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Chapter 4

The strategy of urban tourism

During the 1980s, policies aimed at developing tourism in cities were widely adopted in North America, Western Europe and many other parts of the world. At the beginning of the decade, Bradford in England, a city hitherto only noted for its woollen industry, surprised many people in Britain by advertising itself as a tourist centre. Could they be serious? When other industrial cities and towns attempted to follow the example, the media had so little understanding of tourism that cartoons or photomontages were produced of people sitting on beaches against a background of factories. However, what was considered a surprising development by many at the beginning of the 1980s had by the end of the decade become accepted orthodoxy. The aim of this chapter is to explore the reasons why and how cities came to incorporate tourism into their economic objectives, how they have developed tourism strategies, what the urban tourism product is, what the urban tourism markets are and how tourism strategies are implemented. This chapter provides an introduction to topics that will be considered in more detail in later chapters.

ADOPTING TOURISM AS AN ECONOMIC STRATEGY

The context for the proposal to develop tourism in cities has already been outlined in the previous chapter. Since at least the 1970s cities have found themselves in a more competitive environment. This applies to all types of cities both the world cities and the older industrial cities. The effects of globalization and decentralization have been experienced in the run-down and closure of activities and establishments which have often resulted in derelict and under-used areas on the edge of the city centre and in the inner city. Cities need to attract new and growing activities which will provide jobs and assist the physical regeneration of inner city zones. To many cities tourism has appeared such an activity, destined to grow with increasing affluence, leisure time and easier mobility. Moreover, it was an activity for which cities already had a basis: in their visitor attractions, historic buildings, sports and cultural events. Without much deep thought and analysis political leaders came to the view that tourism did have a role to play in the

development of their cities. Tourism was never perceived as a panacea for all urban problems but as part of the solution.

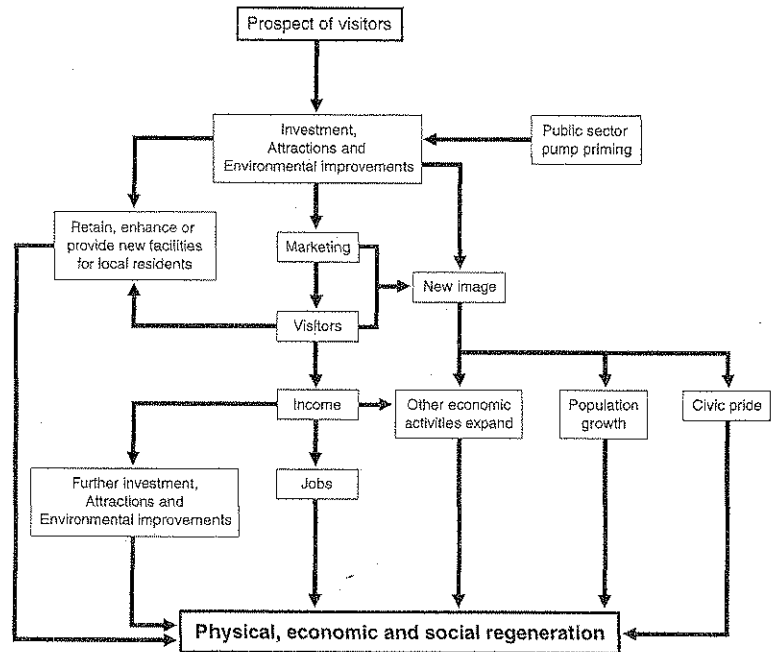


Figure 4.1 The strategy of urban tourism
Source: After Law (1992)

However, it would be too simple to see tourism development as just one component of local economic development policy, similar to either industrial or office promotion (Law, 1991). The advocates for urban tourism have always suggested that it had much greater significance (Collinge, 1989) (see Figure 4.1). Investment in tourism involves the development of facilities, activities, physical environments and infrastructure which will have benefits for the local community. It involves the marketing of the city and the selling of an image which will assist in the attraction of industrial and commercial activities (Ashworth and Voogd, 1990). As discussed in Chapter 3, in order to attract mobile investment and activities cities must first gain attention in an increasingly competitive situation. Advertising the city and engaging in activities which will be of assistance to those engaged in economic promotion. Many of the functions which could be expanded at least in part because of the desire to attract tourists, such as culture and sport, will help persuade potential residents, such as business professionals and executives, that the city is a good place to live, that it has the right lifestyle opportunities. With the renewal of old districts and the new image that this brings, it

will be easier to tempt middle-class residents to come back and live in the inner city. The new facilities which are constructed partly to attract tourists will also be available to local residents, and the money spent by tourists in these facilities will assist in making them more economically viable, maintaining them to the benefit of the local community. Finally, the development of these facilities, the physical regeneration of zones and the arrival of more visitors will increase civic pride which is generally regarded as a desirable quality. It is suggested that local residents who have civic pride will take a greater care of the environment.

