2003-21

Final Report

Transportation Barriers Affecting International Visitors to Minnesota

MINNESOTA DEPARTMENT OF TRANSPORTATION

Research

Technical Report Documentation Page

1. Report No.	2.	3. Recipients Accession No.
MN/RC – 2003-21		

4. Title and Subtitle	5. Report Date
TRANSPORTATION BARRIERS AFFECTING INTERNATIONAL VISITORS TO MINNESOTA	December 2000
	6.
7. Author(s) William C. Gartner, Ph.D., Linda J. Limback, Ph.D., and Daniel L. Erkkila, Ph.D.	8. Performing Organization Report No.
9. Performing Organization Name and Address University of Minnesota Extension Service Tourism Center 1390 Eckles Avenue, Room 120A St. Paul, MN 55108	10. Project/Task/Work Unit No. 11. Contract (C) or Grant (G) No. (c) 74708 (wo) 76
12. Sponsoring Organization Name and Address Minnesota Department of Transportation Office of Research Services 395 John Ireland Boulevard Mail Stop 330 St. Paul, Minnesota 55155	13. Type of Report and Period Covered Final Report 2000 14. Sponsoring Agency Code

15. Supplementary Notes

http://www.lrrb.gen.mn.us/PDF/200321.pdf

16. Abstract (Limit: 200 words)

Barriers preventing more international tourists from visiting Minnesota were investigated using a variety of methods ranging from focus group analysis to a mail questionnaire targeting the German long haul market. Barriers were grouped into one of four categories: functional, perceptual, logistical, policy. The primary barrier identified, if eliminated would stand the best chance of significantly increasing the number of international visitors to Minnesota, is a private sector policy imposed by airlines. The decision not to allow stopover visits or open jaw tickets without a substantial change in the price of an air ticket works against spontaneous or planned short visits to relatively unknown destinations. Should this policy based access barrier be removed a public/private partnership would be needed to promote stopovers in Minnesota.

17. Document Analysis/Descriptors		18.Availability Statement
Profile of Minnesota's tourists Function, logistical, perceptual and policy barriers	Airfare analysis Transportation	No restrictions. Document available from: National Technical Information Services, Springfield, Virginia 22161

19. Security Class (this report)	20. Security Class (this page)	21. No. of Pages	22. Price
Unclassified	Unclassified	124	

TRANSPORTATION BARRIERS AFFECTING INTERNATIONAL VISITORS TO MINNESOTA

Final Report

William C. Gartner
Linda J. Limback
Daniel L. Erkkila

University of Minnesota
Extension Service
Tourism Center

December 2000

Published by

Minnesota Department of Transportation
Office of Research Services
Mail Stop 330
395 John Ireland Boulevard
St. Paul, Minnesota 55155

ACKNOWLEDGEMENT

Special thanks to the Technical Advisory Panel for the input and suggestions they gave during course of research. Many thanks also to Nikolaos Katsaras, Alicia Lazarus and Krista Coulson for their efforts on behalf of this project.

TABLE OF CONTENTS

List of Tables

List of Figures

EXECUTIVE SUMMARY

The executive summary section is presented in three parts. The first is a synopsis of key findings. The most important findings that formed the basis for the barrier reduction analysis are presented followed by recommendations to reduce identified barriers. Finally, recommendations for further research into the issues of barrier identification, analysis and reduction are presented.

SUMMARY OF FINDINGS

The work on identifying barriers to increasing Minnesota's share of the International tourist market is based on a number of key findings that together form the basis for recommendations that follow. The findings are grouped together first by basic background information and then, as they become more specific and subject to manipulation, to the barrier categories; functional, logistical, perceptual and policy. These categories were used throughout the report as ways of organizing the different barriers uncovered. For definitions of each of the categories the reader is referred to the full report pages 19 and 20. The key findings of this study are:

Background

- Minnesota is currently a regional destination with the majority of its tourists coming from within the state and adjacent states in the North-Central region of the U. S.
- Minnesota is primarily a drive market (i.e., the majority of the visitors are driving to arrive here).
- Overseas visitors to Minnesota comprise less than 2% of Minnesota's total number of tourists and Minnesota has a 1% share of the total overseas market to the U.S.
- The Business and Convention and VFR (visiting friends and relatives) segments comprise the largest shares of Minnesota's overseas travel market.
- The Minneapolis-St. Paul International Airport (MSP) is the world's 12th largest in passenger volume. Its status as a hub airport for Northwest Airlines is an important factor in it high passenger volume.

- There are no U.S. international airports that rank among the busiest airports in the world in international passenger volume. MSP ranks 20th among U.S. international airports with about 1 million passengers embarking, debarking or connecting from its international gates. Many of these passengers are Americans who are taking international trips rather than overseas visitors coming here.

Functional Barriers

- Half of an overseas visitor's travel dollar is spent on their international airfare. Airfare costs are one of the most important considerations in an overseas visitor's trip decision.
- There is some evidence to suggest that international airfares to Minnesota are not as low as to many other U.S. international gateways.
- MSP provides good service and facilities and receives favorable ratings from international passengers.
- Minnesota is served by Amtrak and shuttle service to some Greater Minnesota destinations but these systems are not packaged for tourists or promoted.
- Although there is a desire to visit new places, the propensity to do so declines rapidly if airline ticket prices add substantially to the cost of accessing a "new place".
- Many of Minnesota's attractions would be in demand by the German long haul tourist if it were possible to access the attraction from MSP in 3 hours or less.
- The German market exhibits "FIT" (Free Independent Travel) tendencies except for those seeking to travel by chartered motorcoach. Packages sold to the German market should be of the "build-your-own" variety or if the focus is on motorcoach, travel packages should be of the all-inclusive variety.
- Language and driving a car in the U. S. did not appear to be functional barriers for the long haul German market.

Logistical Barriers

- Many of Minnesota's overseas holiday visitors (leisure travelers who are not visiting friends and relatives) are on driving tour vacations and are visiting many states on their trips.
- Western European leisure travelers tend to be independent travelers who are not afraid to

rent cars and drive around the U.S. On the East Coast tour operators are developing unique Free Independent Travel (FIT) packages directed at this market.

- MSP lacks a high-speed public transportation system that many other cities offer.
- Minnesota lacks an inter-modal transportation system that could serve to move non-driving visitors to its attractions and Greater Minnesota destinations.
- Minnesota lacks transportation links from its communities to its rural resorts, vacation properties and its natural resource-based tourism facilities.
- Overseas holiday travelers spend more time than domestic travelers on their trips in the U.S. The precise amount of time spent in Minnesota is not known but indications are that one important segment for Minnesota is the drive tour market. These overseas tourists take in many destinations and do not stay for long visits in any one place.
- The German market exhibits a strong tendency to use various forms of transportation services when traveling. Although over 62% were comfortable with rental cars there was also desire to use other forms of public transportation with the exception of taxis which would be used by only 25% of the German long haul market.

Perceptual Barriers

- Minnesota’s convention and visitor bureau directors feel that MSP is vital to the tourism industry but could make some improvements in its promotion of tourism, especially by incorporating Minnesota tourism images into its decor.
- Minnesota could do much more (e.g. through art and design, tourist information organization and availability, facilitation of attraction/city tours) to promote its tourist destinations at its airports.
- There exists (at least in the German long haul market) a propensity to visit new places with interesting attractions. Minnesota attractions can compete favorably for these visitors.
- Airports can play an important role in building an image of a destination and facilitating access to the destination.

Policy Barriers

- The Passenger Services Act of 1886 stands in the way of expanding cruise ship tourism on Lake Superior.
- New airline routes and expanded airline networks stimulate tourism growth to hub cities and destinations.
- Policies affecting open jaw airline tickets and stopovers are the two main policy barriers preventing growth in Minnesota's share of the international market. Open Jaw travel options allow an individual to arrive at one destination and depart from another to journey home.

Recommendations for Reducing Barriers

A number of recommendations can be offered based on the findings from this multi-method investigation of barriers preventing international visitor growth. They are derived from the discussion throughout this report. However, not all barrier reduction strategies should be expected to have the same effect on different nationalities. As previously mentioned, only the German long haul market was subjected to a barrier reduction survey. Other nationalities may see some of the barriers, not significant for the German market, to be highly significant in their own culture. Therefore, before barrier reduction strategies are employed, the target market should be identified and tests for barrier resiliency should be performed on those markets. With that caveat in mind recommendations for barrier reduction follow.

MINNEAPOLIS-ST. PAUL AIRPORT

1. Increase participation from the Greater Minnesota tourism industry in planning of airport functions that have a tourism component.
2. In partnership with the Minnesota Office of Tourism, the Mall of America and the Metro Area tourism associations develop tourist information that addresses specific ideas on what to do and see in the Metro Area for various length layovers. In addition to describing attractions, include detailed information about the location of each attraction, how far it is from the airport, average amount of time it takes to get there, average amount of time needed at the attraction, transport modes to use and where to catch them, rush hour warnings and estimated cost of transport. Use promotional signs to alert

passengers to the availability of tourist information.

3. Consider development of a kiosk-based airport and tourist information system that can be deployed at a number of sites within the airport.
4. Create and display images of Minnesota's tourism products at all Minnesota airports that have scheduled air service. Incorporate both Metro Area and Greater Minnesota tourism images into the airport decor. Focus on Minnesota's best known tourism products such as the Mississippi River, Lake Superior, lakes and woods, BWCA, Mall of America, downtowns, Voyageur National Park etc. Include tourism images and activities for all seasons.
5. Post more information on the MSP web sites on the area's major attractions and how to access them from the airport. Include descriptions of attractions, distance from airport, estimated transport and visit time, transport fares and admission prices.
6. Continue to work toward attracting more airlines and accommodating new routes into Minnesota.
7. Evaluate current overseas markets into Minnesota and prioritize ones that are important targets for tourism growth.

MINNESOTA DEPARTMENT OF TRANSPORTATION

1. Continue support of intermodal transportation, especially high-speed options to primary tourist attractions and destinations, both within Minnesota and to Greater Minnesota destinations.
2. Post information about ground transportation options from Easy Goin' -Fly Local airports. Include a listing of the local lodging properties that offer shuttle service.

Tourism Product Development and Marketing Ideas for Overseas Markets

1. Develop a small number of combined Metro Area and Greater Minnesota packages that include both pre-arranged transportation modes and car rental options.
2. Develop new packages for the Amtrak market including target properties that would provide pickup at the station.

3. Develop a pilot open-jaw product partnership program with an airline and car rental company. Package should include at least one mandatory day of lodging in Minnesota. It might also include optional scenic routes with vouchers for lodging and attractions along the routes.
4. Investigate the feasibility of scheduled shuttle service to transport tourists between Metro area lodging and area attractions, especially ones that are not currently served by public transportation links such as those in Shakopee.
5. Develop partnerships with shuttle services between the MSP airport and Greater Minnesota communities and develop information to be included in tourist brochures on how to use them.
6. Identify and partner with lodging properties that will provide pick-up from Greater Minnesota drop-off sites to their doors. Identify these properties in brochures.
7. Create maps for a select number of scenic routes through Minnesota that include attractions and lodging voucher packages along the routes. These packages should be aimed at the current overseas touring market to keep them in Minnesota longer. They should be made available to overseas travelers requesting Minnesota information by mail, phone or Email as well as distributed at the state Travel Information Centers.
8. Identify industry support for the repeal or revision of the Passenger Services Act of 1886. Inform the governor and Minnesota's federal level legislators about the issue regarding the industry position.
9. Develop a web site with information on Minnesota's travel packages; especially ones that offer arranged transportation to the non-driving visitor.
10. Estimate fair taxi rates and include estimates on MSP and tourism web sites and in all brochures directed to out-of-state tourists between airport and major attractions, downtown or hotel strip areas and major attractions.
11. Include information on shuttle service and fares from airport to applicable destinations in the destination description entries on the Explore Minnesota web site and on the web sites of the destinations.

