Theory & practice of strategic planning for tourism

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By

………..……………..

Declaration

This work is being submitted in partial fulfilment of the requirements for the degree of **...** and has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

Signed: .... (Candidate)

Date : ....

Acknowledgement

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Thank you.

………………

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Executive summery

Introduction to Tourism Planning

Tourism is defined by the World Tourism Organisation (WTO) as comprising the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes.

Tourism is the most potential industry in the business context. Most of the people desire to travel various places therefore tourism become a major part of the today context. According to the statistics, there is 760 millions of international tourists travel in around the world in year 2011. Further world trade organization stated that 52% revenue generated by European and 21% by Americans and 20% by the Asia and pacific countries. In addition to that Africa and the Middle East get 3% out of total revenue in the tourism. Through this industry can create 200 millions of jobs in worldwide its percentage is 8% of total employment and it wish to grow up to 260 million in 2012. Above statistics, clearly show the importance of the tourism industry. There are lot of factors that may influence the tourism such as political situation, economic situation, social and cultural factors as well as technological changes. Today tourism more prefer for safety, higher quality, beautiful locations. Above factors also a part of the factors that important to develop a sustainable development plan for tourism.

Tourism planning is a set of steps that focused on the achieving a desired goals and objects through effectively utilization of the resources while fulfilling the needs of the tourists. Factors or steps including in the planning process are as follows.

➢ Identify the desired goals and objectives.

➢ Secondly identify desired tourism system.

➢ Determine alternatives for achieving the goals.

➢ Determine the best suitable alternative.

➢ Implementation and evaluation of the progress

Following factors should consider in the developing tourism plan there are local and foreign customers, regional cultures, values and attitudes of the people. To be successful this plan should interact with local activities such as political, social welfare, legal environment.

Tourism Planning: Agencies and structures

From starting the civilization up to now tourism has developed a significantly. Around 18th centuries was the beginning of the modern tourist industry. In that era, leisure comes more important in tourism side. From introducing the travel, agencies trend to develop mass tourism. Thereafter this commercialized industry come to the present through facing to the several changes. (Burr, Steven, 2005)

Most of people argued that whether government get the control over the tourism field or they give the independence to operate to the agencies in tourism sector, in situation of the UK government made more complex web of agencies, overlapping and competing roles.

Governmental regulatory authorities

➢ International Civil Aviation Organisation (ICAO)
➢ International Air Transport Association (IATA)
➢ UFTAA: United Federation of Travel Agents' Associations
➢ World Tourism Organization (UNWTO)

International regulatory institutions

Supranational institutions work over several countries that are within the certain geographical area. Association of South-East Asian Nations, the European Union and the North American Free Trade Area are the best example for these types of the bodies.

Local regulatory authorities

There are lots of local bodies intervention and regulate the travel and tourism industry in an effective way. They all try to ensure tourism industry has a specific standard in its operations.

Impact on the tourism planning

Impact may either positive or negative positive consequences are job created and increase the prices of food houses ad lands in the destinations are negative impact of this. This impact becomes an evident in the tourism season. Even though tourism is more potential area in the business context there are some factors may affect to that there are economy, political situation, disasters I the country (Godfrey, Clarke, 2000)

- **Economy**- situation like recession or decline stage of economy people in that country not more consider about the tourism they try to fulfill their basic needs.

  Further, more if countries economic situation is not a good level investors are also not engage in new investment it will tend to downturn in the sector. Therefore, tourism can be positively affected to the development side, employment sector investment sector as well.

- **Political situation of the country/region**- Tourism industry much affect by the political context of the country. If there is a long lasting war, tourists of much like to visit there.

- **Natural disasters**- tourists not much desire travel in disaster areas. Especially in a particular area frequently faced several disasters. (refer appendix 02)

Process of planning

Planning process plays more critically as give directions for coming years and provide vision and goals for the society to improve the tourism sector. This planning session normally covered three to five years and give fresh opportunities in implementing stage. Tourism planning strategically more important for coming years and make suitable adjustments in the implementation stage within this process it more focused on the measurable achievements and give priority to the action plan. (Burr, Steven, 2005)

Key areas in the Planning Process

During the planning process should consider of measurable things and how those things fit on that achievement. Following things are the more important areas should consider in the planning process.