Large cities are already tourist centres, but if tourism is to play a larger role in the economy, then it must be substantially increased in size. This will mean attracting thousands of extra tourists to bring in the additional income and encourage further rounds of investment. To attract more tourists the necessary resources must be expanded. As discussed in Chapter 1, these can be classified into two types (Jansen-Verbeke, 1988). Primary elements are those which attract people and consist of historic buildings and urban landscapes, visitor attractions and convention facilities. These can be described as the urban product or products and will be discussed below.

While the strategy of urban tourism has been widely adopted, the path to adoption and incorporation in plans has not always been straightforward. Critics, who sometimes include elected representatives, have suggested that tourism is not a 'proper' industry, and that cities should continue to rely on manufacturing industry to restore their fortunes. Given the near universal shift in employment structures away from manufacturing towards services, this approach appears increasingly irrelevant. Cities must seek to expand the service sector, which is very broad, and thereby create jobs. Tourism is one part of the service sector and, along with finance and business services, is one of the fastest expanding industries. Another criticism of developing tourism concerns the perception that the industry only provides low-paid, and seasonal jobs (Williams and Shaw, 1988). For urban tourism the latter statement is not true, or much less true than for the rest of the industry. Evidence to be presented later in this book will demonstrate that many of the components of urban tourism, such as conferences and exhibitions, experience only minor variations from one part of the year to another, and that the hotel industry in cities has a very different seasonal profile from that in resorts. While some of the jobs are low skilled, this could be in the industry's favour as when it is located in or near the inner city the reserves of labour which are available are predominantly unskilled. The tourism industry does in fact provide many skilled jobs in the high levels of management.

Another strong argument against the tourist industry is that it involves expenditure on visitor facilities when the priority should be spending on facilities for local residents. For this reason many studies have attempted to show that there are community benefits from tourism and that any public sector investment can be justified.

This ambiguous attitude to tourism held by some city councils has meant that funding sometimes has been either denied or limited so that the expansion of tourism by cities has varied in scale from place to place. Of course, general attempts to cut public expenditure have impacted on the funding for tourism projects and administration, and this again has varied from city to city.

Other critics perceive tourism as having adverse consequences for cities. Bringing more visitors to a city might add to existing congestion. More tourists will add to the wear and tear on facilities and increase the cost of urban management. Furthermore,

the influx of visitors may not be welcomed by local residents and the facilities or the specialization of these facilities favoured by tourists may not be those needed by the community. Thus speciality shopping has been described as 'commercial gentrification'. These and other criticisms will be considered later in this book in the chapter on the impact of tourism.

DEVELOPING AN URBAN TOURISM STRATEGY

Tourism, because of its fragmented nature, is one of the most difficult industries to plan. Both the public and the private sectors consist of many components, not all of which recognize that they are or could be part of tourism. As has been mentioned before, the resources which tourists use are also used by local residents and the proportional importance of each market will vary from one activity to another. It may be high for hotels but in many cases, as with retailing, the tourist share may be quite small. Given this situation, it is not surprising that many parts of the sector do not wish to contribute to a tourist strategy.

Within the public sector many local authority departments may be involved with tourism either directly, such as the providers of visitor attractions like museums, or indirectly such as cleansing departments whose role in keeping a city centre clean and tidy could be vital in shaping the image of a city and in forming the initial visitor experience. In the past and often today it has been the planning department which has attempted to research the tourism sector and develop strategies. More recently the restructuring of local authorities has often resulted in large departments such as leisure services where there has been a significant interest in tourism sufficient for it to want to be the lead department in developing a strategy for the industry. Once a strategy has been developed and given political support, it is easier for the sector to implement proposals.

In contrast to the public sector, the fragmented nature of the private sector and its varying levels of interest often make it difficult for the sector to come together in a trade body and to contribute proposals for the development of the industry other than general promotion. It is in the nature of a free enterprise economy that individual entrepreneurs and firms make a decision to enter (or leave) the tourism sector and they may be only slightly influenced by whether there is a tourism strategy or not. The best that can be said about having such a strategy is that it gives confidence to entrepreneurial activity. A city that has an expanding tourism industry is likely to experience independent private sector entrepreneurial activity which may or may not be related to any strategy and which may necessitate subsequent adjustments to any strategies. In contrast, a city with a small base in tourism which it wishes to expand may be desperate to attract private investment but despite its best efforts it may still find it difficult to obtain.