12. Develop a marketing partnership with international airlines serving Minnesota to promote stopovers in Minnesota. Some marketing ideas include:
    - Banner ads with airline reservation system to alert travel agents
    - Banner ads from Travelocity and other airfare web sites
    - Advertise on airline ticket jackets.
    - Investigate whether an Internet airfare site can program ad messages to be displayed when a traveler is searching for a flight that connects through MSP.
13. Identify a receptive airline and rental car company to cooperatively develop a prototype open jaw travel package for the overseas driving tour market. Possible driving tour itineraries could be organized around geographic feature such as the Great Lakes, Mississippi River or Rocky Mountains that have broad international recognition and appeal.

Recommendations for Further Research

1. Conduct a study of other prime international markets (e.g. Japanese, British, Scandinavian) to determine how the barriers identified in this study affect other potential overseas visitors
2. Estimate current retention and growth rates for the various international markets currently found in Minnesota with the intent of monitoring the effects of any barrier reduction strategies.
3. Investigate price elasticity for travel to the U.S., in particular Minnesota, on the part of identified target markets.
4. Identify other leading international airports and associated local tourism authorities and examine their tourism development strategies.

Summary

This eighteen month long study uncovered a number of barriers that inhibit growth in the overseas market to Minnesota. Reducing the barriers is generally not an easy task. It is the opinion of the researchers conducting this study that substantial increases in the long haul international market to Minnesota will only come about, in the short term, through policy initiatives. The most promising of these initiatives concerns the promotion and marketing of stopover and open jaw options. The research performed on the long haul German market revealed strong propensities for this group to seek out and explore new places especially if there is a well known “draw” such as a significant geographic feature (e.g. Mississippi river). However, other evidence uncovered, such as higher air fares to access the “new” place, would tend to reduce its drawing power. This is especially true if there is no strong image in the market place that could overcome the functional barrier of high cost vis-à-vis other gateway options.

It must be remembered that travel is, for the leisure set, a choice that carries with it substantial economic costs. In the absence of a powerful image capable of overcoming the effects of access cost other options must be considered if a destination wishes to become more attractive to the international market.

In this study the two barriers that appeared to have the most potential, once overcome, to increasing the number of international travelers to Minnesota are the absence of an open jaw option and the lack of awareness regarding a stopover policy. These are both policy barriers under control of airline companies. However, even if open jaws were allowed and the stopover policy was liberalized, there would still be barriers to overcome. Lack of transportation options between the international airport and the Twin Cities plus the absence of strong transportation links to city as well as out-state attractions would still serve to limit the number of travelers who select a stopover. To successfully overcome the barriers noted in this report it will take an active effort on the part of private and public sectors companies, organizations and associations. A strategic plan that deals with relaxing the restrictions on stopover and open jaw tickets is a first step but image awareness in the market will also need to be initiated, local transportation links to hotels, resorts, attractions, etc. developed, and customer follow-up for service and product refinement conducted.

Minnesota has the resources required to increase its share of the international market. It lacks certain, preferred transportation options that international travelers would be comfortable using but there are ways to overcome these barriers. To do so would require an active effort to deal with the significant barriers identified in this report. What can be said with some certainty is that at the present time Minnesota is not a preferred international destination. It is not on a level with the consumption cities of Orlando or Las Vegas or the traditional multi-cultural port cities of New York, Los Angeles or San Francisco. However Minnesota has resources these other places don't have or do not care to develop. With a great deal of work barriers can be overcome and Minnesota can offer attractions that the international market can not find in any other U.S. destination that now attracts substantial numbers of international visitors. If the state decides to make the moves necessary to become part of the international tourism scene it is safe to assume developments undertaken will also enhance domestic travel. Minnesota, as stated early in this report, is a drive to, regional type of destination. Barrier reduction strategies are needed if the state wishes to progress beyond its regional lure and assume its place as a destination with international appeal.

CHAPTER 1
INTRODUCTION

With almost 700 million international arrivals being recorded worldwide in 2000 [1], more interest is being paid to attracting the international visitor. The United States is the second most popular destination for international visitors worldwide and is first in terms of expenditures. However, international visitors are not evenly distributed throughout the U.S. They are more likely to be encountered in the entertainment centers of Southern California and Florida; major cities such as Los Angeles or New York; consumption city centers such as Las Vegas; or in the Hawaiian Islands rather than in Minnesota. It is estimated that Minnesota currently attracts less than 1% of all international visitors to the U.S.

Is there anything that can be done about increasing the number of international visitors to Minnesota given the present state of the attraction and resource base? That was the overriding question that framed the research leading to this report. A number of different approaches were taken to try and address this question. However, since this study is first and foremost a transportation-tourism investigation, specific transportation related issues were investigated in depth. Transportation-related questions addressed during the course of this project included:

1. How do tourist destinations develop a transportation infrastructure to serve long haul[1] (trips of 5 hours or longer) and overseas markets?
2. How important is transportation infrastructure to the growth of long haul markets?
3. What components of the transportation system are most important to overseas visitors?
4. How can transportation systems influence or facilitate growth in tourism from overseas travel markets?
5. How does Minnesota's transportation system rank in comparison to the world's foremost tourist transportation systems and what improvements can Minnesota make to boost its competitive position in the international tourist arena?

To answer these questions, the Tourism Center, part of the University of Minnesota Extension Service, was funded by the Minnesota Department of Transportation (through the University of Minnesota Center for Transportation Studies) to conduct a study. This paper is the result of a two-year project that evaluated transportation strategies used by some of the world's major destinations to facilitate and promote international tourism and then compared some of the most effective strategies to the situation in Minnesota. In the process of conducting the research, numerous barriers (transportation and transportation-related) were identified that may limit international visitation to the state. The barriers were grouped into four categories: Functional, Logistical, Perceptual and Policy. Once barriers were identified and categorized they were tested on a sample of the German long haul market, which consists of trips lasting five hours or longer, to help determine strategies the state of Minnesota could employ to overcome barriers preventing more international visitors from enjoying the state. However, before discussing the various barriers identified, the relationship between transportation and tourism is discussed with respect to destination development. This information is followed by an examination of the current tourism situation in Minnesota and placed in the context of international tourist characteristics and demand for travel to the United States.

BACKGROUND

Tourism and Transportation

Tourism, by its very nature, is an activity involving transportation systems. Yet most tourism research focuses on the typologies of tourists in isolation from modes of transportation. Conversely, most transportation research focuses only on commuters and commerce, overlooking the fact that tourism, with its unique relationship to transportation, is an important commercial industry itself. Transportation systems are interconnected with the tourism experience, and, in many cases, are some of the most important variables in a tourist's selection of a destination, his or her recollection and assessment of the trip, and, ultimately, his or her desire to return to that destination.

Research investigating the interface between transportation and tourism is not a popular line of inquiry. The literature review undertaken to frame this project uncovered very few studies that could be directly related to this work. The small body of studies that associate tourism and transport fall into three main categories. The first category provides an overview of the relationship between tourism and the transportation sector. Three academics stand out in this area. Francois Vellas and Lionel Becherel [2] France have co-authored a book that includes a number of chapters on the economics of transportation as it relates to tourism. Dr. Vellas, transportation specialist for the World Tourism Organization [3], has also written a number of articles that describe the importance of transportation to tourism. Stephen J. Page [4], of the U.S., also specializes in transportation aspects of tourism. His works describe each transportation sector and how the sector relates to the tourism industry. Dr. Page's work provides a good synopsis of each transport mode and the tourism issues that surround it.

The next category of tourism and transportation research is the transportation project feasibility study. This category is the largest category of literature linking tourism to transportation. Transport planners frequently include a tourism component when they assess the feasibility of building or improving a road, an airport or a rail link. Remote tourism destinations, such as an island province or country, pay particular attention to the impact that transportation has on tourism when making investments in transportation infrastructure. The issues identified by feasibility studies of this type pertain to very specific transportation infrastructure projects and cannot be applied to Minnesota. Most were conducted for foreign destinations that have little in common with a United States destination. This category of research contained little information relevant to Minnesota.

The third category of study provides basic passenger counts, trends and/or issues surrounding the use of various kinds of transport modes. Reports that describe trends in the airline industry or provide compilations of arrival statistics at airports are examples. This category of work provides some insight into the current and upcoming issues in transportation and tourism but contains little that can be applied to overseas tourism in Minnesota. Although the literature search provided basic background information on the issues involved in tourism and transportation and case studies of transportation projects in other locations, no studies were found that might help identify or mitigate transportation barriers to increasing international visitorship to Minnesota.

Destinations and the Development of International Tourism

Tourists are attracted to destinations that have rich intrinsic qualities such as unique geography, interesting culture and attractions, or abundant natural resources. Destinations attract tourists from ever widening distances when their tourism product is of high enough quality or uniqueness to have a strong appeal. Quality and uniqueness are prerequisites. But other factors, like comparative cost, ability to raise capital, availability and cost of labor and adequate infrastructure, also have a bearing on the position that a destination holds in the global marketplace.

Transportation systems play a crucial role in tourism development. Transportation systems provide access to the tourism resource and service businesses that exist because of their proximity to that resource. They are also an important part of the visitor experience. Transportation systems have the ability to facilitate or hinder tourism development.

Tourism development in developed countries usually follows sequential stages. Local demand spurs the initial phase of development. As the volume of local tourism increases, a destination responds by developing new products, infrastructure and superstructure to meet the demand. The range of product quality also broadens, attracting an increasing number and greater diversity of visitors.

Development stimulates more demand and a cycle of growth and development ensue, producing a more desirable tourism experience for many, broadening appeal and attracting additional tourists. When a destination attracts tourists from distant communities, it develops infrastructure, superstructure and products geared to the needs of its new markets. The transformation of a local destination into an international one evolves through stages as it attracts tourists from greater and greater distances (local to regional, regional to inter-regional and, finally, to international) and develops collateral structures and services to meet the evolving needs for each stage of tourism development.

The character and appeal of the tourism product is the primary criterion in this evolutionary process. For regions that have competitive tourist resources, accessibility becomes the next important factor to assure tourism growth. Good transportation systems can be a catalyst for increasing tourism. For example, in the late nineteenth century, railroads spawned tourism growth. As railroads expanded, remote towns became accessible and travel to and from them increased. In the 1960's and 1970's, airlines had the same impact on the cities and towns they served. In 1973, when the Boeing 747 became operational, long haul destinations became cheaper and less time consuming to access. The most successful destinations are linked to their tourist markets by fast, convenient and inexpensive transportation systems. But accessibility alone is not enough to create mass tourism. Transportation systems, along with human, capital and infrastructure resources, are essential to determining the relative price of the tourism product and, ultimately its intrinsic price/value ratio.

In most U.S. regions, leisure travel is dominated by short haul get-aways, taken in automobiles. Car travel is inexpensive, especially to a traveler who already owns a car. Even with today's nominally higher gas prices, the cost of traveling by car is relatively low when compared to other modes of travel and the overall cost of a vacation. When the price of access is low, the appeal of the tourist product can be correspondingly modest and still attract a substantial number of visitors. However, when the price of access increases, such as for international long-haul travel, resources must be perceived as having higher quality to justify the added expense. The reality is that many areas have touristic resources that are similar in perceived quality to their neighbor's thus restricting total visitation. Therefore, many destinations hold little appeal to markets outside the local "drive" range.