1. Determine the industry nature by considering past present and future.
2. Determine the opportunities ad problems within the tourism industry.
3. Define the business objectives that can be realistic.
4. Identify the ways that can be useful in achieving the objectives.
5. For execution the programme establishes a timetable
6. Identify a relevant procedure for monitor and evaluate the established programme.
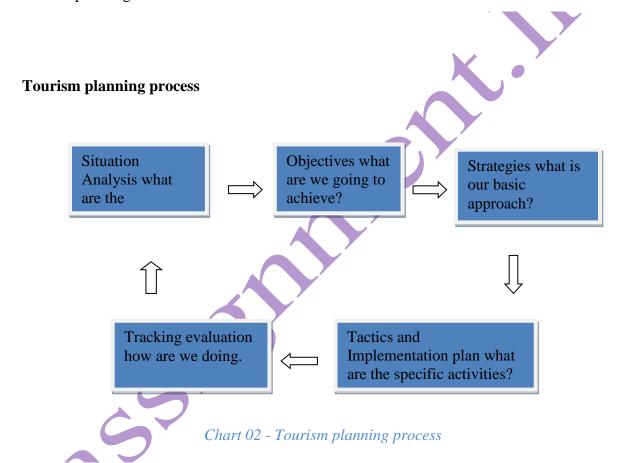

Chart 01 - the Planning Process

Planning steps in Tourism

Following explain in detail how tourism planning programme is implement and the levels can implement in general it can doing in local level and below that level there is a detail planning exist. Levels of implementing are as follows.

- Cross-national level
- National level
- Regional level
- Local or community level
- Basic planning level

This planning process can be seen as a cycle and the learning can be applied to the next tourism planning level.

Tourism planning process

Situation Analysis what are the

Objectives what are we going to achieve?

Strategies what is our basic approach?

Tracking evaluation how are we doing.

Tactics and Implementation plan what are the specific activities?

Chart 02 - Tourism planning process

This type of planning exist for a period of year and after the period new plan will develop based on the past experience for the purpose of improving the performance of the following year.

Concepts that involve in a well develop tourism plan include.

Needs of the tourists

Consider about the needs of the visitors is must in every sector, business in the tourism industry. Firstly, they should understand the needs and wants after take necessary steps for fulfilling their needs. (Burr, Steven, 2005)

Inclusiveness

Developing a plan is more important for answer the problems and opportunities of the industry by effectively collaboration process.

Positive engagements

Building strong and healthy partnerships with relevant government, sectors, operators, educational sectors are more important for effective tourism plan.

Sustainability

UK tourism industry can improve by considering the needs of economic, social, cultural and environmental situations. (Middleton, Victor, Rebecca, 1998)

Support of the stakeholders

In order to success in the field of the tourism should need to get support from stakeholders consisting of government, local entities, and residents.

This type of planning process can be applied for any tourism context however there may be some deviations in the expected goals of these contexts. Therefore, many issues can be derived with those differences so following factors should include in the planning process.

> ➢ Encouragement by the government
> ➢ Providing sufficient resources
> ➢ Social impact
> ➢ Determining the possible economic consequences

Marketing the destination

Marketing is a social and managerial process by which individuals and groups obtain what they want and need through creating, offering and exchanging products of value with others
(Kotler 1991)

For survive in the industry marketing activity should be consider ad implement. Even we produce a higher quality product it is not sufficient if we cannot successfully deliver it to our target customers. Therefore it is necessary implementing a marketing plan in the tourism industry towards its improvement. (Godfrey, Clarke, 2000)

In order to develop a marketing plan for tourism industry it need to establish a well defined objectives and those objectives should develop by considering the SWOT analysis about providing tourism services (Godfrey, Clarke, 2000) before developing a marketing programme it should be necessary for implementing a market research in the particular tourism industry.

