

CREATING SPECIAL PLACES: TOURISM-BASED DEVELOPMENT FOR LOCAL ECONOMIC DEVELOPMENT OUTCOMES

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The Challenge:

The city is looking for ways to increase the flow of money into its economy. It believes that it has a potential for increasing tourism. How does it evaluate its potential and what does it need to do to build its tourism potential?

The Value of Tourism

Tourism is one of the fastest growing industries in the world. Tourism-based development approaches can be found in communities of all sizes on the rural to urban continuum. Why would a community want to pursue a tourism-based development approach? There are several compelling reasons: (1) tourism can provide both direct and indirect economic benefits; (2) tourism can generate various social and cultural benefits; and (3) tourism can help achieve environmental objectives. Further, tourism-based development can often be applied in communities that may not have many other choices for encouraging economic development and this makes it a useful tool to address. The ability of tourism-based development to be applied to a variety of communities facing many different issues and challenges is appealing, and thus holds much potential.

What is the “tourism industry?” According to one definition, it is the action and activities of people taking trips to a place or places outside their home community for any purpose except daily commuting to and from work; it includes business travel as well as travel for pleasure (Nickerson, 1996). It is comprised of many different organizations from both the public and private sectors including:

- Attractions – recreational, cultural, historic, scenic
- Food services – restaurants and other food providers
- Accommodations – hotels, motels, inns, campgrounds, private homes
- Travel distributors – travel agents, tour operators, wholesalers and ticket agencies
- Supporting infrastructure – necessary infrastructure to support tourism activities including utilities and other services

- Land managing agencies – national, regional and local oversight for managing recreational and forest areas
- Tourism promoters – organizations at the local, regional or national levels to encourage visitors to the area
- Transportation providers – auto, bus, rail, maritime and flight services (Innskeep, 1991 and Nickerson 1996).

Tourism is without a doubt one of the largest and fastest growing industries in the world, with an estimated 200 million jobs globally and accounting for over 10% of global gross domestic product (WTCC, 2005). As economies restructure throughout the world, it can be an important component for communities to consider as part of their economic development approach.

Description of this Tool

It may not be enough for a community to want to do tourism-based development. There are many competitors, and other places may have substantially developed their tourism based economies over much time. What can make a difference is making the community stand out from the others, by combining techniques of marketing with community development. This approach --*creation of special places*-- is the focus of this tool.

While many think of tourism as synonymous with marketing, it goes far beyond that. Marketing is essential, yet building the tourism industry in a community requires more, including planning, development and addressing policy issues that transcend the concern of marketers. It also demands better information and tools to assist with product development, planning and impact assessments. Additionally, making the tourism approach unique or innovative for the community is critical. This requires combining techniques from marketing as well as community development, specifically with an approach that focuses on the assets a city has. This can be done by applying the idea of *community concept marketing* that is, finding a specialty or niche to create “brand” recognition for a community (Phillips, 2002). It is a unique aspect that serves as a basis for garnering external investment, tourism, and other revenue-generating activities and capitalizes on underutilized resources to generate growth and development.

There are many aspects to consider in identifying and developing a unique tourism approach to create special places including: heritage tourism based on historical and archaeological resources; ethnic and cultural tourism focusing on artisans, craftspeople, folklorists, ethnic restaurants or centers, special events, singers or storytellers; natural and recreational tourism based on unique landscapes or features such as a canal, bike corridors as well as ecotourism; popular cultural based tourism using visual arts, music, filmmaking; corporate culture based tourism where visitors see how things are made; and surrealistic strategies where a community may not have enough of the resources listed

above and they literally create a unique niche. All these types of community concept marketing approaches can be categorized as follows (Phillips, 2002):

- Popular Culture – some communities embrace the aspect of popular culture as a platform for devising their marketing approach. This includes using art, music, or even filmmaking as a method to construct the concept. Entertainment is a key element, whether the subject matter is producing entertainment or performing it.
- Corporate Culture – In some cases, communities may link to a corporate or private identify and use the larger recognition of the corporation as a base to build upon. This approach can literally brand a community. Visitors often like to see how items are produced and factory tours for example are becoming more commonplace.
- Retail – Appealing to the enthusiastic shopper, some communities build their concepts around shopping opportunities. The venue may be offered in conjunction of revitalizing a historic commercial district for example, or a themed experience, such as an arts, crafts, or antiques district.
- Tradition – Heritage and cultural aspects of a community are increasingly utilized to serve as the foundation for marketing concepts. This approach uses historic preservation or ethnicity as the draw for tourists.
- Surrealistic – This category is unusual and runs the gamut from creating an atmosphere of the completely surreal to recapturing the historic ambience of a community. It requires boldness and a high level of creativity and generally goes beyond what is normally anticipated in a tourism-based approach.