Car travel poses problems for the long haul destination. Compared to other options it is relatively slow and can be boring and uncomfortable. Driving conditions are unpredictable and a motorist's ability to drive for long periods is limited. Tourists turn to air travel as a result. With air travel, the cost of transportation relative to the cost of other trip components increases, becoming a larger factor in the price/value calculation of the trip. If a destination's resources are not perceived as having high enough quality to justify more expensive long haul travel what can be done? Are destinations such as Minnesota left with no solution to this dilemma? In other words, how can Minnesota beneficially affect the cost/value of its transportation system to gain a better position in the long haul overseas tourism market? Before addressing these questions it is important to understand the travelers who are currently visiting Minnesota.

PROFILE OF MINNESOTA'S TOURISTS

Minnesota is a destination for about twenty-two million visitor trips a year. People who live in Minnesota take the vast majority of these trips. In fact, Minnesota residents account for nearly half of its annual tourist volume. Another quarter of the tourists come from the adjacent states of Iowa, Wisconsin, North Dakota and South Dakota. Few of Minnesota's domestic tourists (only about 13%) come from areas outside the North Central Census Region, the twelve state region defined by the U.S. Census Bureau that includes Minnesota (Table 1.1). Visitors to Minnesota from outside the region are less likely than its regional visitors to come for purposes of pure pleasure travel. Three out of every four of the leisure travelers who live outside the North Central Census Region come primarily to visit friends and relatives. Minnesota's cities and resources (e.g., cultural or natural) are not the main draw for these out-of-the-region tourists. This indicates that Minnesota's leisure tourism products are not commonly recognized or used by people from outside the North Central Region.

The vast majority of Minnesota's pleasure visitors are leisure travelers who are on short get-away vacations. These visitors take, on average, two trips to Minnesota a year, and generally come for short stays lasting less than three nights. Eighty-five percent of Minnesota's pleasure travelers use a single mode of transportation, their own autos, trucks, campers or RV's, and drive from doorstep to doorstep [5]. Minnesota's highway system provides these visitors with convenient and inexpensive access to its tourist destinations. Minnesota has been able to accommodate the transportation needs of its regional tourists through the same system of roads and road services developed for commuters and commerce.

In addition to domestic tourists, Minnesota attracts about 422,000 Canadians annually. In 1998 the number of Canadian visitors declined by 23% over 1997 due to a downturn in the economy and a devalued Canadian dollar. The decline was felt nationally with 11% fewer Canadian

Table 1.1: Origin of Trips by State

		Year			
		1997		1998	
		Visitor trips (in thousands)	%	Visitor trips (in thousand)	%
State of Origin	Minnesota	8272	51.4%	7918	50.9%
	Wisconsin	1551	9.6%	1529	9.8%
	Iowa	1200	7.5%	1200	7.7%
	Illinois	617	3.8%	736	4.7%
	North Dakota	569	3.5%	517	3.3%
	South Dakota	361	2.2%	532	3.4%
	Texas	417	2.6%	316	2.0%
	California	396	2.5%	288	1.8%
	Nebraska	339	2.1%	262	1.7%
	Michigan	203	1.3%	308	2.0%
	Florida	207	1.3%	207	1.3%
	Indiana	198	1.2%	113	.7%
	Missouri	199	1.2%	101	.6%
	Washington	198	1.2%	67	.4%
	Ohio	122	.8%	136	.9%
	Arizona	178	1.1%	79	.5%
	All other	1072	6.7%	1201	7.7%
Total		16099	100.0%	15564	100.0%

Source: TIA, TravelScope Surveys 1997-1998, Overnight pleasure/pass-through trips (no business), Units: Thousand person-trips; missing values excluded.

visitors coming to the U.S. in 1998. About 85% of the Canadians who are visiting Minnesota are regional level tourists coming from the adjacent provinces of Ontario and Manitoba. Many Canadians value Minnesota's tourism resources. Half of Minnesota's Canadian travelers cite a vacation as their primary purpose. Like Minnesota's other regional visitors, Canadians primarily use Minnesota's highway system. Three out of four visiting Canadians drive to their Minnesota destination. In a phone interview of staff at Minnesota's highway travel information centers in which they were asked to identify problems or barriers to travel that Canadian visitors have, the only transportation issue identified was that Canadians frequently mention they would like Minnesota to add metric units to its highway signs.

Minnesota has a strong regional market. It is a "drive market." In this market, as seen in Figure 1.1, the time, cost and convenience of using Minnesota's highway system are small relative to the other costs and benefits of the trip. The costs of transportation are small in comparison to the costs of other components of travel with only about 14%, of a pleasure traveler's total travel dollar spent on transportation [6].

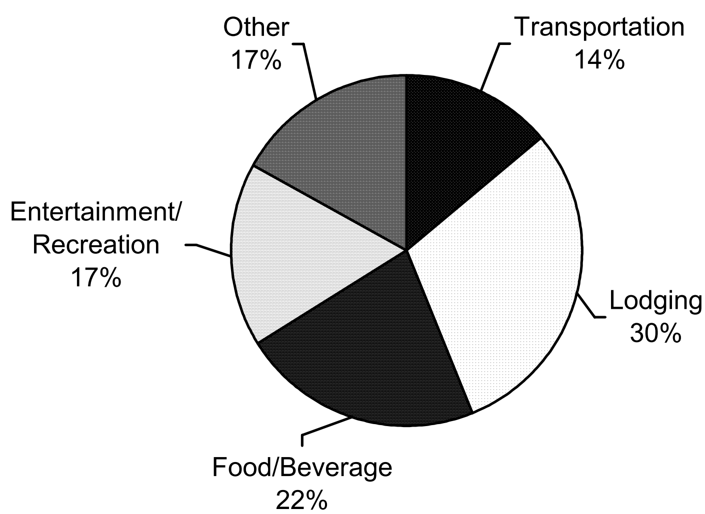


Figure 1.1: Minnesota Tourism Expenditures (1997)
Source: Minnesota Office of Tourism Seasonal Survey, 1999 [6]

This review of Minnesota's domestic tourism markets provides only a general indication of the extent to which the international component of pleasure travel has developed in the state. In the next section, overseas pleasure travel to the U.S. is discussed and then a more in-depth analysis of what is happening in Minnesota is examined.

PROFILE OF CURRENT OVERSEAS TRAVELERS TO THE U.S.

According to the U.S. Department of Commerce [7] 46.4 million international travelers visited the US during that year. Almost half of these visitors (22.7 million) came from Canada and Mexico, countries within the same region as the U.S. Slightly over 24 million came from overseas destinations. Western Europeans comprised 40% of the total overseas visitors to the U.S. and Japanese made up another 23%. Seventy-five percent of overseas travelers report that at least a portion of their trip is for the purpose of leisure. Leisure travel includes three types of travel: holiday travel, visiting friends and relatives and business trips that are combined with pleasure travel. The leisure traveler from Western Europe and Japan is the primary geographic market for the Minnesota Office of Tourism's current overseas promotional efforts.

Overseas visitors are less likely to drive while on their vacation or business trips than their American counterparts. Nine out of every ten American leisure trips are taken by car while only six out of every ten European trips are by automobile. Overseas tourists are more likely to use buses and trains, even when traveling in the U.S. Eleven percent of overseas visitors, compared to 2.5 % of Americans, take a bus between their U.S. destinations, and seven percent, compared to less than 1% for Americans, take the train [7]. Overseas visitors use a greater variety of transportation modes than their American counterparts.

Packages are a popular way to purchase travel, especially for the vacation traveler. One out of every four overseas visitor buys at least part of his or her trip as a travel package. First time visitors and those traveling on vacation are high travel package users at 36.7% and 31.3% respectively. More experienced travelers prefer higher levels of independent travel. Travel packages for the overseas market are designed with air service as the central component. Other components such as lodging, guided tours and bus transportation are frequently packaged with air transportation to make the trip easier. The average overseas purchaser buys a travel package fifty-eight days in advance and purchases seven nights of pre-paid lodging with their package. Many overseas packages also include transportation such as hotel shuttles and bus tours, but few include car rental. Only about 6% of the travel packages purchased by overseas visitors include a rental car.

Packages designed around products that offer unique lodging options, such as country inns, character properties and resorts, are gaining more appeal especially to the second or third time visitors, who are savvy enough to travel independently. Packages are being re-tooled to meet the needs of experienced overseas travelers. New packages are designed to include rail transport between destinations and other add-on options such as meet-and-greet, half-day tours and transfer on arrival. These packages are currently being marketed by American tour operators to tourists visiting the Eastern U.S. and are expected to have broad appeal to more independent international travelers.

Many overseas visitors, especially Japanese, do not want to drive on their U.S. vacations. Pre-arranged transportation is an important reason for purchasing travel packages. In a recent University of Arizona Master's thesis studying Japanese visitors who purchase Arizona travel packages from a Japanese tour operator, the author, Takako Nambu [8], found that pre-arranged transportation out ranked any other factor as the most important reason in these visitors' decisions to purchase a travel package.

The lack of convenient public transportation to and within America's destinations is a barrier for many overseas visitors. The U.S. Department of Commerce's In-flight survey shows that overseas visitors are not as mobile as their U.S. counterparts. Although the average stay is 15 nights, overseas travelers visit, on average, only 1.6 states. But the average of 1.6 states visited paints a somewhat inflated picture of the mobility of the overseas visitors. In fact, almost two-thirds of America's overseas visitors never leave the state where they embark and half of these travelers visit only one destination within that state.

Overseas Visitors to Minnesota

The number of overseas visitors to Minnesota is difficult to estimate. The Travel Industries division of the U.S. Department of Commerce [9] estimates that 213,000 overseas visitors traveled to Minnesota in 1998, a 20% decline over 1997 numbers. Other indicators suggest continual growth. The U.S. Immigration and Naturalization Service (INS) recorded a 2.2% growth for the same years, from 103,767 overseas visitors in 1997 to 106,022 in 1998 [10]. The difference in quantity of overseas visitors measured by these two sources is a result of how their questionnaires capture a visitor's "destination". The INS, which derives data from a census, records only one destination per trip, called the "primary residence in the U.S". The Department of Commerce's In-flight survey relies on sampling procedures rather than a census and asks the visitor to record all of their main destinations. Because the INS data does not capture visits to secondary destinations, its statistics undercount visitors who go to multiple destinations. The sampling procedure used by Department of Commerce, on the other hand, is unable to reliably count the number of overseas visitors to destinations that have a small market share.

Another potential data source for international visitors to Minnesota is the Minneapolis-St. Paul International Airport (MSP) [11]. MSP counts the number of passengers on international flights. MSP data shows strong growth for 1998 over 1997 (1.2 million total overseas passengers in 1997 and 1.66 million in 1998). Because MSP counts passengers rather than oversea visitors their statistics includes all passengers going to foreign destinations including Americans rather than just foreigners coming to the U.S. A fourth source is the Minnesota Office of Tourism. The Minnesota Office of Tourism has developed its own methodology using trends lines from these other data sources to derive an estimate of 400,000 overseas visitors to Minnesota in 1998. Regardless of the data source used, overseas visitors to Minnesota comprise fewer than 2% of Minnesota's total tourists and give Minnesota about a 1% share of total overseas travel to the U.S.

Minnesota's overseas visitors are somewhat different than the average overseas visitor to the U.S. (see Figure 1.2). They are less likely to be on leisure trips than their national counterparts, with half coming to Minnesota for business or to attend a convention, a rate 20% higher than the national average. They are more likely to be visiting friends and relatives and less likely to be on a holiday trip. They also tend to be repeat visitors, with fewer than 15% taking their first trip to the U.S.

