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# CREATING A TOURISM CENTER AT THE UNIVERSITY OF MINNESOTA

BY

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## ABSTRACT

The Minnesota Extension Service, University of Minnesota, has been providing tourism and travel research and adult education for the past 30 years. Due to the rapid growth of the travel and tourism industry, the University has created a Tourism Center in order to coordinate the many disciplines that can assist this large industry and provide industry representatives better access to University resources. While the Center concept is widely used within the University setting, it is relatively new in the tourism and travel field. Developing stable funding for the Center, broadening the constituency served, improving working relationships with industry groups and legitimizing tourism and travel as an activity of the University are the Center's high priorities.

## CREATING A TOURISM CENTER AT THE UNIVERSITY OF MINNESOTA

Today, the tourism and travel industry is a major component of Minnesota's economy and generates over \$5.4 billion in income and creates more than 108,000 jobs. Although this industry is very large and diverse, it has its roots in the small fishing-resort business that started in the mid-1920's. Many of these resorts consisted of three to ten very small housekeeping cabins to serve people fishing on many of Minnesota's 15,000 lakes. These customers demanded very few services, therefore, many of the facilities became substandard as consumer demand changed.

Tourism and travel educational programs within the Minnesota Extension Service at the University of Minnesota were initiated in the late '50's as a pilot project funded by the United States Department of Agriculture. At that time, counties in many areas, including rural northern Minnesota, were experiencing high unemployment and low pre-capita income. As part of this pilot, County Economic Development Program, three northern Minnesota counties formed a committee to develop action plans to encourage economic development.

The fishing resort industry was an important economic sector in these counties but was experiencing business failures due to inadequately trained resort operators, low quality accommodations and changing customer preferences. The tourism subcommittee from this pilot program recognized this problem and sent a request to the University of Minnesota Extension Service, asking Extension to develop an educational program to address the issues of resort management and marketing.

In 1961, the first professional educator in tourism was hired at the University to develop programs to work with resorts and rural Minnesota communities. This program was reviewed and approved by the Minnesota Board of Regents, the governing body of the University. This program grew over the years and reached its height during the period of the expansion of the Boundary Waters Canoe Area in northern Minnesota. Expansion of the wilderness designation in this area prompted the buying-out of resorts and campgrounds around a number of lakes. The University received several grants to work on educational programs in tourism marketing and alternatives to help communities and businesses adjust to the dramatic changes created by the U.S. Congress. Many lakes once open to motorboats were closed to all but canoes and many properties were purchased in order to return portions of Northern Minnesota to wilderness.

The Adult Educational Tourism programs of the University were quite diverse and approximately nine faculty provided these programs and conducted research.

In the early 1980's, high inflation rates and the weak economy placed severe budget pressures on state and federal governments. As a result, the University of Minnesota Extension Service made substantial cutbacks in many programs, including tourism. By 1985, only one full-time professor was still working in the tourism field.

In 1985, Dr. Richard Sauer was appointed Vice President of the Institute of Agriculture, Home Economics and Natural Resources, which included the Minnesota Extension Service. Dr. Sauer initiated a series of meetings in each of Minnesota's 67 state senate districts to discuss the University programs. Many citizens expressed the need for an active education and research program in travel and tourism. The industry was growing but changing rapidly, and needed the help and resources of the University.

A faculty committee representing various departments within the University was formed by Dr. Sauer to look into the role the University could play in this industry. The committee recommended that the University create a Tourism Center. This group cited the importance of creating a structure within the University for three reasons. First, the tourism and travel industry needed access to a wide variety of expertise in order to compete in today's economy.

Secondly, it was difficult for people interested in tourism to access the skills and resources of the University. Minnesota has six campuses, six experiment stations, and more than 3,000 professors within its system. Many citizens complained that it was difficult to determine who they should call if they had a question or problem in the tourism and

travel industry. The Tourism Center would provide a focal point in the University, if the Center was properly marketed and properly structured.

Third, while aspects of the tourism and travel industry exist within many colleges and departments in the University, they are not important enough to be identified as a specific discipline, warranting its own structure or place within an existing college. If the tourism industry was to bring together the University skills and research in such disciplines as business management, economics, design, engineering, marketing and natural resources, an internal structure such as a Center was needed.

In the late fall of 1986, University President Kenneth Keller approved the creation of the Tourism Center, and on January 1, 1987, the Center began operating with a faculty of four people. In 1987, the Tourism Center provided educational programs to more than 3,000 individuals on topics such as marketing, management, community tourism organization, managing events and festivals, and bed and breakfast operations.