Guidelines for Applying the Tool: The Four-Step Process

The following process is recommended to start a community on its way to embarking on a community concept marketing approach. A series of questions are asked to help the community apply the process. This four-step process will serve as a guide for communities and help them identify, design, implement, and monitor their approach.

a) What do we have?

Capitalizing on underutilized resources is key in this process. Sometimes a community's assets or resources are readily apparent such as outstanding natural or cultural features. But assets can also be defined as the gifts, skills and capacities of individuals, associations and institutions within a community

(Kretzmann and McKnight, 1993). It is the hallmark of asset-based development¹ to consider what the community has to offer and build upon that for achieving desired outcomes. Other times the assets are not apparent and have to be fully assessed to identify them. This leads to that critical first step in concept marketing for tourism based development: a community audit or inventory of assets or resources, or what some refer to as cultural capital or what makes a community unique. This would include asset mapping², a survey of citizen skills or special talents, such as traditional craftsmanship, as well as any physical and natural infrastructures. Also, the community audit should include a review of financial resources and organizational capacities. Are funds available locally or otherwise? Is the private sector willing to invest as well or is there a possibility of a private-public sector collaboration? There is another asset that needs to be assessed as well: community leadership. Are there leadership resources in the community and is there an organization that could facilitate the process of developing tourism by investigating assets? Is there enough interest and commitment from the civic and private sectors to make it happen? And who are the stakeholders – those in the community who have an interest in helping achieve a more desirable future. This first step is the research phase and can include a variety of sources and tools such as surveys, focus groups, asset mapping, and others.

b) What do we want?

Belief and confidence are powerful attributes and can inspire a community to achieve remarkable outcomes. Thus, this step is crucial and identifies or creates the vision for the community as a guide. It requires the initial development of the concept approach, as well as a comprehensive evaluation of potential effects on and integration with the community's overall development goals³. It uses the information identified in the previous step, and supplements with additional citizen inputs via public forums or other venues to gauge citizen input⁴. Can a desirable theme or concept with a market appeal be identified that is acceptable

¹ Asset-based development is a development approach that focuses on assets or resources of a community rather than the needs. It represents a major shift in how community development is approached as needs can never be fully met whereas assets can form the basis for desirable development outcomes, even in less developed or distressed economies.

² Asset mapping is a process of learning what resources are available in a community, examples include: identification of economic development opportunities through the mapping of available skills and work experience or identification of natural resource assets that may serve as an important source of development by drawing in tourist (Haines and Green, 2002).

³ For example, a community with fragile natural resources would want to carefully consider the impacts of additional stresses from tourists. In some cases, the community may want to limit the number of visitors using carrying capacity techniques to determine the appropriate number of visitors a natural system can support while minimizing negative impacts. Sustainable approaches may be considered such as eco-tourism that better protect the natural environment.

⁴ There are a variety of methods to gain citizen input. These include holding community forums or meetings, using surveys, forming representative committees, or placing notices in local media to encourage input. Whichever method a community chooses, it is important to gauge citizens' thoughts on the concept marketing approach so that support for the ensuing changes will be built early on in the process.

to the majority? How is the market segmented (by type of tourist)? What are the benefits and costs of the concept marketing idea? The overall vision of the concept must be bold enough to inspire yet realistic enough to attain.

c) How do we get there?

This step is to develop the plan to serve as the guide for implementation with specific goal statements and associated action items. It is easier to develop the plan fully as early as possible, rather than bypass this step and regret not having it later. There are several aspects of the plan, including how it will work with overall community plans, and a comprehensive marketing plan⁵. This provides insight into the targeted tourists and market segments, and how to reach them so they will be aware of the community. It requires coordination with travel providers and others involved in the tourism industry. It also identifies which organizations or groups of collaborators and partners will tackle the tasks and action items. It outlines how the funding will be applied and the timeframe for implementation. While collaborative efforts generally work best, in some situations it takes a person to champion the cause to start the efforts and others will join in later. Either way, the plan serves as a guide and schedule for implementing the activities needed to achieve the overall vision and goals. The following is a checklist of considerations to guide this step of the process.