The leisure segment of Minnesota's overseas visitors is also quite different than its national counterpart. Two main groups of overseas leisure travelers visit Minnesota. One group is the traveler who is visiting friends and relatives. These travelers are most likely to be found in the

Metro Area. The other group is comprised of the holiday touring traveler and they tend to visit many states and destinations in the U.S.

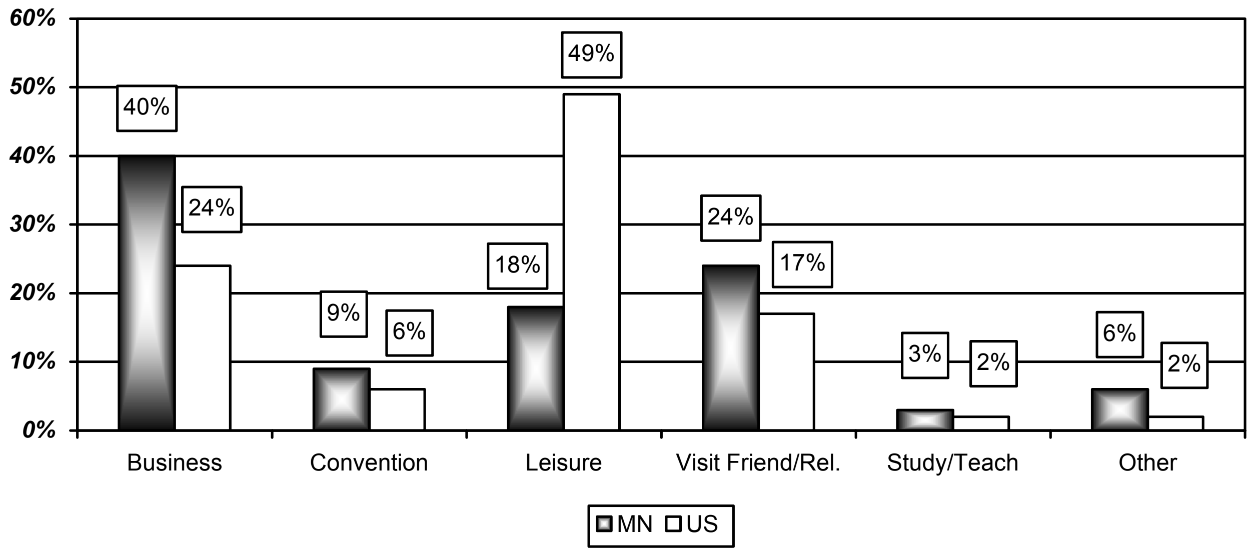


Figure 1.2: Purpose of Overseas Trips to Minnesota
Source: US DCOM In-Flight Survey [7]

There is little evidence that Minnesota's attractions leave a lasting impression on its overseas visitors. In an enhanced sample of overseas visitors conducted in 1996 by the U.S. Department of Commerce for the Minnesota Office of Tourism, four hundred overseas visitors who reported Minnesota as one of their destination states were asked to name attractions that they had visited during their trip. One hundred and four attractions around the U.S. received mention. Only one attraction in Minnesota, the Minnesota Zoo, received mention and only one visitor listed it.

Overseas travel parties to the U.S. spend more money than typical Minnesota travel parties but their higher expenditures are due to their incidence of commercial lodging usage plus their longer length of stay. On first examination, the average daily expenditure for an overseas travel party to Minnesota, at $164.21, appears considerably higher than that for a domestic travel party, which averages $74 per day in Minnesota. Overseas visitors use commercial lodging at nearly double the rate of Minnesota's domestic travelers. When overseas travelers are measured against their peer group (i.e. tourists who stay in commercial lodging) the expenditure difference dissipates. On average, an overseas travel party spends about the same amount of money per day in the U.S. than non-resident pleasure travelers who use commercial lodging, $164.21/day/overseas travel party versus $188/day for a domestic travel group.

Length of stay is the other important factor in an overseas visitor's total trip expenditures. Overseas visitors spend over two times the number of nights (an average of 15.4 nights) than domestic tourists in the U.S. When both commercial lodging use and length of stay are taken into account, the daily expenditure rate of an overseas visitor is comparable to the expenditure rate of a domestic tourist. Unfortunately the average number of nights that overseas travelers actually spend in Minnesota is not known so a precise expenditure for the Minnesota portion of the stay cannot be measured. However, if travel patterns between average overseas visitors to Minnesota and those who do not visit the state are not too dissimilar (and there is no reason to suspect they are), one could assume the average daily expenditure for an overseas visitor to the state who uses commercial lodging would be approximately the same as that of a domestic visitor that uses commercial lodging, which was reported as $74 for an out-of-state visitor, according to MOT 1999 Spring/Summer Survey [6].

Expenditures on Air Transportation

Ninety-eight percent of overseas visitors to the U.S. travel by air. Less than 2% arrive by ship. In addition, one out of every three visitors also uses airlines once they arrive in the U.S. to travel between cities. When asked by the In-Flight Survey to identify the most important factor in their selection of a particular airline more than a quarter of all overseas visitors cited "ticket price". Ticket price-out ranked other factors by a full 10%. (Table 1.2)

On average, half of an overseas visitor's travel expenditure is spent on international airfare. First time visitors, leisure travelers who are visiting friends and relatives and visitors attending conventions are at the low end of the range, with about 39% of their travel dollar spent on airfare. Business travelers, vacation travelers and repeat travelers allocate the largest portion of their dollar to their international airfare, at 52%, 48% and 46% respectively. Once in the states, overseas travelers spend in a manner similar to domestic travelers. The amount of money spent by overseas travelers on transportation (e.g. bus, rail, air) within the U.S. is comparable to the amount all travelers to Minnesota spend which is approximately 14% of their travel budget (Figure 1.3).

Table 1.2: Most Important Factors in Airline Choice

Airfare ticket price	26.9%
Convenient Schedule	17/9%
Safety reputation	10/9%
Non-stop flight	9.4%
Mileage bonus/frequent flyer	9/2%
Previous good experience	6.8%
Other	6.6%
Employer policy	4.2%
Loyalty to carrier	4.1%
In-flight Service reputation	2.9%
On-time reputation	1.1%

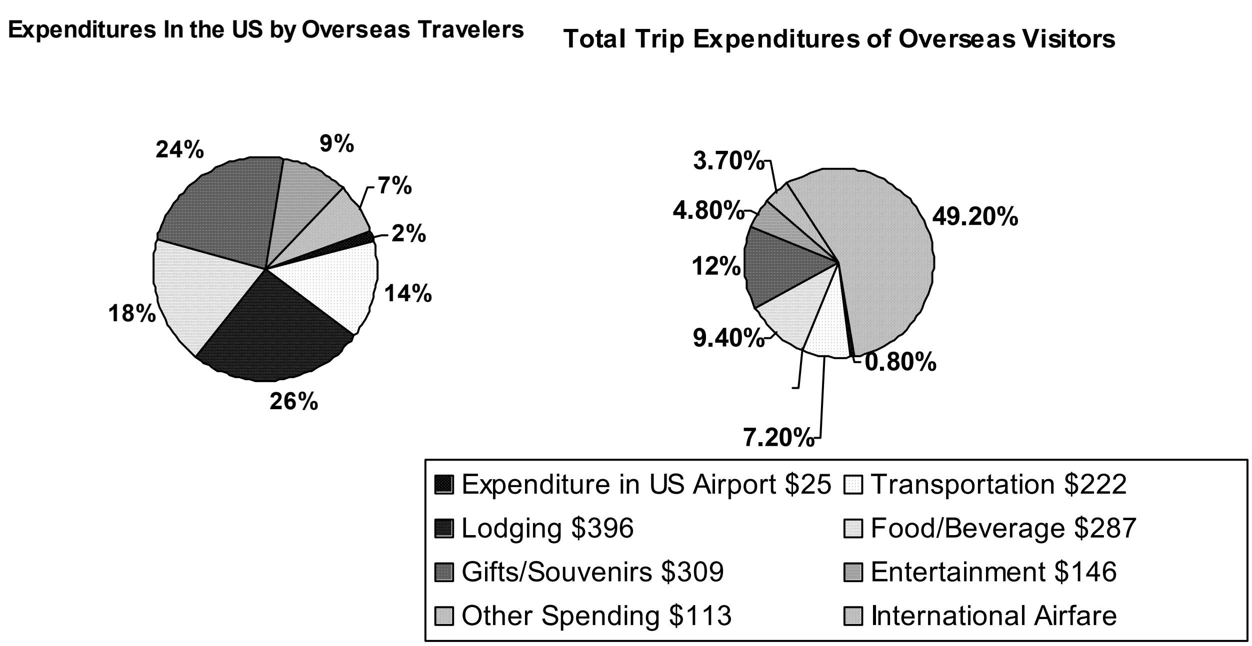


Figure 1.3: Expenditures of Overseas Visitors, Total and In the U.S.

Seventy- eight percent of overseas visitors purchase economy or group airline fares, the lowest priced airline tickets. Overseas visitors pay an average of $1,509 on round trip airfares. Leisure travelers who are visiting friends and relatives pay the least for airfares, an average of $1,083, with first time visitors averaging $1,106 on their fares.

The information contained in the preceding sections allowed us to develop a research strategy that involved many different methods. In the process of investigating barriers it soon became obvious that not all barriers exerted the same effect on potential travelers. Therefore, we began by trying to identify as many barriers as possible and with further investigation identified ones that seem to exert the greatest obstacles to travel to Minnesota. The process we used to do this is outlined in the next section.

CHAPTER 2
STUDY METHODOLOGY

A number of research methods were used in the course of this study. The study began with an extensive literature review to identify issues, gain an understanding of tourism and transportation problems and locate relevant sources of information. The second stage of research involved a review and analysis of current travel data sets to provide a background on tourism and overseas travel to Minnesota. These efforts did not uncover any transportation related barriers that an overseas traveler may encounter in Minnesota.

The third stage of research involved the use of a modified Delphi technique, beginning with the formation of the Technical Advisory Panel for this study. A team of experts from Minnesota's tourism and transportation sectors was assembled to act as a Technical Advisory Panel for this project. (See appendix A for a list of members.) Their first task was to assist in identifying and prioritizing the transportation barriers in Minnesota today. The barriers identified by the team fell into the following categories:

- Airport tourist information
- Ground transportation
- Integrated transportation hubs which link airports to tourist products to destinations in an efficient and economical manner
- Pricing and packaging of transportation services so that the cost/value ratio of a Minnesota trip is attractive to potential markets
- Partnerships to coordinate shared goals and strategies of tourism and transportation sectors
- Ideas and strategies for marketing efforts
- Access to Greater Minnesota for a non-driving tourist

Once this initial set of barriers was identified, we proceeded to investigate the extent to which they exist in Minnesota and how other destinations dealt with them. After gaining an understanding of the barriers and gauging their severity in Minnesota, a test of the identified barriers on an active overseas market for Minnesota (German travelers) was conducted. This test measured the extent to which these barriers might inhibit travel to and through Minnesota and measured the effect that mitigation strategies may have on reducing negative impacts.

Finally, an effort was made to identify relevant models where the transportation sector played a major role in developing or enhancing tourism. This effort involved another modified Delphi approach. Several tourism research groups were asked to identify transportation sector models that were involved in developing, increasing or promoting tourism. These groups included an email group of international tourism researchers (TRINET), representatives from a number of international tourism associations including Travel Industry of America; Travel and Tourism Research Association; the World Tourism Organization; the World Travel and Tourism Council; and the North American State and Provincial Travel Researchers email group (TRA-RSCH). The models they identified became the basis of the case studies section of this report. For ease of understanding, barriers are grouped into the following categories: functional, logistical, perceptual, and policy.