The initial forays of cities into tourism were relatively simple and unsophisticated. Attracting tourists was perceived to be simply a matter of advertising what resources the city had in traditional ways: leaflets, newspaper advertisements, etc. Gradually the idea of target markets was taken on board and then the development of slogans, and finally, the idea that there might be an urban product that could be sold. But this was very much making the best use of the resources that were available. The package on

scattered around the city in historic buildings and cannot be moved. One of the earliest examples of museum grouping is to be found in Berlin where Museum Island (Museuminsel) consists of five museums built between 1830 and 1900 as a flagship of cultural federalism for the new German state. In South Kensington in London four museums were developed in the late nineteenth century but perhaps the best known example is Washington, DC, where the Smithsonian Institution has 13 museums in the central area. More recently cities in Germany like Cologne and Frankfurt have followed a similar policy. Frankfurt has used the southern bank of the Main as the location for seven of its 24 museums, 11 of which were established in the 1980s (Figure 5.5). In the 1980s eight new museum buildings were constructed, part of a policy to change the image of the city using architecture. These museums attract about 2 million visitors a year. This policy of creating new museums has arisen because of the city's desire to prove that it is one of Europe's leading cultural cities with a mix of facilities providing a high quality lifestyle for its inhabitants, and that it is not just a banking centre. The South Bank (Museumsufer) is near the historic Romer Square where there are also some attractions and so it provides a compact tourist area. In preparation for its role of Cultural Capital of Europe in 2001, Rotterdam is creating a museum park with five museums. Currently Vienna is seeking to extend its area of museums on the Ringstrasse northwestwards to create a museum quarter, and Munich is undertaking a similar process. In Britain several cities have considered creating such quarters, but their realization has been more difficult. Liverpool has the opportunity to group new attractions on the reclaimed waterfront. The Albert Dock is the site of a Maritime Museum, the Tate North, The Beatles Story and Liverpool Life and the adjacent Kings Dock site, used only as a car park for 20 years, could be used for more attractions if only they could be found (Figure 5.6). Similarly in Manchester the fringe Castlefield area was conceived as tourist and leisure zone, but except for the Science and Industry Museum and Granada Studios Tours (now closed) no other visitor attractions have been created.

Case Study: Bilbao

The opening of the Guggenheim Museum in October 1997 had the most dramatic impact on a city's tourism industry that arguably has ever been seen and although this may be a one-off case, it is significant enough to be worthy of a brief case study.

Bilbao is a northern Spanish city, the capital of the province of Vizcaya, one of the three provinces that form the Basque Region. From the middle of the nineteenth century iron ore was mined there, giving rise to an iron and steel industry and also shipbuilding, other heavy engineering industries and chemicals. These lined the river-side below the city, which also acted as a port, to the nearby estuary. By the 1980s, metropolitan Bilbao had a population of just over 900,000, of which 400,000 were found within the city boundaries. Until 1975 when Franco died, Spanish industry was heavily protected, but subsequent exposure to competition caused many firms to close. Within about ten years 100,000 manufacturing jobs had been lost in the Basque Region, or about 25 per cent of the sector total. Unemployment rose to 25 per cent, and in Bilbao many industrial sites lay derelict, including some close to the city centre.

The response by the local authorities in the Bilbao region was to prepare a strategic

plan for the metropolitan region and to seek to restructure the economy to a service-based one and also to transform Bilbao's image (Henry and Paramio-Salcines, 1998). The example of other cities including Glasgow, Baltimore and Pittsburgh was studied and followed (Gomez, 1998; Gonzalez, 1993). The city was fortunate in that significant funds were available, enough to establish a development corporation and pay for infrastructure improvements including a new airport and metro. It was also hoped to enhance the status and image of the city through a major cultural project, but the city lacked any renowned collections of art. The project would also act as a visitor attraction, enhance the quality of life, create jobs and symbolize the renewed dynamism of the city.