Several projects, ranging from wilderness to marketing research, are now underway, and will provide the background information for new educational programming. During the last year, the Center has helped both the bed and breakfast industry and the events-and-festivals industry organize their industry associations. These types of educational and research services provide many businesses and communities with the information they need to improve their management practices.

The Tourism Center is expected to provide a vital link between University research and Minnesota's \$5 billion tourism industry. Its mission is to focus University research on issues directly related to tourism and travel, and to transmit that knowledge to people engaged in all aspects of the tourism industry. A wide variety of educational seminars, conferences, and workshops, as well as one-on-one consulting, will continue to be provided to the industry through the Center.

The University of Minnesota has a strong track record in research related to the tourism industry on topics including:

- \* public recreation resources
- \* economic impact of tourism
- \* small business development
- \* tourism business management
- \* tourism marketing
- \* visitor statistics

Seminars, workshops, and other programs now offered through the Tourism Center include:

- \* business financial planning
- \* business management training
- \* tourism marketing information
- \* starting a small business
- \* landscaping and site management
- \* youth training for entry-level jobs in tourism

- \* developing and managing community tourism
- \* managing events and festivals

The Tourism Center publishes a newsletter, bulletins, and other educational materials to document the latest findings in tourism research and the trends in the tourism industry.

The Tourism Center is now in the final stages of fund-raising for an endowed chair in tourism at the University of Minnesota. This proposed one million dollar endowment will provide permanent resources for ongoing research and educational programming for the tourism and travel industry. A \$500,000 matching grant for the University, an industry challenge grant from the Carlson Companies, has resulted in a major fund-raising effort in the Minnesota industry. The remaining funds will be raised by January 1, 1989, to complete the endowment.

The Minnesota Extension Service, through funds from the United States Department of Agriculture Cooperative Extension Service, the Sea Grant Program, the State of Minnesota, and county contributions, has committed funds for approximately four full-time positions. Money obtained through competitive grants provide funding for both a research position and graduate students. These funding arrangements offer a beginning base for effective tourism and travel programming today. The Tourism center faces many challenges during a time in which the development and expansion of new programs is difficult. The following are the most critical issues facing the Tourism Center:

Broadening the tourism and travel constituency served by the Tourism and Travel Centers:

Because of historic development and the limitations imposed by the Center's small staff, programs at the center have focused mainly on rural communities and the resort industry in Minnesota. Minnesota's resort industry now accounts for under 10 percent of the total tourism and travel economy. The tourism and travel industry in Minnesota, as well as elsewhere in the nation, must now recognize the diversity and size of this rapidly-growing industry. As resources permit, the Center's goal is to include groups such as the arts, professional sports, attractions, restaurants, the transportation industry, industry associations, the travel trade, tourism and travel suppliers, and the gaming industry.

Legitimizing the tourism and travel discipline within the University:

Many corporations and businesses do not identify themselves with the tourism and travel industry, even though they provide products and services to the traveler. A similar problem occurs within the University. Tourism and travel is not identified as a discipline, and therefore, sometimes is not seen as a legitimate endeavor for scholarly work, including research. The industry has grown rapidly over the last two decades, but many of the public institutions serving society have not caught up. While many University disciplines can make, and are making, major research and scholarly contributions to this industry, the topic has not been systematically adopted by the wider university community. Until it is adopted, many researchers will ignore the industry because it

lacks research resources and prestige.

Developing working relationships with the industry and government:

Many state departments such as transportation, natural resources, trade and economic development develop and manage programs and resources that are important to the tourism and travel industry. Since these departments play a key role with legislatures and governors, it is important to develop working relationships with them. The University of Minnesota can offer the educational program development and augment research capabilities of these departments. It is also important to develop working relationships with the wide variety of industry groups. These groups have the most effective networks to reach many of the potential audiences for the tourism and travel centers.

Develop a stable funding base:

Most tourism and travel centers within universities, including the Tourism Center at the University of Minnesota, do not have stable or long-term funding commitments. The University of Minnesota Tourism Center continues to either borrow people from existing departments, conduct contract research, or receive funding from short-term special programs. A more stable funding base is needed for long-term success. A key to stable funding will be our ability to mobilize the tourism and travel industry to support the center and to assertively press the university administrations and state legislatures to fund tourism and travel programs. Without this support, professionals in this business will never acquire the resources necessary to develop the long-term programs needed for successful programming.

The faculty of the Tourism center at the University of Minnesota has started to make some headway with these issues, but has much more ground to cover before success can be achieved. As the tourism and travel industry continues to grow, it will demand improved research and educational services from the nation's universities. Our challenge is to develop services and programs to meet those needs as we progress into the 21st century.