CHAPTER 3
BARRIERS

Definitions of Functional, Logistical, Perceptual and Policy Barriers

Functional: Functional barriers are those that prevent someone from doing what they wish. For example, if someone arrives in Minnesota with Danish Kroners and wishes to take a taxi to the Mall of America, they encounter a functional barrier when they find that the taxi will not accept foreign currency. For the most part, this barrier can be reduced or eliminated by providing a foreign currency exchange service or accepting credit cards. Other functional barriers that one might encounter include the inability to communicate in the language spoken in the destination, cost of destination products and services, time involved in accessing desired products or services, availability of tourist information, signage, and the limits of one's own physical ability.

Logistical: Logistical barriers are those that deal directly with transportation options. They would include the availability of preferred transportation modes, the number of transportation options available, ease of understanding in how to use them, and time in which they are available. As detailed earlier certain types of tourists prefer certain types of transportation modes. The availability of different transportation options does appear to have an affect on destination selection.

Perceptual: Perceptual barriers relate to images held of destinations, products or services. There is a rich body of perceptual/image research for tourism (see Gartner, 1996 for a review [12]). Perceptual barriers may include either the lack of any touristic information about a destination or negatively held images about the area. Areas that do not possess a strong positive tourist image in the minds of potential travelers will rarely be selected for visitation. It is important to remember that tourists spend a significant amount of money (functional barrier) for long haul travel and the reward must be commensurate with the expenditure for the trip to be deemed worthwhile. Destinations that do not have a strong image in the minds of potential travelers will usually be rejected for visitation as the risk inherent in spending a long holiday in an area, that is for the most part unknown, will be higher than the perceived reward. Therefore, perceptual barriers pose significant threats to destination development. In this study perceptual barriers were investigated, for the most part indirectly, by assessing what other ports of entry are doing to create positive destination images and by analyzing what types of attractions a potential target market for Minnesota is most interested in consuming.

Policy: Policy barriers are those that require a change in how products or services are delivered by either the public or private sector before substantial growth in overseas visitors can be realized. Many of the functional, logistical, and perceptual barriers identified can be resolved through policy changes. For example the extension of light rail service to MSP airport is a public policy decision as it involves the use of public funds. If it were to be built, then a potential logistical barrier, lack of a rail option, would be eliminated. Similarly, tourism advertising by the state office in a foreign market is a policy decision as it involves the use of public funds but if approved it could serve to reduce a perceptual barrier (i.e. image and awareness of the Minnesota tourism product) in the market. Similarly private sector providers of services, such as airlines, may impose functional barriers by not allowing someone to stopover in a connecting city without paying additional airfare for their eventual journey to their final destination. Even if stopovers are allowed a perceptual barrier may still exist if the airline's policy is not to promote or encourage stopovers. In this study a number of policy barriers are addressed.

This discussion is not meant to include all the different types of barriers that exist. When we began this study it was without knowledge of what barriers existed and, more critical, how important are they to the travel decision process. As the study progressed, using various methods for data collection and analysis, a clearer picture of the barriers emerged. These barriers are identified in the sections that follow, beginning with what may be considered one of the most important functional barriers - cost of destination access.

The Cost of Access - Influence of Air Fare Prices

There are few products or services in the marketplace that have pricing structures as loose and flexible as airfares. Airfares are a non-durable good. If a seat is not sold when the plane takes off, the opportunity to sell it is lost forever. Two important events, airline deregulation and advances in computer technology, enable airlines to set fares without government intervention and adjust fares as needed in an effort to fill seats at the highest price.

Before 1978, the Civil Aeronautics Board, in a manner similar to present day public utilities regulation, controlled many aspect of air service in the U.S. including airline flights, schedules and rates. The 1978 airline deregulation act (Cannon, Kennedy, and Pearson Act) eliminated government control and freed airlines to respond to marketplace demand. Airlines began to compete for markets. Deregulation facilitated the wide spread development of hub and spoke networks that allowed airlines to serve more markets with the same sized fleets than they could serve if they offered point to point routes. Certain airports, called hubs, became collection and transfer points, bringing passengers from many different cities to a central location to connect on to their final destination. With a hub and spoke system, an airline had a better chance of keeping its passengers all the way to their final destinations rather than handing them off to another carrier. It also allowed airlines to achieve better load factors, which in turn lowered unit costs resulting in relatively lower fares. In the newly competitive marketplace, airfares became a major marketing strategy. Airlines could offer a wide variety of fares, with an equally wide variety of restrictions, within the same markets, using less expensive fares to create new demand and fill seats that might otherwise go empty.

Computer analysis of information on passenger demand provides a powerful analytical tool to effectively manage load factors by changing fares to control demand. Fares are modified frequently, as computerized forecasting models respond in real time to actual and anticipated demand, with higher fares set for the passengers who have little flexibility and lower ones offered to create demand when seats are available. Once a flight is booked to a sufficient level, the marginal cost of adding one more passenger to an empty seat may be so small that an airline can offer it at a deep discount, far below the average cost of the other seats, and still make money on it. In a recent phone interview the data processing manager at Sabre, one of the large airline reservation systems, explained that there are two types of fares, published fares and the special fares that are negotiated with airlines by the large travel companies and airline reservations systems. Published fares are the ones most commonly used. There are about 39.7 million published fares, which in combination create 1 billion published fares to get passengers from around the world to their final destinations. Sabre updates about 200,000 published fares every day for its reservation system. The transitory nature of airfares makes comparison of them difficult.

Most travel, especially in the leisure travel category, is price sensitive. An inverse relationship exists between price and demand: the greater the price of destination access, the less demand there will be for the destination. It is difficult to break out one element of the tourist product (i.e. transportation, lodging, food, recreation, etc.) as the specific item that exerts the most influence over a destination's price, but in overseas travel, with airfare comprising half the travel expenditure, it certainly is an item that exerts a great impact. A 1999 study by a European Union Tourist Commission entitled *Europeans on Holiday* [13] found that, on average, the typical European spends about 25% of their holiday travel dollar on transportation when vacationing within Europe. Because intercontinental airfares are so high relative to other travel costs, a destination with low airfares and quality tourism products would reasonably be expected to capture a greater number of overseas travelers.

The U.S. Department of Transportation's *Domestic Airline Consumer Report* [14] shows other evidence that airfare affects demand. In this report, airfares were tabulated for specific pairs of cities, referred to in the report as "city-pairs", which are connected with direct scheduled air service. In the second quarter 1999 report, the nineteen city-paired markets that had the greatest decrease in average fares (ranging from $48 - $139 one-way), experienced an average growth rate of 105.8% in passenger volume. Conversely, twenty-seven city-paired markets experienced large increases in fares (ranging from $41 - $117 one-way). These markets reported a 19.1% decline in passenger volume. Additionally, according to the *Domestic Airline Consumer Report* [14], an average of 23,000 passengers were added to flights between the paired-cities with the greatest declines in fares in the second quarter 1999. In contrast, a similar level increase in airfares deterred an average of 11,800 passengers for affected city-pairs. These data offer strong evidence that airfare prices affect travel volume. Reducing airfares attracts passengers and raising them deters passengers. If one accepts the airfare price-demand relationships reported above, there is strong evidence to suggest that overseas airfares to Minnesota should have an impact on the number of visitors the state receives. In the next section, the cost of accessing Minnesota from overseas markets is explored.

How Do Fares to Minnesota Compare?

There have been a number of reports over the last couple of years that indicate passengers departing from the Minneapolis-St. Paul International Airport pay relatively higher airfares in comparison to travelers departing on similar trips from other major airports. Does this hold true for fares paid by visitors who are coming to Minnesota? One source, the International Air Transport Association's *Airport Monitor* [15], reports that international passengers rate the availability of low airfares to foreign destinations from the Minneapolis-St. Paul International Airport as below average when compared to other international airports. No other data sources could be found to substantiate this perception so a one time snapshot comparing airfares from selected international origin cities to selected U.S. destination airports (listed in Table 3.1) was conducted. All fares were checked on the same day, June 24, 1998, using the same parameters for all trips so the data would be as comparable as possible. Search criteria for fares from each point of origin to each destination were kept consistent. The fares compared in this report were found for the least expensive refundable and non-refundable round trip fares (using a 15 day advance purchase and a trip length of two weeks) found in the Sabre airline reservation system for travel beginning August 11, 1998 to each of the destination cities. Most of these destinations have a number of different economy class fares listed in the Sabre system depending on carrier and flight schedule. The lowest fare listed in Table 3.2 for each destination was the one selected and used to make comparisons. The regulations and restrictions on these fares varied. As expected, the non-refundable tickets have many restrictions. This study did not compare restrictions within each category but compared the least expensive non-refundable fares and the least expensive refundable fares to each destination separately.

A note of caution must be entered here. It was not the intent of this study to perform an exhaustive study of airfares over time and across categories. As mentioned earlier, a high volume of change to airline ticket prices takes place across the globe on a daily basis. However, since this study is about barriers to international travel and available literature suggests that the price of destination access is an important factor in the final decision process, it is important to, at the very least, begin to examine the issue. What follows is simply a convenient sample snapshot, using as much scientific rigor as possible, from which to formulate an opinion.

Table 3.1: Airfares Originating In Europe to U.S. Destinations

Selected Origin Cities		**Selected Destination Cities**	
Europe:	Amsterdam	Central Region:	Mpls.-St. Paul
	Copenhagen		Chicago
	Reykjavik		Dallas
	London		Detroit
	Berlin		St. Louis
	Frankfurt	Mountain:	Denver
	Rome	Pacific:	Los Angeles
	Paris		San Francisco
	Helsinki		Seattle
	Stockholm	East:	Atlanta
Canada:	Toronto		Boston
	Winnipeg		Newark
	Vancouver		LaGuardia-New York
Asia:	Tokyo		JFK-New York

Table 3.2 summarizes the results of the lowest fares found from the Sabre computerized reservations system for each of the origin cities. The range of **(lowest)** fares to the selected U.S. destinations and the lowest fare to the Minneapolis-St. Paul international airport (MSP) area for comparison are displayed.

Airfare prices from most European markets to MSP tend to run about 20% higher for refundable fares than to larger East Coast cities. In most cases, fares to MSP also ran about 15% - 20% higher than fares to Chicago, Minnesota's major Midwest competitor. The non-refundable economy class fares are considerably less expensive than refundable fares, in many cases costing only a fifth the price. Again, the non-refundable fares to MSP from these European cities also tended to run 20% higher than the least expensive non- refundable fares and 15% higher than fares to Chicago. For price sensitive travelers who are looking for low fares to the U.S. or the Midwest region, Chicago may be the port of entry of choice.

Minnesota has an airfare advantage over many other U.S. destinations in much of the Canadian market. Airfares to MSP from Toronto, Winnipeg and Vancouver are lower than the average airfare to the other U.S. destinations.

Although the above analysis indicates that MSP may be a more expensive airport to access than its competitors it was important to also check if this was the case with travel to Greater Minnesota destinations. Much of the Minnesota tourism product is located in rural areas where air access is available but if price is a barrier, as it may be, cost enters into the destination selection process.