Following are the reason of importance in the marketing planning.

> - It is future oriented system
> - Company activities can properly coordinate.
> - Can determine the control by performance standards.
> - Can properly integrate the company objectives and policies.
> - Easily achieve the desired improvements.

Measurement, monitoring and evaluation

Time to time measure the success of the process is much important to get the desirable output from that process and if it shows, any deviation should implement corrective actions for reducing the variations. Therefore when develop a planning process consider about the measurement and evaluation is much important. Above explained evaluation and monitoring in the planning of tourism can be illustrated as follows.

✓ **Determining the tourism supply**

Another important factor is look at the numbers of destinations, beaches, service providers, that can be attracting the tourists. Therefore Tourist Company can compare their strengths and weaknesses in the industry level and develop suitable plan to overcome these issues.

Impact of the value and volume of tourists

In considering the hotels and restaurants these volumes of tourists' arrivals are much important to the particular service provider. (Burr, Steven, 2005)

Impact o tourists' arrival of the satisfaction

Service organization should assess the customer satisfaction by considering the services they provide in day-to-day practice. If tourists not satisfy company should find out what are the main reasons for that.

There are lot of factors may affect to the overall performance of the tourism industry. These factors also identify as major problems that associate in the improvement of the tourism industry. Some of the problems are illustrated as follows.

- **Ignoring the qualitative factors**

in measuring the efficiencies more focusing on the quantitative factors only such as number of new tourists arrival, amount of items sold, total turnover even though above factors not cover the qualitative factors such as experience level, satisfaction level, attitudes and perception about the service. In order to overcoming, these issues considering qualitative factors are also important.

- **Possibility to manipulate the overall result**

In measuring performance, there is a high possibility to manipulate the results as an example if employees try to serve many customers at the same time to show their effectiveness it can be affect to the quality of the performance in the industry level.

- **Lower focusing on creation of asset ad company growth**

When consider the performance evaluation technique many companies are focused on the few basic factors such as annual turnover, amount of new customers, profitability Even though these factors give lower attention towards the asset creation and asset using effectiveness in the organization

- **Lower attention on new thing innovation and organizational learning process** – when consider about most of the measurement techniques they not much give attention on the innovational side and learning side.

Tourism planning approaches

There are four main approaches available for tourism planning there are economic approach, boosters approach, community approach and physical-spatial approach. In the economic approach, planners mainly focus on the economic benefits that can be gained from the tourism industry. In boosterism it mainly concentrate on how to develop tourism as mass tourism industry and it always try to ignore the negative effects on economic, cultural and social as well as environmental. In the physical spatial approach try to determine the territorial land marks for the purpose of sufficiently distribute the economic resources among of the economic factors. The community-focused approach stated that tourism was negatively effect to the socio culturally and it should be try to decrease that effect as much as possible. These four basic approaches can be identified as main strategic approaches for sustainable development for the tourism industry.

Tourism Planning In Sri Lanka (2011-2016)

"I will introduce an accelerated development programme for the tourism industry. I will launch a programme to fulfill the infrastructure and other requirements in order to attract 2.5 million tourists annually, by the year 2016."(Mahinda Chintana, 2010)

Present government of Sri Lanka much committed to sustainable development in the tourism industry in Sri Lanka by establishing a framework for coming years called "Mahinda Chintana" - Vision for the Future – In this framework government mainly expect on the protection of the environment and distribute the economic benefit across the society in a fare manner. Factors that government expect to use for achieving this goal are bio diversity of Sri Lanka, strong culture, historical ruins they have, exotic beaches, green environment and more friendly people in country. These are the basic component for developing this sustainable tourism improvement.

In 2016 Sri Lanka government set a target of 2.5 M tourists' ad they implement more programmes to achieving that target. For the period of 2011-2016 department of economic development has developed a 5 year master plan and it respond to the main issues relating to the tourism sector consisting environmental, social and cultural as well as those things integrated to the main national development plan also.

