene its annual tourism research forum to discuss and transfer research results to members of the tourism and travel community.

Dan Erkkila

For the Asking ...

Q: Our chamber voted to spend some money for tourism advertising. How should we spend it to be most effective?

A: It is important to think in terms of developing a strategic marketing program, not just printing a brochure or running ads. Consider these factors:

Tourism products What tourism attractions and services do you have? Can they be packaged to create a theme and build a community tourism image? Are there activities that are mainly of interest to specialized groups or a more general audience? Does this change seasonally? Are there big events or festivals to focus on?

Travel markets What are key characteristics of your market(s)? These are factors such as age, income, travel mode and party composition. Where are you located in relation to your tourist market? Is there a major market close? Is the market scattered? What is the expectation for length of stay?

With information you gather about your markets, you have a better basis for planning a marketing effort. Consider how much *money* you have to spend and how much *time* you have to work on a marketing program. More time allows you to stretch your real dollars further. Can you partner with neighboring communities? What regional and state programs could provide cooperative marketing opportunities? Can you combine marketing with private tourism businesses in your community to make a greater impact?

Making good marketing choices depends on all of these factors. Call the Tourism Center or your regional representative of the Minnesota Office of Tourism for more information.

Glenn Krag

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.

Are you on the Web?

In order to serve you better, please complete the following survey and send it to: Tourism Center, University of Minnesota, 116 Classroom Office Bldg., 1994 Buford Ave., St. Paul, Minnesota, 55108 or E-Mail: tourism@mes.umn.edu

- I have easy access to the World Wide Web.
- I would like to receive Centerpoint on the World Wide Web only.
- I would like to continue to receive Centerpoint as a printed publication only.
- I would like to receive Centerpoint in print and also on the Web.

Name:
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SHORT TAKES...

Festival Manager Certification Training...

The next Festival Manager's training is set for February 3-7, 1997 at the Radisson Metrodome in Minneapolis. The fee is \$499. Call Glenn Krag for more information at 218-726-8106.

Hot Off the Press... William Gartner has recently authored a 520-page tourism text. *Tourism Development—Principles, Processes and Policies* is published by Van Nostrand Reinhold and is available at bookstores.

Minnesota At Your Service Training Set...

The next one-day instructor training will be offered on Wednesday, February 12, 1997. Cost for the training and instructor materials is \$195. Prerequisite is completion of the four-hour Minnesota At Your Service program. For more information call Cynthia Messer 612-624-6236.



Off the Top

Small businesses usually don't make research a high priority, especially when compared to marketing and other endeavors. Interestingly, however, the research agenda (page 1) recently developed by Minnesota's tourism industry, the Minnesota Office of Tourism and the Tourism Center has been received with great enthusiasm among industry members.

Most successful large businesses such as 3M or Dupont invest heavily in research. They know their future is tied to developing new products and cultivating new markets. It is often too expensive for small and medium-sized businesses to conduct research. In addition, not all research is fruitful. While large companies spend much more pursuing ideas that ultimately end up on the scrap heap than they spend on developing a new product, the return from a new product or capture of a new market niche more

than makes up for the expense.

How to conduct useful and quality research is difficult for most of the state's tourism-dependent businesses. It is not a subject taught in high schools and is only discussed superficially in undergraduate programs at universities. Even though inexpensive quality research designs can be used, most business owners and managers don't know where to begin. That is why the University of Minnesota, via the Tourism Center, should be involved in developing a statewide tourism research agenda. Such an activity furthers the missions of the Center and the Minnesota Extension Service.

The long-term health of Minnesota's tourism industry is directly tied to three things:

1. the quality of information about product and consumer trends;



William Gartner, Director

2. the implications of new technology; and
3. innovative strategies for marketing and product positioning that quality research make possible.

We are not only committed to helping produce that research but also to interpreting research findings and developing programs that deliver the information to those who need it. This is what we have been doing for several years because it is what we do best. We are especially proud to be involved in this effort. It allows us to participate side by side with our many partners in the Minnesota tourism industry.

William Gartner

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