Airfares to Greater Minnesota Destinations

Eleven Minnesota communities have scheduled air service from the Minneapolis-St. Paul International Airport. In 1997, Northwest Airline initiated a program called "Easy Goin' – Fly Your Local Airport". This program lowered fares from the Minneapolis-St. Paul International Airport (MSP) to a number of Minnesota destinations. Passenger volume to these cities increased substantially in response. (See the Department of Transportation Office of Aeronautics website [16] for change in enplanement volume at Easy Goin' airports.) In addition, Duluth currently has direct air access from two other large hub airports, Detroit and Chicago. Direct scheduled air service substantially decreases travel time and improves the tourism infrastructure.

Table 3.2: Comparison of Lowest Airfare to MSP and Selected U.S. Cities, Refundable and Non-Refundable

Maximum and Minimum **Refundable** Y2 Economy Class Fares to Selected U. S. Cities

City	Maximum Fare in Range	Minimum Fare in Range	Minimum Y2 Fare to Mpls	Difference between Mpls Fare and Minimum Fare in Range
Amsterdam	$3,629.76	$2,465.17	$3,162.17	**$697.00**
Berlin	$4,167.93	$1,136.87	$3,514.87	**$2,378.00**
Paris	$3,646.10	$1,096.68	$1,576.74	**$480.06**
Copenhagen	$4,058.40	$1,324.03	$1,857.34	**$533.31**
Frankfurt	$4,168.93	$2,556.08	$3,514.18	**$958.10**
Helsinki	$4,022.18	$1,136.78	$1,670.05	**$533.27**
Reykjavik	$3,379.96	$882.15	$1,416.49	**$534.34**
Rome	$3,087.26	$960.30	$1,440.85	**$480.55**
Stockholm	$3,639.62	$1,129.65	$1,652.02	**$522.37**
London	$2,049.00	$1,202.61	$1,625.81	**$423.20**

Maximum and Minimum **Non-Refundable** Y2-Economy Class Airfares to Selected U.S. Cities

City	Maximum Fare in Range	Maximum Fare in Range	Minimum fare to Mpls	Difference between Mpls Fare and Minimum Fare in Range
Amsterdam	$896.35	$447.67	$746.79	**$302.00**
Berlin	$741.30	$516.49	$628.89	**$112.00**
Paris	$585.62	$368.63	$511.05	**$143.00**
Copenhagen	$840.89	$604.85	$693.36	**$89.00**
Frankfurt	$713.20	$516.49	$600.79	**$84.00**
Helsinki	$855.82	$626.61	$703.32	**$77.00**
Reykjavik	$1,002.76	$601.66	$825.70	**$251.00**
Rome	$1,086.70	$686.82	$937.25	**$253.00**
Stockholm	$803.70	$599.58	$676.13	**$77.00**
London	$666.66	$470.58	$617.64	**$147.00**

Could the “Fly Local” fares help transform Greater Minnesota cities into “fly” destinations and improve access to overseas tourists? Because airfares are such an important factor in long haul travel, airfares from select European cities to Greater Minnesota destinations were examined as part of the analysis. An inspection of the lowest economy airfares from selected European cities to Greater Minnesota cities with scheduled air service was conducted using an Internet site, Travelocity [17], to help answer the question.

The use of the Internet to find airfares and travel information has been growing at a fast pace. According to the Travel Industry Association [18] about 35.6 million U.S. residents used the Internet to make travel plans in 1998 compared to only 3.1 million in 1996. Travel purchasing alone has grown from $445 million in 1996 to $8.1 billion in 1999 according to recent data from the Airline Reporting Corporation reported in *Business Travel News* [19]. Another recent report in Travel Weekly [20], conducted by Chadwick Martin Bailey, shows that among Internet users, leisure travelers are far more likely to use the Internet for travel information than business traveler (56% vs. 35%, respectively). Because the Internet is such a growing source of travel information for leisure travelers, a look at fares from a reputable web site is important for any discussion of airfare pricing.

One of the main sites for airfare information is Travelocity, a subsidiary of the Sabre computerized airline reservation system. The Travelocity Web site was searched to get a snapshot of airfares from European destinations to Greater Minnesota destinations. All airfares were checked on the same date, August 7, 1999, using the same departure and return dates for the searches. Similar to the Sabre searches, a 15-day advance purchase for a round trip lasting 14 days was used. Table 3.3 shows the lowest priced airfare from Minneapolis to the selected Greater Minnesota destinations. In one case, airfare could not be found on Travelocity for one Minnesota destination, Ely, although scheduled air service is offered there during the summer season and the departure date used in the analysis fell well within the scheduled air service season. All fares in this table are classed as non-refundable.

The next stage in the Travelocity search was to find the lowest price fares from four European cities to the Greater Minnesota destinations. Table 3.4 shows the lowest non-refundable fares.

Because the majority of passengers have to connect to Greater Minnesota destinations through the Minneapolis/St. Paul International airport, the lowest fares to Greater Minnesota cities should be no greater than the fare from that point of origin to MSP, plus the fare from MSP to the Greater Minnesota destination. In many cases, the airfares to the Greater Minnesota destinations were less expensive (shown in Table 3.4 as negative numbers under the column labeled "Difference"). But, in other instances (see bolded fares), this was not the case.

Few airfares from the selected overseas points of origin to Greater Minnesota destinations found in the search of the Travelocity web site fit the simple equation of a fare from point of origin to MSP plus the fare from MSP to Greater Minnesota. The fares that are greater than the results from this simple calculation artificially inflate the cost of visiting Greater Minnesota destinations. These fares pose an additional barrier to access of Minnesota's resource-based tourism products – products that offer a quality experience and have unique appeal.

Table 3.3: Roundtrip Airfare from MSP to Select Minnesota Destinations

MSP To:	Bemidji	$143.36
	Brainerd	$143.36
	Duluth	$161.00
	Ely	N/A
	Fairmont	$97.54
	Grand Rapids	$163.25
	Hibbing	$168.00
	International Falls	$143.36
	Rochester	$163.00
	St. Cloud	$145.00
	Thief River Falls	$140.36

Table 3.4: Airfare Comparison from Selected European Cities to Greater Minnesota Destinations

Note: Column labeled "**Diff.**" reflects the amount and direction that the airfare deviated from the sum of the fare from point of origin to MSP plus the fare from MSP to the Greater Minnesota city. A positive number reflects a rate higher than the sum. A negative number reflects a fare lower than the sum.

	Frankfurt		Amsterdam		Reykjavik		London		Oslo	
	Actual	**Diff.**	**Actual**	**Diff.**	**Actual**	**Diff.**	**Actual**	**Diff.**	**Actual**	**Diff.**
MSP	$489.10	---	$871.60	---	$927.50	---	$591.60	---	$994.30	---
Bemidji	**$693.10**	**$60.90**	$1,000.60	- $14.36	$1,055.50	- $15.36	**$1,043.60**	**$308.64**	**$1,755.50**	**$617.84**
Brainerd	**$715.10**	**$82.64**	$1,000.60	- $14.36	N/A	N/A	**$1,043.60**	**$308.64**	**$2,372.70**	**$1,235.04**
Duluth	$606.10	- $44.00	$1,008.60	- $24.00	N/A	N/A	$719.60	- $33.00	N/A	N/A
Ely	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Fairmont	N/A	N/A	N/A	N/A	N/A	N/A	**$1,048.60**	**$359.46**	N/A	N/A
Grand Rapids	N/A	N/A	$1,008.60	- $26.25	$1,074.50	- $16.25	**$1,149.60**	**$394.75**	N/A	N/A
Hibbing	**$711.10**	**$78.64**	$1,008.60	- $31.00	N/A	N/A	**$788.60**	**$29.00**	**$2,872.50**	**$1,710.20**
International Falls	**$693.10**	**$60.64**	$1,003.60	- $11.36	$1,055.50	- $15.36	**$1,133.60**	**$398.64**	**$2,853.50**	**$1,715.84**
Rochester	$606.10	- $46.00	$1,008.60	- $26.00	$1,025.50	- $65.00	$714.60	- $40.00	$995.30	- $162.00
St. Cloud	N/A	N/A	$997.60	- $19.00	N/A	N/A	**$1,128.60**	**$392.00**	N/A	N/A
Thief River Falls	N/A	N/A	$997.60	- $14.36	$1,052.50	- $15.36	$1,089.60	**$357.64**	$2,835.30	**$1,700.64**

Summary of Airfare Analyses

These analyses provide some indication of the extent to which a functional barrier exists, preventing international visitors from traveling to Minnesota. While demand is impacted by many variables, there is strong evidence to suggest that airfare cost may be responsible for reducing actual overseas visitation to Minnesota. The price elasticity of overseas travel to Minnesota was not measured in the study so the magnitude of the expected reduction in travel to the state, as a result of higher air access prices, could not be determined. At this point it is sufficient to recognize that higher access costs do pose a functional barrier and the evidence uncovered indicates that Minnesota is a relatively high price destination for many European travelers. In the sections to follow perceptual barriers will also be discussed. It is possible that a destination with relatively higher access costs can overcome this barrier by projecting strong attraction appeal. However, before discussing perceptual barriers, the next section presents other functional barriers that may exist once an overseas visitor finds him/herself at MSP international airport.

Role of Airports in Reducing Transportation Barriers to Travel

Airports play a crucial role in destination development. Although airports are seldom tourist attractions, they play a number of other important roles in facilitating, welcoming, promoting, selling and servicing the tourist. They are a symbol of the destination and a reflection on the community. Airports are essential to the development of a tourist destination and can greatly impact the dimension and direction of its growth.

An airport's primary focus is on the safety of its passengers and the efficiency of its operations. After these essentials are secured, airports tend to focus on providing good customer service, managing retail space, and maintaining facilities. Many airports are not even aware of the role they play in developing tourism. A few airports that embrace the role offer valuable models for Minnesota and will be discussed after the characteristics of MSP airport are examined.

The Minneapolis - St. Paul International Airport (MSP) and Overseas Visitors

MSP is one of the world busiest airports (see Table 3.5) as measured by passenger volume, serving about 29,000,000 domestic passengers and 1,600,000 international passengers in 1998. In 1999, passenger volume increased to a total of 34.2 million. The volume of passengers at MSP continues to grow as Northwest Airlines, the dominant carrier, adds new routes, and MSP lures new airlines to its facilities (see Table 3.6).

Because of geography, population and the large number of international gateway airports in the U.S., most U.S. airports do not have high levels of international passengers in comparison to European or Asian airports. New York's John F. Kennedy airport is the busiest international airport in the U.S., with over eight million passenger enplanements, but this volume is only fifteen percent of Heathrow in London, U.K.