Key focus objectives.

Following are the main objectives try to achieve in coming 5 years.

1. Improvement of the tourism arrival from 65000 in 2010 to 2.5 M in 2016.
2. Increase up to 3000 M of USD as foreign direct investment.
3. Creating job which tourism related around 500000 in 2016 and improve the tourism industry based on the resources throughout the country.
4. Equally distribute the economic benefit of the tourism throughout the country and include the tourism to the real economy.
5. Improve the foreign exchange revenue from USD 500 M IN 2010 to USD 2.75 M in 2016

Following are address the strategic implementation expects to do in coming 5 years in the master plan and key focus areas in the tourism plan.

➢ Develop an environmental friendly environment.
➢ Try to attract the correct people as tourists to the country.
➢ Develop a evaluating the satisfaction about their tour in country.
➢ Not only has the foreign but also increased the local tourism industry.
➢ Increase the global reputation about the Sri Lanka.

Guidelines for development

Moratuwa University emphasises the important of national framework for improve the quality of the tourism industry in an effective way.

Solutions for transport

Sri Lanka tourist development authority stated that using sea planes and light aircraft can be more use full in reducing the time required for travel within the country. Since there are large number of water bodies in the country seaplane is more suitable for transport the tourists. Railway transportation also a valuable solution for tourism industry In order to improve the railway transport we can modify it and improve the carriage therefore tourists can feel higher facility transport in railway in Sri Lanka. In addition to that tourism development authority recommended that introducing and improve the tour bus service in city of Colombo and boat service system in connecting the canal through the lakes of Sri Lanka are more beneficial for the country itself. Now those things are implement in Colombo city to attract the tourists as well as improve the facilities in the city hotels and other location in the country and improve the airport taxi service are also important to achieve that target in 2016.

SME Sector and product innovation with the support of tourism

In order to develop in tourism we have innovate new things that should go beyond the traditional perspectives of the tourism and think new concepts to attract the tourists. Economic development is one of the major objectives of the tourism for these purpose tourism industrials should

create a strong value chain in order to create the value in the industry.

Human resources in the tourism sector

There are two major categories of strategies that can be use for facilitate the human resources gap in the tourism industry.

> By providing necessary training to the industry, employees to meet the human resources required in the direct services of tourism.

> Fill the resource gap by providing the necessary training to the guiders, hosts, both formal and informal providers of services.

How attract the right tourists to the country

1. In increasing the tourist arrival up to 2.5 M by 2016 relevant authorities should focused o three major areas. Those areas are as follows.

2. Based on the relevant criteria's segment the total market and finally determine the more suitable target market to operate.

3. Ways that can be used to deliver their services to the selected target market.

4. How create the facilities to the visitors

Target in tourists arrival to the Sri Lanka

Government expect to improve the room capacity in hotels by giving required resources to the investors tourism industry wish to move for premium prices for high spending tourists it also can be useful to generate high revenue.
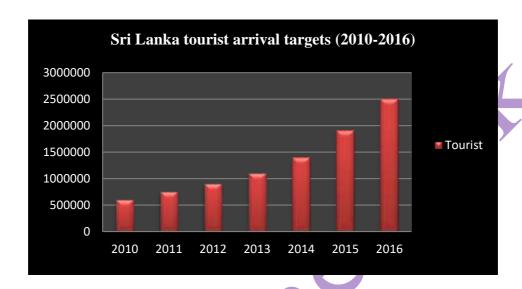

Chart 03 - Sri Lanka tourist arrival targets (2010-2016)

