

URC RESEARCH REPORT

Name of Researcher: Ken Simpson

Date: 30 March 2009

Project Title: The management of transit zone economies : perceptions and realities.

RMOL#: 1002

1. What is(are) the research question(s)?

The research investigates the impact of the activities of temporary visitors on the overall performance of transit zone economies. The broadly specified research questions that inform this research are:

- To what extent are transit zone economies affected by the behaviour and actions of temporary visitors?
- To what extent does local government understand the scope and scale of non-resident contribution to local economies?
- To what extent do local residents (individuals and community groups) understand the scope and scale of non-resident contribution to local economies?
- What initiatives should be adopted to maximise the benefits of non-resident contribution to transit zone economies?

2. Rationale

A significant proportion of non-business travel in many first world countries is related to domestic tourism, with much of this travel typically taking place between densely populated urban areas and more sparsely populated recreational sites. Given the distances involved, a number of en route 'transit zones' have tended to evolve through habitual usage, becoming clearly recognised over time as logical food, fuel and refreshment stops for the leisure traveller. The core industrial base of a transit zone economy is often unrelated to the visitor industry, focusing instead on activities such as agriculture, forestry, or manufacturing. Thus, there is a very real risk that local government agencies may underestimate the contribution made to the local economy by temporary visitors, and may therefore design a strategic plan for the region that fails to maximise the economic benefits of visitor activity.

The primary contribution made by the proposed research is to evaluate, assess, and highlight the contribution that temporary visitors make to transit zone economies, and to therefore influence the subsequent planning decisions made by local government administrations. The project is important because it addresses a pattern of previously unexamined linkages between three well-established bodies of literature – town planning, economic impacts, and leisure management – to offer local government

agencies an improved understanding of the characteristics of non-resident spending in their areas.

3. Methodology

The research design began with a desk research process to establish an appropriate conceptual framework to underpin subsequent data collection. To overlay that foundation, a positivistic and primarily quantitative methodology was implemented in four separate case study locations.

In each location, the research gathered public domain data relating to the economic performance of subject communities, and used these data to generate a reasonably objective estimate of key parameters of non-resident contribution. A programme of semi-structured depth interviews was then conducted – with local government managers, economic development officers, chamber of commerce representatives, visitor information staff etc. – to construct a '*city administration*' perception of the economic value of non-resident activity.

Finally, in each location, a random mail survey of 300 community residents was undertaken to construct a '*general public*' perception of the economic value of non-resident activity. Standard probability methods were then used to establish the direction and strength of relationships between external observer, city administration, and general public perceptions; and the outcomes of this data analysis process used to identify and recommend appropriate responses.

4. Outcomes / findings

- The behaviour and actions of temporary visitors are believed, by both administrations and residents, to be largely positive for transit zone economies.
- Local government understanding is somewhat limited, and restricted to a short-term economic perspective, to the virtual exclusion of other more intangible impacts.
- Local resident understanding is almost the reverse – a strong understanding of the societal and environmental impacts of visitation, but a tendency to underestimate the economic contribution.
- Closer local linkages between broadly defined stakeholder groupings to generate a consensus based shared understanding of actual impacts and appropriate responses.

5. Publications and dissemination

Three submissions have been made to peer reviewed publications, all are currently under review:

- “Community attachment and host society attitudes to visitors”, under consideration by *Tourism and Hospitality: Planning and Development*.
- “Reconciling expert advice and community opinion in a local government strategic planning process”, under consideration by *Local Government Studies*.
- “Community understanding of the impact of temporary visitors on incidental destinations”, under consideration by *Journal of Community Development Society*.