At the time that Bilbao was looking for a partner for its major cultural project, the New York-based Guggenheim Museum, specializing in modern art, was seeking to establish a third European museum (after Venice and Berlin). Other cities were considered, but only Bilbao was able to offer both a building and an endowment to buy works of art. Although works of art would be purchased, the main exhibitions would be those that had been exhibited at its other sites, and they would have little connection with the local culture. Some Basque nationalists saw this as evidence of cultural imperialism, while others thought that the culture should be indigenous and democratic, but local political leaders justified their action by saying that it would put them on the circuit of global tourism (McNeill, 2000). Barcelona, Madrid and Seville had all staged international events in 1992 and Bilbao's leaders were keen to make a similar claim for the city. In 1991 the director of the Guggenheim travelled to Bilbao with a view to establishing a museum in a disused wine storage warehouse. Its image was to be enhanced through the construction of a large cube on its roof. The architect Frank Gehry was invited to attend as he had experience of similar conversions (van Bruggen, 1997). Both agreed that the building was unsuitable and suggested as an alternative an industrial site besides the river that was being cleared for regeneration and this idea was accepted (Figure 5.7). Following a limited architectural competition, Frank Gehry was contracted to design the \$100 million building which has been described as a 'monumental cubist sculpture of a ship'. The shimmering titanium clad structure also includes a 165-ft atrium. It was opened to acclaim in October 1997 and travel brochures often describe it as the 'architectural masterpiece of the twentieth century'. Its image was very quickly diffused around the world, no doubt helped by its American connections.

Hitherto, Bilbao, as one might expect of an industrial place, had not been noted as a tourist city. About 60 per cent of its visitors before 1997 were business people, including attenders at its trade fairs, and there were few leisure tourists. While it was hoped that the Guggenheim would have an effect, the visitor forecast numbers for this entry charging attraction, were put at only 500,000. This total was exceeded in the first six months, and the figure for the first three years was 3,457,000. There was a small drop after the first year but entries as of the third anniversary were still running at the rate of 1 million a year. Overall, 18 per cent of the visitors have come from the local region, 36 per cent from the rest of Spain and 46 per cent from outside the country (Guggenheim, 1999, 2000). This local component has tended to fall while the foreign share has increased, perhaps an indication of the success of packaged short breaks. Plaza (1999, 2000a, 2000b) has attempted to evaluate the impact of the museum on the tourism industry of the region, taking into account other developments which might attract

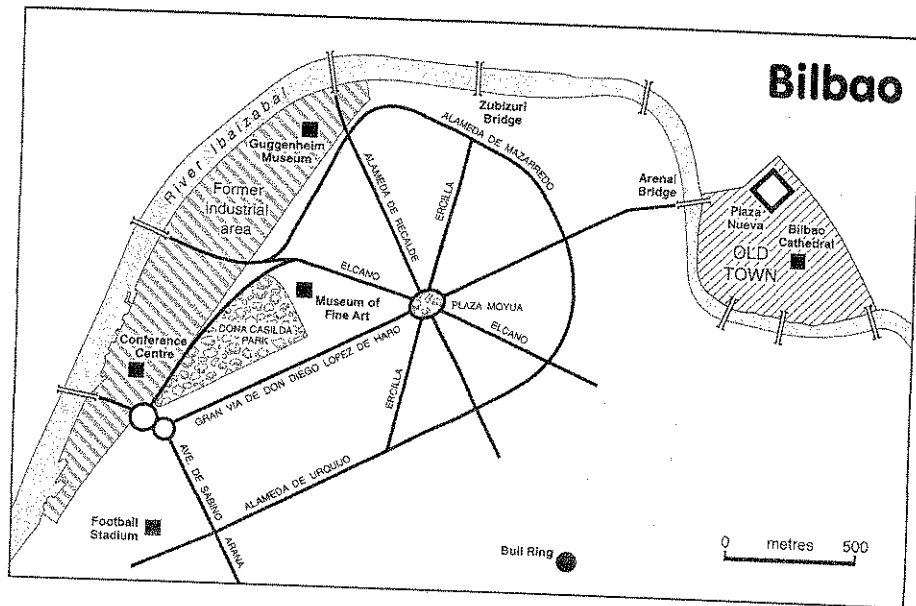


Figure 5.7 Bilbao city centre

tourists. She estimates that about 50 per cent of the increase in visitors to the region, or over 200,000 people, is due to the museum. Other surveys have suggested that the Guggenheim is the overwhelming reason why foreign visitors come to Bilbao and that it is the architecture that attracts them rather than the art inside. This has led to the comment that the best marketing ploy for an art gallery is to have a spectacular building.

It is not unknown for new visitor attractions to have a large initial effect, but the discussion above of the visitor attraction lifecycle suggests the possibility of a declining pull. This can only be seen to apply to the Guggenheim in time. It may also depend on whether the city can expand its other attractions. Bilbao city centre is attractive and it has two small museums, but this is unlikely to be enough. Certainly, the initial impact of the Guggenheim has been very impressive, only theme parks have done better among entry-charging attractions. However, local critics argue that the money spent on the Guggenheim has displaced funds that would or could have been spent on local cultural projects.