Table 3.5: The Busiest Airports in the World by Passenger Volume (1999)

Rank	Airport	Total Passengers	% Change from 1998
1	Atlanta, GA (ATL)	77,939,536	6.1
2	Chicago, IL (ORD)	72,568,076	0.1
3	Los Angeles, CA (LAX)	63,876,561	4.3
4	London, GB (LHR)	62,263,710	2.6
5	Dallas/Ft Worth Airport, TX (DFW)	60,000,125	n.a.
6	Tokyo, JP (HND)	54,338,212	6.0
7	Frankfurt, DE (FRA)	45,858,315	7.3
8	Paris, FR (CDG)	43,596,943	12.9
9	San Francisco, CA (SFO)	40,387,422	0.7
10	Denver, CO (DEN)	38,034,231	3.3
11	Amsterdam, NL (AMS)	36,781,015	6.9
12	**Minneapolis/St. Paul, MN (MSP)**	**34,216,331**	**12.7**
13	Detroit, MI (DTW)	34,038,381	7.9
14	Miami, FL (MIA)	33,899,246	-0.1
15	Newark, NJ (est.) (EWR)	33,814,000	4.1
16	Las Vegas, NV (LAS)	33,669,185	11.4
17	Phoenix, AZ (PHX)	33,533,353	5.6
18	Seoul, KR (SEL)	33,371,074	13.4
19	Houston, TX (IAH)	33,089,333	6.3
20	New York, NY (est.) (JFK)	32,003,000	2.9

Source: Airports Council International, 1999 (Preliminary) [21]

Table 3.6: Passenger Activity at Minneapolis-St. Paul International (MSP) 1990-1998

	DOMESTIC PASSENGERS				INTERNATIONAL PASSENGERS				TOTAL			
Year	Enplane	Deplane	Connecting	**Total***	Enplane	Deplane	Connect	**Total***	Enplane	Deplane	Connecting	**Total***
1990	6,592,095	6,549,326	6,894,786	**20,036,207**	107,226	134,273	103,608	**345,107**	6,699,321	6,683,599	6,998,394	**20,381,314**
1991	6,477,014	6,449,850	7,245,296	**20,172,160**	143,852	180,139	105,026	**429,017**	6,620,866	6,629,989	7,350,322	**20,601,177**
1992	7,010,956	7,121,500	8,291,646	**22,424,102**	165,163	206,363	111,862	**483,388**	7,176,119	7,327,863	8,403,508	**22,907,490**
1993	7,326,339	7,325,689	8,184,200	**22,836,228**	215,236	222,328	128,620	**566,184**	7,541,575	7,548,017	8,312,820	**23,402,412**
1994	7,441,022	7,442,486	8,934,804	**23,818,312**	249,939	261,179	142,514	**653,632**	7,690,961	7,703,665	9,077,318	**24,471,944**
1995	7,960,143	7,958,947	10,153,456	**26,072,546**	253,215	259,972	201,554	**714,741**	8,213,358	8,218,919	10,355,010	**26,787,287**
1996	8,641,705	8,614,562	10,520,860	**27,777,127**	415,491	389,092	190,040	**994,623**	9,057,196	9,003,654	10,710,900	**28,771,750**
1997	9,153,882	9,252,515	10,642,738	**29,049,135**	437,916	434,511	286,694	**1,159,121**	9,591,798	9,687,026	10,929,432	**30,208,256**
1998	9,584,104	9,236,408	9,865,276	**28,685,788**	619,402	694,328	348,402	**1,662,132**	10,203,506	9,930,736	10,213,678	**30,347,920**
Average annual growth per year (per cent)												
1990-95	4.2%	4.3%	9.5%	**6.0%**	27.2%	18.7%	18.9%	**21.4%**	4.5%	4.6%	9.6%	**6.3%**
1995-98	6.8%	5.3%	-0.94%	**3.3%**	48.2%	55.7%	24.3%	**44.2%**	8.1%	6.2	-0.5%	**4.4%**
1990-98	5.7%	5.1%	6.2%	**5.4%**	60.0%	52.1%	29.5%	**47.7%**	6.5%	6.1%	5.7%	**6.1%**
Total= enplanements+deplanements+connecting Source: Long Vu, Metropolitan Airports Commission, personal communication.												

Among U.S. airports, MSP ranks about 20th in the number of international passengers served. MSP's volume of international passengers has been growing at an average annual rate of about 48% from 1990 - 1998, considerably outpacing the growth rate for international tourist arrivals in the U.S. However, the actual number of these international passengers who are coming to Minnesota as their primary destination is difficult to estimate for two reasons. First, many Minnesotans take trips to international destinations and their round trip travel includes them in MSP's count of international passengers (MSP Airport Commission). Second, MSP is a hub airport with many passengers only passing through to connect on to their final destination. Thus, the volume of international passenger traffic at MSP far exceeds the number of international visitors who are embarking for a stay in Minnesota. According to the 1997 In-flight Survey, 266,134 overseas visitors to the U.S. cited Minnesota as one of their destinations in 1997. Data from the enhanced In-flight sample of overseas visitors to Minnesota shows that Minnesota was the primary destination for only half of its overseas visitors and about 30% of Minnesota's overseas visitors arrive by flying directly into MSP.

Minnesota is linked to the overseas tourist market by a number of air carriers; in particular Northwest Airlines and its strategic alliance partner KLM Royal Dutch Airlines, but also other international carriers such as Icelandair and Air Canada. During 1998, 252 scheduled direct flights per week left Minnesota for international destinations. Twenty-three, or 9% of the total fly to Mexican and Caribbean destinations, catering to the outbound Minnesotan vacation market rather than an inbound market of visitors to Minnesota. One hundred eighty-nine, or 75% of the flights go to Canadian destinations. Fourteen (5%) go to Asian destinations and twenty-six (10%) are headed to Europe.

As a hub airport, MSP provides many overseas travelers with their first and, in many cases, their only introduction to a destination. Airport design, transportation links and visitor information can be strategic components in creating destination awareness, facilitating visits and providing memorable travel experiences. In the sections that follow functional, perceptual and logistical barriers relating to MSP airport will be reviewed in comparison to other international airports.

Comparing Barriers at the MSP to Other Airports

The Minneapolis-St. Paul International Airport receives good ratings from its overseas passengers for its operations and service. According to the International Air Transport Association's (IATA) *1997 Airport Monitor* [15], MSP ranks favorably on most performance characteristics and services that are measured at airports. IATA rankings are derived from surveys of international passengers at sixty of the world's international airports. In the categories of convenience, signposting, ease of making connections, speed of passport and customs inspections, courtesy, security and cleanliness, MSP ranks above the average for all airports and near the top when compared to other U.S. international airports. In addition, MSP ranks 8th worldwide, in availability of domestic connecting flights and 7th worldwide for its restaurants and eating facilities. Amsterdam's Schipol, Singapore's Changi, Helsinki's Vantaa and Copenhagen's Kastrup Airports have the highest ratings overall in all performance measures. Atlanta is rated as the best airport in the U.S., outranking all other U.S. airports in every performance category. In general, U.S. airports tend to rank lower than European airports in most performance measures.

Overseas passengers rate MSP a bit below the worldwide average on a few isolated performance measures. Most of MSP's below average performance measures relate to international passenger services and flights. For example, MSP ranks below average in its availability of connecting flights to cities on other continents, the availability of baggage carts and the provision of special services for overseas visitors such as money exchange. MSP is also below average in the availability of low airfares to foreign destinations and in its speed of baggage delivery. It ranks average in ground transportation, scoring significantly lower than airports that provide rail, subway or other non-highway dependent ground transport options to carry passengers into the city. Since the publication of the 1997 ratings, MSP has undergone a number of changes and interior expansions that could raise its ratings on many performance measures, especially in the areas that were not up to the worldwide average in 1997.

Barriers Posed by Ground Transportation - MSP Compared to Six Selected U.S. Airports

Airport services and ground transportation are important factors in proving a seamless, stress-free travel experience to visitors. The less familiar a traveler is with a destination, the more important it is to create a user-friendly environment and provide easy, fast and convenient ground transportation. Ground transportation can be a key to generating repeat visitation and to creating gateways to destinations and attractions in the region.

Airport services and ground transportation options at MSP were compared to those offered at six other prominent U.S. airports. The methodology included searching web sites for information and interviewing the traveler information staff from each airport by phone to verify the web information and/or ask additional questions. The services examined include the availability and cost of baggage carts, the location and method used to provide currency exchange, ground transportation options and ease of obtaining information about the services. The airports included were:

- Atlanta Hartsfield Airport (ATL)
- Denver International Airport (DIA)
- Dallas- Fort Worth International Airport (DFW)
- Chicago O'Hare International Airport (ORD)
- Los Angeles Airport (LAX)
- Minneapolis-St. Paul International Airport (MSP)
- National Airport - Washington D. C. (DCA)

In summary, MSP is similar to many other major U.S. international airports in its ability to serve tourists, provide directions and tourism information and generally help them find their way to their destination (See Table 3.7). Some minor differences were uncovered. For instance, MSP charges $1.50 for baggage carts while most other airports provide them to international passengers free of charge. Some of the airports provide more than one currency exchange desk and/or currency exchange machine at locations throughout the terminals while MSP has a single counter. In addition to a centralized travelers' assistance desk, many of the airports provide computer kiosk access to tourist information at convenient sites throughout the airport. MSP currently does not have tourist information kiosks, but MSP has recently upgraded its central traveler's information desk so it is larger and more visible. The travel information service desk at MSP was particularly good at responding to our interviewer's questions. In comparison to the other airports, MSP provided the quickest responses and the most thorough answers to the questions.

Table 3.7: Ground Transportation Comparison at Selected Airports

	ATL	DIA	DFW	ORD	LAX	MSP	DCA
Free baggage carts	Yes	$1.50	Some free	Yes	Yes	$1.50	Yes
Taxi	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Hotel shuttle	Some free, $14 round trip	Few free, $27 round trip	Few free, $16 round trip	Few free, $28 round trip	Many free, $15 one way	Many free, $16.50 round trip	Some free, $10 round trip
Public bus	No	Yes	No	Yes	Yes	Yes	Yes
Rail to airport	Yes	No	No	Yes	Yes	No	Yes
Rail in city	Yes	Yes	Yes	Yes	Yes	No	Yes

Language may pose a formidable functional barrier to increasing overseas tourism. Few U.S. gateways are prepared for foreign speaking tourists. The airports in the sample handle foreign speakers in a similar manner. They direct non-English speaking visitors to a traveler assistance desk. Traveler assistance staff also reports that they use a referral list of local translators who are called when needed. But the staff from these airports reports that the need for translation seldom arises. Translation assistance does not extend to ground transportation services. The airports could not cite a single ground transportation service that provides translation for non-English speaking customers.

The cost of ground transportation, a functional barrier, varies from airport to airport depending mostly on the mode of transport rather than actual distance traveled between the airport and the tourist area served. All airports offer taxis and shuttles; and most often, public bus service. All airports, including MSP, offer a fee-based shuttle service to the area's tourist hotels and the rates are quite comparable from city to city. A greater number of hotels in the Twin Cities offer complimentary airport shuttles than at the other airports.

The Twin Cities taxi service is competitive with the other cities in the survey. Only Denver's taxi service is considerably cheaper per mile. Washington D.C. uses fare zones rather than straight distance so their data are not comparable. Fare zoning is a practice found in many communities that are dependent on tourism. Rates for each geographic zone are posted so that passengers know how much their fare is before they get into the taxi. One problem identified by the tourism professionals who were interviewed for this project is that competitive limitations are placed on the quantity of available taxicabs and this limitation might artificially keep rates high. Taxis in U.S. cities are licensed and their numbers controlled by a central authority. But in Minnesota Metro Area taxis have additional limitations placed on their ability to pick up passengers which may further restrict the number of cabs available. In Minnesota taxis are licensed by individual Metro Area cities and have pick up rights only within the city of their license. For example, a taxi licensed in St. Paul is only allowed to pick up passengers in St. Paul unless it has a dual license. The Minneapolis taxi regulatory office claims that they have had no complaints from tourists on this issue.

One issue surrounding taxis is a general suspicion that taxi drivers are prone to taking longer, more circuitous routes in order to drive farther and charge a higher fee. The general belief that taxi drivers have this tendency is a perceptual barrier to their use. In Minnesota, two local tourist experts who were interviewed for this project described actual experiences with cab drivers who took a longer route from the airport to the Mall of America. The motives of the drivers are unknown, and may, in fact, be good but the passenger's perception is that it was an intentional choice to charge a higher fee. To mitigate these problems some airports and destinations post the average cab fares to popular attractions so that tourists know what fares to expect. MSP posts the average cab fare to downtown Minneapolis and St. Paul. Adding some of the Twin Cities' top attractions, such as Mall of America, Fort Snelling and Shakopee attractions to their posting would be an enhancement.