Considerations for Implementation

1. The first consideration is to determine which organization or group of collaborators will continue the development effort. If a citizen committee has taken it to this point, it may be that an established development organization can provide the oversight services, or a new organization may need to be formed.
2. After identifying the vision in Step 3, decide which program or strategy approaches to use. For example, if a community wants to revitalize its historic commercial core as a basis for attracting tourists, then programs that focus on retail and entertainment district development should be selected.
3. The plan will need to be fully developed at this point, with the overall vision and mission stated, and each goal described with action items on how to achieve them. The oversight organization as described above should be responsible for the development of the plan. The information gathered in

⁵It is important to note that the plan does not have to be an expensive "marketing" plan acquired by hiring external consultants. If the funding exists for it that is fine, but most communities do not have the level of funding to acquire such a document. The type of plan described in this toolkit is developed by the community, and looks at information such as targeted markets. The community can rely on creativity and any support organizations to help them construct it. The vital thing to remember about this step is to try to gauge who and what type of tourist would be attracted to the community.

Steps 1 and 2 of the process should be integrated into the plan. For example, if Step 1 revealed a strong crafts skills base as an asset in the community, then developing a goal of craft-based tourist attraction could be stated, followed with action items such as developing a craft co-operative or identify a venue site to host a crafts center.

4. The plan has to contain a marketing component. This can be a full marketing plan if resources exist, or a marketing plan that is researched and designed by the oversight organization or committee. Either way, the marketing component identifies and targets potential tourists. Coordination with a regional tourism group would be helpful at this stage.
5. An implementation schedule must be included, with a timeframe and listing of activities for all involved groups. The schedule should be followed and revised as necessary if conditions change. The oversight organization is responsible for implementing the action items and following through to ensure completion.

d) *What have we done and what do we need to do now?*

Monitoring and evaluation is crucial to make adjustments and revisions as needed. After the first three steps, the community must comprehensively evaluate the potential effects on, and integration with, the community's overall development goals. On-going evaluation is critical as well to adjust the approach as needed and respond to opportunities. Evaluation provides the opportunity to gauge whether or not the desired goals and outcomes are being achieved and if adjustments are needed. Essentially, if the goals are being achieved as identified, agreed upon and implemented in the plan, then the concept marketing approach is successful. If problems arise and negative outcomes are generated, evaluation helps the community discover the underlying causes and respond appropriately. An oversight organization should be responsible for coordinating the monitoring and evaluation activities and helping implement the components of the approach.

After these steps are implemented, the community will have conducted the tourism-based development process for a community concept marketing approach. It is important to note that while the process is most intensive at the onset, it does require oversight to gauge impacts and outcomes for as long as the community pursues the approach. Some communities find that periodic updating helps to maintain or enhance development outcomes.

Case in Point: Bellows Falls, Vermont⁶

The conversion from a dilapidated former mill town to a vibrant community attracting national attention has been dramatic and impressive. The village of Bellows Falls, population 3700, was in serious economic decline by the 1980's, with the once vibrant brick factories vacant and crumbling, the Victorian houses subdivided into apartments, and the majority of storefronts empty. So much change has occurred since that time that the Vermont Community Development Association held a day-long conference in 2000 to showcase the village as a 'prime example' of a community using creative ideas, the arts, cooperative local citizen efforts and wide variety of funding sources to revitalize itself.

How did the change occur? In 1997, Robert McBride, an artist from New York who first visited the village in the early 1980's, founded the Rockingham Arts and Museum Project (RAMP), a nonprofit community based organization. This community based organization has as its mission statement:

"RAMP is intent on developing awareness of the arts, creating vitality in the community with the arts and demonstrating that the arts favorably impact the local economy. Success of the program relies on developing effective partnerships. The theme is Art Makes a Difference!"