Expected public and private investments in tourism (Expected Investments (M))
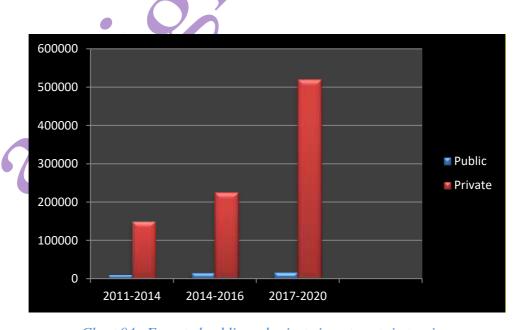

Chart 04 - Expected public and private investments in tourism

Governments' tourism development framework

To become the largest contribution sector in earning the foreign exchange is the vision of the government and they forecast to achieve that in 2020. Government try to do that by holding the country as the greenest and friendlier country in the world. Sri Lankan government believed that if they can increase the room capacity by 45000 they could achieve the target of 2.5 mn tourists. Government wish to invest of 2mn dollars for building hotels, luxury homes, shopping complex. Therefore it becomes more business opportunity for the furniture industry, transport and food and beverage industry also. According to the forecast, this industry can create the job opportunities around 350000 people. Government wish to attract the tourists up to 4 mn by 2020.

World Bank already said that they support to improve the tourism industry in a sustainable manner therefore; Sri Lanka tourism development authority plans many sustainable development projects. In these projects, they try to develop tourism while protecting the natural resources as well as cultural values of the Sri Lanka. Tourism development authority try to implement these projects in some tourist attracted areas such as Kalpitiya, Anuradhapura, Kandy, Matale, Colombo, Trincomalee.

How define the tourism in a sustainable way

Today most of the countries aim to develop the tourism in a sustainable way which mainly target on the biological resources, climate changing ad natural resources implications of the environment, economic, social and cultural should be consider for obtain the positive results from the planning process.

Process of implementing the tourism activities concentrated on the reducing the environmental impact and cultural values of society is the definition of the sustainable development of tourism sector. Process of this can be measure by using the "Eco Tourism" system.

World commission on environment and development is introduced this sustainable development at first time and define the sustainable as the using the available resources without compromising the future usage.

Due to following reasons sustainable tourism, become much important for expantion of the tourism industry worldwide.

- Sustainable development try to protect the cultural and social value as well as environment while development of the tourism
- Concentrated on the identification of cultures
- While support to achieving the organizational goals try to protect the organizational culture.
- Buying the required raw materials and services for the purpose of assisting to the local manufacturers.
- By controlling, the usage of resources tries to protect the on renewable resources.

There is a debate, more discuss about the word of sustainable development, and most of the writers said that sustainable development could not be overemphasis. Now most of the countries worldwide recognize the importance of the sustainable development of tourism industry. Researchers found that there is a gap between the application of the concept and the sustainability. Although there is a concept developed as "sustainable Development" that is focused on protecting the environment and reducing the adverse impact on the community and the culture, still there are some organizations that do not move into this concept. As a result of this kind of companies, there are some issues that will badly affect over the environment and community.

There are many concepts that should focus on implementing the sustainable development of tourism. There are reducing the pollution, protecting the social values as well as cultural values, determining the target market, attract the right tourists to the country, distribute the economic benefits throughout the society in equally, enhancing the facilities for tourists.

Issues of sustainable tourism development

There are some companies which not concentrating on the sustainable development becomes major problem to the improvement of the tourism industry. They only focus on the profit and not the environment, cultural value, social value and other positive factors.
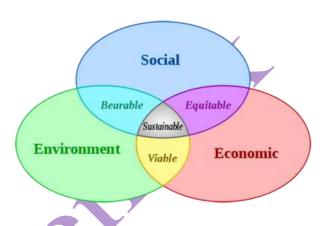
Impact on economic system

Sustainable development plays a vital role in the economic system in a country. Tourism industry has the ability to create the more job opportunities in the society and upgrading the people quality of life. By improving the construction, side also has the positive impact on the

country. Obtaining the foreign exchange from the tourism side becomes major impact on the economic development of the country.