Since its opening, the importance of stunning architecture and its impact on image and visitor numbers have been discussed even more than previously and many cities are seeking to emulate its example. Just as cities like Amsterdam have described themselves as the 'Venice of the North' in the hope that Venice's fame will benefit them, so new visitor attractions such as the Lowry centre in Salford, Manchester, are describing themselves as the Guggenheim of the North. At least 60 cities have contacted the Guggenheim to seek a branch hoping that the magic can be worked again. The Guggenheim have decided to site their next museum in Rio de Janeiro. Other architects who have the ability to design impressive must-see buildings are in great demand, and nearly every new museum that is opened is compared to the Guggenheim to assess how far it measures up. Architecture has now become an element in the competition between

places. Apart from the new project in Rio, and a museum in Las Vegas, the Guggenheim is having another new Gehry-designed museum in Manhattan, New York, aided by generous donations, and has also linked up with St Petersburg's Hermitage Museum and the Kuntshistorisches Museum in Vienna to enable the exchange of paintings and curatorial staff to boost their collective 'marketing and picture power' (Honigsbaum, 2001). Many see this as an attempt to create a global museum brand, the 'McGuggenheim'.

THE IMPACT OF VISITOR ATTRACTIONS

The direct impact of most visitor attractions is fairly small. Employment in museums is not large. Glasgow, which has one of the largest municipal museum services in the country, employed only 367 people in 1986. Of these, 11 per cent were in management, 26 per cent in curatorial services and education, 56 per cent in technical and security and the rest not classified. Since 1996 over 100 jobs have been lost because of the municipal financial crisis. Many visitor attractions employ part-time labour, and where visitor flows are uneven, this may be seasonal. Small independent museums often rely on unpaid volunteers without whom they could not function. Visitor attractions may have an additional impact if they are responsible for drawing tourists to the city who stay overnight and spend money elsewhere, from shops to restaurants. This may happen if there is a cluster of attractions which collectively acts as a magnet.

CONCLUSION

The aim of this chapter has been to assess the role of visitor attractions in the development of urban destinations. As a motivator for travel they can be very important at the regional, day-tripper scale, providing the main reason for the visit. By encouraging the development of visitor attractions, cities have been able to strengthen their regional roles. However, such travel may not have a great impact on the local economy as these visitors may not spend much outside the attraction and if it is free, there may be greater costs than benefits. Furthermore, without continuing or repeat visits, even these benefits may reduce over time. Accordingly, it is necessary for these attractions periodically either to update their offering or to put on special events.

In the case of the tourist or overnight stayer, visitor attractions seldom act on their own to draw visitors to the city. The example of the Guggenheim Museum in Bilbao, often described as an 'icon attraction' is exceptional, and may not persist after the novelty has worn off. In general, it would appear that tourists are attracted to a place by its general image and the range of things to do, of which one type will be visitor attractions. It is therefore sensible to develop a range of visitor attractions to offer the potential tourist, even though any one visitor may only go to one or two of them. One of the outcomes of a successful city break is that the visitor leaves with the feeling that there was so much to do, but so little time, and that they would like to return – a message that they may pass on to their friends.

The average tourist is unlikely to be drawn to a city because of its visitor attractions if he or she does not have any specialist interests. However, niche markets are growing, a

product of rising education and wider experience. Surveys have revealed that among a small but growing group of patrons there is increased visiting frequency. These visitors are choosing to travel to places to pursue their specialist interests. Art museums are able to tap this market as there is no substitute for seeing original works. A cluster of high quality art museums or other visitor attractions between which there is some synergy, could act as a magnet for this growing segment of the city break market.

One of the problems of cities attempting to develop visitor attractions is that there is the danger of serial reproduction. A city develops a new type of attraction which is successful in gaining visitors from a wide area and immediately other cities follow suit, until every city has a similar facility and tourists no longer have to travel to have this experience. The example of aquariums in American cities illustrates this scenario. Currently a new breed of high tech attractions are being developed and there could be a similar scramble by cities to obtain them. The dangers of serial reproduction will be enhanced if global corporations emerge in the visitor attraction industry. Already Disney and other theme park operators are becoming multinational. Another possibility is for museums to join together in consortiums and share artefacts and special exhibitions, again, reducing the need to travel. The ambitions of New York's Guggenheim Museum, described above, could be a foretaste of what is to come.

The expansion and development of visitor attractions have played a major role in urban regeneration. Through using redundant buildings, derelict sites and the construction of stunning new buildings, they have assisted the rejuvenation of run-down zones and the creation of exciting new quarters. This impact may be almost as important as the role they play in winning tourists.

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