The organization was founded in this case by a community "champion" who took on the challenge of revitalizing the crumbling Victorian era village. He enlisted the support of local businesses as well as artists in the area. In this case, it was not a process of community participation, but rather a motivated individual who inspired others to take up the challenge as well. Later, the local government bought into the concept development and began to invest in infrastructure improvements.

RAMP has been credited with prompting the village into action and taking charge of the future, rather than being victimized by hard economic conditions. RAMP does more than organize and coordinate arts events - it integrates art into overall community development, in a manner that builds support for the arts through infrastructure improvement and other activities. For example, RAMP renovated the historic Exner Block (built in the 1870's, the pressed tin structure is considered one of the state's important architectural features) Remaining unused for decades, the Exner Block is now affordable space for artist studios, apartments, and retail space. The funding required a creative mix of public and private sources, bringing together more than \$1 million in tax credits from local banks, \$400,000 from federal sources, and \$400,000 from the state of Vermont. Through RAMP's efforts, Bellows Falls became the ninth community in the state of Vermont to receive official Downtown Designation, which helps promote revitalization efforts for its historic commercial core area.

All of this was done via the ideas identified and designed as part of their planning action. Their overall mission is to develop Bellows Falls as an arts-based community, drawing in tourists to visit the galleries as well as others to live and set up businesses. One of the goals is to create the perception of the village as an arts venue. One of the action items to help accomplish this included murals painted on the sides of the historic buildings in the commercial core, including applying for and securing funding from a national arts organization to fund artists in residence in the village. These artists help with the murals

⁶ This case is excerpted from Phillips, Rhonda (2004). "Artful Business: Using the Arts for Community Economic Development." *Community Development Journal*, Vol. 39(2): 112-122. <http://cdj.oxfordjournals.org/content/vol39/issue2>

and also bring attention to the village through displaying their works. A key in the case of Bellows Falls has been to enlist the support of others and tie in the community concept marketing approach with overall development plans and activities with local government and other nonprofit organizations. It resulted in a major transformation for a declining economy to a vibrant arts-based community that attracts tourists and new residents.

Conditions Needed and Other Considerations

The approach of creating special places with community concept marketing for tourism-based economic development takes much energy. But the results can be rewarding. It can provide an excellent opportunity for communities to capture the benefits of one of the largest and fastest growing industries in the world. Communities have to make decisions about how they use limited resources, and they have to consider the potential outcomes. In some cases, isolated locations prohibited attraction of industrial or other revenue-generating activities and they were faced with the demise of their communities unless the economics changed. In those cases, the concept marketing approach was the development strategy of last choice, and perhaps this pressure provided the catalyst that spurred positive change and desirable outcomes.

Conversely, community concept marketing approaches can be risky; for every success story, there are other stories of failed attempts. There are also negative outcomes to be considered such as increased traffic congestion or increased prices for property and goods that outpace the buying power of the citizenry. There may be impacts on the physical and natural environments. Additionally, any development approach that holds the potential to dramatically change a community has high stakes and political implications must be considered.

It is crucial that the community keep in mind the goals of the concept marketing approach to create their special place. Focusing on the goals as identified through the community development process will keep the community on track with the time, energy, and other resources required to make the approach a success and mitigate negative impacts. The following list provides a summary of conditions needed to effectively implement a community concept marketing approach. While not all the conditions listed have to be present initially, it is critical that the first set, necessary conditions, be evident to start the development process. A community must be willing to explore and pursue change in its current development conditions in order to achieve desired outcomes and there must be someone to direct the effect.

Necessary Conditions

- The community desires change from their current development conditions.
- There must be a person or group of persons willing to “champion” the development changes. This could be an individual, an organization, the public or private sector, but there must be someone willing to take on the challenge.

Desirable Conditions

- Access to a regional or national development organization or agency that would be willing to help with technical or financial support.
- An existing comprehensive or overall community development plan is helpful.
- Any previous surveys, asset inventories or other assessments of community resources can help the process timeframe.

In closing, the approach of tourism-based community concept marketing represents an opportunity for communities to capture the benefits of one of the largest and fastest growing industries in the world. Often, this type of approach has less severe impacts on communities than other types of development. Most importantly, the approach needs to build on assets inherent in the community. Finally, the stakes are high in tourism-based development because of the potential to dramatically change a community in various ways and aspects. With good oversight and implementation, the results can be beneficial.

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