Impact on environment

In developing a country environment face a major problem therefore, environment protection becomes major concentration in developing the tourism industry. Sustainability development shows a clear path to environmental sustainability also. In here, community try to fulfil their needs and wants without compromising the future generation's ability to fulfilling their own needs and wants.

In here community protect their natural resources to the future generation also therefore tourism industry can be secure and get the higher possible outcomes from that.

How it affect to the social.

Sustainable development of tourism faces a big challenge by the communities and their relationship. Culture of the country mainly affect by the tourism industry therefore sustainability of tourism should concentration o the protection of values of culture. As an example tourists come from the European and African feel huge cultural difference in travelling to the Asia continent. Due to that difference there may be some positive as well as negative impact on the countries from this tourism industry. (Middleton, Victor, Rebecca, 1998)

Steps consisting in the sustainable tourism

I this process mainly focusing on the fulfilling the needs of the tourism, social and cultural impact, environmental impact, destinations of tourism. Therefore, these ten steps can be use in different ways to achieve the desired goals and objectives.

- ➢ Establishment of audit procedures and project assessment for the improvement of the tourism sector
- ➢ Before managerial or business, planning should consider about the issues, which related to the tourism and heritage of the country.
- ➢ After consider the issues of tourism then can be develop strategic program to implement
- ➢ Give support for innovational products relation to the tourism industry.
- ➢ More focus on the infrastructure development in the tourist destinations
- ➢ Segment the market and select the most suitable target market to operate in an effective way.(Middleton, Victor ,Rebecca ,1998)

How effectively plan on International Tourism

If any business engages in cross boarder transaction, it has to adapt to the rules and regulations in respective countries as much as possible. When consider the laws that may affect to this transaction can be divided in to two categories called "Soft laws" and "Hard laws". Differences between these concepts of laws can be illustrated as follows.

Soft laws

When two or more parties enter in to the agreements with good faith and do the negotiations are called soft laws. Legal implications of these type of the laws are lower than the hard laws.

Hard laws

Not the same as soft laws these types of the laws are bound by the laws and it has legal implications. This kind of law imposed by the government in terms of constitution, acts or by the other authorities

Sovereignty is a major factor for improve the tourism process in worldwide. When a country has some problems, relating to the sovereignty it may be tend to discourage the tourists to arrive to the country therefore this concept is more important for the purpose of developing the tourism industry in respective countries.

Borders

Boarders become the major factor in tourism industry because passing the boarders one by one can affect the different laws and regulations and cultural differences.

What are the functions of Boarders?

➢ Can be separately identifying the regions in world.
➢ Act as a barrier for negative consequences derived from the tourism.
➢ Setting the contacts of line.
➢ Act as a place for communication and exchange
➢ Create the attraction for tourism.

Recommendations and Conclusion

Tourism is a major contributing industry for developing countries in the world because it has great potential rather than other primary industries we have. When we get anything in than practical world, it has two sides so tourism also has advantages as well as negative impacts.

When exercise an inefficient and ineffective management for the tourism industry that will lead to destroy all qualities of the natural as well as human environment, which are, contribute to attract the tourists Tourism industry mainly use for economic development by many communities but it is more advisable for the communities in focusing about sustainable development of this industry. It will useful for present and future generations because the resources are not only for present generation it also for future generations. When, going to set strategic plan should be consider about economic factors, environmental factors, and social factors so corporations should take in to the account of social culture management as well as the environment while maximizing returns.

Better planning agenda is more critical for better functioning of the tourism sector. While operating in this sector it should be more important for considering the factors such as international laws, cultural and social values of each country not only that identifying the emerging market is also important and the knowledge of sustainable development. If a

company engage in international tourism business, it should give attention above mention factors effectively while achieving the desired goals and objectives. Those objectives have to clearly identify in the tourism planning.

Finally, it can be conclude that if any business organization operates in the tourism sector and it compliance with all above-mentioned factors in an effective way. No one can create the barriers to growing this particular tourism organization.

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Appendices

Appendix 01

How Environment impact on Tourism (Chart 05)