Minneapolis, St. Paul and MSP require that taxi drivers attend and pass an educational workshop that teaches them about regulations, directions and courtesy. Taxi drivers are also required to read, write and understand English. Yet the English proficiency of many cab drivers is an area of concern. Currently, the Minnesota Department of Transportation offers the mandatory license test in a number of foreign languages so a driver's English proficiency is not tested when they apply for a license.

In summary, ground transportation at MSP compares favorably with ground transportation offered at other U.S. international airports when comparing specific transport modes. The major difference is that MSP lacks a primary public mode of transport that is available in most large cities including Atlanta, Chicago, Los Angeles and Washington D.C., as well as most European and Asian tourist airports. MSP lacks the fast and reliable rail service offered by trains or subways. These systems are not road dependent and therefore less prone to traffic and congestion slow downs. Trains, light rail and subways are staples of the inter-modal transportation systems found in Europe and Asia. At Chicago O'Hare, Atlanta, and Los Angeles, trains leave at regular frequent intervals throughout the day and night. Operators simply adjust the number of cars to match the projected demand for a particular time or particular date (from 2 to 8 cars or more at Chicago). Denver and Dallas do not have train or subway service to the airport but have systems operating within the city boundaries. The Minneapolis-St. Paul area was the only city in this group that did not offer rail or subway service at the airport or in the cities.

There are a few projects currently being explored in the Minneapolis-St. Paul area that are important to mitigating current barriers in the area of ground transportation. One is the development of a light rail system that will connect the downtowns, the University of Minnesota, the Mall of America and the airport. If developed, this project will place the Metro Area's transit system on par with other large urban areas. A second project, currently in its pilot stage, is a low fee shuttle that brings visitors from the downtown area of Minneapolis to various attractions and restaurants. The shuttle service was launched last year and is due for an evaluation this year. A third plan is to develop a number of fast speed (110 mph) rail lines from the Metro Area to various distant suburbs and regional centers. These various plans appear to be in response to MSP's lack of inter-modal options when compared to other international airports.

Access Barriers from MSP to Greater Minnesota

Northwest Airlink provides scheduled air service to a number of Minnesota communities. Scheduled service from MSP is also provided to many communities through shuttle service offered by Henderson Transportation, Executive Express, Mankato Land to Air, Rochester Direct, Rochester Express, Twin City Passenger Service and Jefferson Bus Lines. Although some of these transportation companies will shuttle to communities that are not listed in their brochures or on the MSP web site, passengers unfamiliar with Minnesota may have difficulty finding information and making arrangements. The Greater Minnesota communities found in Table 3.8 are listed in airport brochures and on the MSP web site, although Jefferson Lines, a regional bus transportation company, services many Minnesota cities that are not included on the list.

Table 3.8: Listed Greater Minnesota Cities with Shuttle Service from MSP

Albany	Little Falls	Sauk Center
Alexandria	Long Prairie	Southern metro area
Avon	Mankato	Southern MN-other
Brainerd	Melrose	Starbuck
Chanhassen	Milaca	St. Cloud
Chaska	Monticello	St. Paul suburbs
Dassel	Morris	St. Peter
Elk River	Princeton	Wadena
Glenwood	Rochester	Willmar
Litchfield	Rogers	

Prices vary depending on type of service and distance with a fee of $50 round trip to St Cloud and $106 to Brainerd. Frequency of service also varies from a low of four times a day to a high of eleven. Rochester, a center of medical care, has more service than any other Minnesota city and its service includes convenient pick up at hotels, motels, hospitals and other public places. The primary markets for the Greater Minnesota shuttle service is the Greater Minnesota business traveler and resident vacation traveler. According to shuttle staff, few in-bound tourists use the shuttle service.

One important tourist destination in the Metro Area, Shakopee, has no shuttle service or public transportation system. Shakopee contains many of the Metro area's largest attractions and events. It houses the Metro Area's largest amusement park, a large historical village, major casino and the state's only horse racing track. Yet, there are no shuttles or public buses serving Shakopee today. The lack of public transportation to Shakopee is a logistical barrier to increasing visitorship at its attractions. Numerous other metro communities (i.e., Blaine) also lack public transportation service to attractions.

Ground Transportation Barriers at Greater Minnesota Airports

Rental cars and taxis are available in the Greater Minnesota communities that have scheduled airline service. Unlike ground transport at MSP, transportation services at Greater Minnesota airports are seldom found waiting for passengers on arrival. Visitors arriving at Greater Minnesota airports need to schedule ground transport in advance or call for a taxi or rental car on arrival. Some information on the ground transportation options in these communities can be found on the Aeronautics Division of the Minnesota Department of Transportation's web site [16] and occasionally on a community web site. A small number of Greater Minnesota motels and lodges also provide shuttle service to and from their area airports. Information about hotel shuttle service is not currently included on the airport web sites so a visitor must ask while making their lodging reservation. Currently information about ground transportation options in Greater Minnesota communities is not easily accessible to visitors, which presents a functional barrier to access.

Minnesota's Convention and Visitor's Bureaus' Perception of Transportation Barriers

One of the methods used to uncover issues involving transportation barriers was a survey of the executive directors of the Minnesota Association of Convention and Visitors' Bureaus. An open-ended questionnaire was sent to fifty directors of convention and visitor or tourist bureaus around the state asking them a number of questions about Minnesota's airports and the transportation system's ability to serve overseas tourists. Questions specifically addressed the airport's importance to tourism, its role in promoting tourism and its use of decor to convey an appropriate image of Minnesota to passengers. Forty directors responded. These directors unanimously answered that the airport is vital to tourism in Minnesota and that MSP should incorporate the promotion of Minnesota as a tourist destination into its mission statement and objectives. In general, they feel the MSP airport is doing a good job but there is still room for improvement. Ideas for improvements at MSP include incorporating Minnesota images into the decor; adding interactive displays and tourism information kiosks; investing in better transport linkages, such as rail service, to Greater Minnesota destinations; improving air links; lowering air fares to Minnesota and its communities; and providing training for the airport staff so they are aware of local tourism activities and other Minnesota destinations. Many convention and visitor bureau directors feel that MSP is currently making an effort to include tourism experts in airport planning efforts, but that more representation, especially from Greater Minnesota, would be helpful.

The convention and visitor bureau executives overwhelmingly concurred that incorporating images of Minnesota's tourist destinations and activities into the airport's interior design is an important strategy for promoting tourism in Minnesota. This group felt that Minnesota airports, especially MSP, could reduce perceptual barriers that tourists have of Minnesota and create positive awareness of Minnesota's tourist products by promoting them through use of design techniques, art and imagery. When asked what image of Minnesota the airport should use, respondents unanimously responded that one image was not enough. MSP should portray the diversity of Minnesota's tourism destinations and products. Images that were suggested include Minnesota's woods and lakes, the Mississippi River, urban skylines and urban attractions, the Duluth harbor, Voyager's National Park, the BWCA and recreation activities spanning all four seasons. Respondents did not show a strong preference for any particular medium to represent these images. Collages, murals, photography and paintings were all suggested. MSP airport is viewed as the gateway to Minnesota and, one respondent asked, "Why didn't the airport think of including Minnesota images during its redesign?"
Convention and visitor bureau executives were also asked how important they felt light rail transport was to the tourism industry. Most respondents felt it was very important, especially to the Metro Area. All agreed that if a light rail line was built, it was essential to build a station at MSP. Many respondents remarked that, under the current airport design, passengers have to negotiate a number of physical barriers, such as stairs, that prevent convenient access to ground transportation and they hoped that MSP would eliminate logistical barriers to use by providing better access to a light rail terminal.

The questionnaire asked a series of questions about Minnesota's transportation system and its ability to provide access to attractions and Greater Minnesota communities. Most respondents noted the need to reduce logistical barriers by developing better transportation links from the airport to outer ring suburbs and to Greater Minnesota communities. A few respondents specified that a shuttle from the airport to the Mall of America should be provided. All respondents, except for one, felt that improvements to the transportation system were needed to facilitate access to Metro area attractions and Greater Minnesota communities. Many of these directors had traveled overseas themselves and remarked that, in Europe, air passengers are offered a number of inter-modal options including shuttles, conventional and fast speed trains, and light rail transport. As one respondent summarized, "For Minnesota's transportation system to be comparable to that of Europe's in its ability to serve tourists, MSP would need to be more than just an airport and become an inter-modal transportation hub serving all of Minnesota and the Upper Midwest."

Barriers Affecting Other Transportation Modes

Passenger Train Service

Amtrak provides service to much of the Midwest through its hub station in Chicago. Minnesota is serviced from Chicago as part of its western route network. Amtrak operates one train a day in each direction between Chicago and Seattle. This train, the Empire Builder, services eight Minnesota communities: Winona, Red Wing, St. Paul, St. Cloud, Staples, Detroit Lakes, Fargo-Moorhead, and Grand Forks-East Grand Forks. When heading west, the Empire Builder passes through Minnesota at night, arriving in Winona at 7:44 PM, the Metro area at 10:25 PM and leaving the state border area at 5:00 AM. On return the Empire Builder reaches the state border after midnight and arrives in St. Paul at 7:35 AM. The trip from St. Paul to Chicago takes about eight hours, comparable to the time that it takes to drive. Amtrak also connects with a motor coach shuttle to provide service from St. Paul to Duluth.

Amtrak offers many fare and travel package options. It offers special fares by length of trip, for different geographic zones, for combined transport modes traveling one-way by rail and the other by air, or to connect with other rail or bus systems in North America. Amtrak's excursion fare allows passengers to debark for stopovers at three destinations along the way as long as the dates and cities of the stopovers are planned in advance. It offers special travel packages at popular stopover sites such as one in Minneapolis that includes rail fares, two nights of lodging, car rental and a Mall of America discount book. In addition to the normal senior or student discounts, Amtrak also offers a special rate to international travelers.

Currently, there is little attention given to Amtrak and its potential as a mode of transport or as a tourist attraction in and of itself. Although eight percent of overseas visitors who travel to multiple destination in the U.S. use the train, Amtrak's late night and early morning schedule in Minnesota is perceived to be a functional barrier to tourism development and marketing by local tourism staff. Amtrak's Minnesota stops are seldom advertised and difficult to find in Amtrak's *Travel Planner* brochure. The *Travel Planner* lists only one destination package in Minnesota, for Minneapolis, although it mentions Red Wing in a list of 50 other U.S. cities as having an Amtrak Vacation Package. The details of those packages are not described. Amtrak's marketing division enthusiastically voiced interest in working with the Minnesota tourism industry to develop new products or marketing strategies.

Amtrak concentrates much of its development and marketing efforts in the Northeast where population density, highway congestion, urban center proximity and an experienced rail and subway clientele lead to a larger train service market. A new type of train, the Acela, has been launched on the East Coast. The Acela is offering improved comfort and new amenities as well as faster travel time (150 miles per hour). It is the first scheduled high-speed train service in the U.S.

In the Midwest, Amtrak has a number of new developments in the planning stages. It wants to create a high-speed route (110 miles per hour) from Chicago to St. Paul that would cut travel time from eight to five hours. Six additional trains would be added to service this market. The high-speed service would extend from Chicago to Detroit, St Louis, Cleveland, Cincinnati and Omaha. It will also add a new connection to Madison, Wisconsin. In the more distant future, 2015-2220, Amtrak hopes to develop an Acela type train in the Tri-State Area (Illinois, Wisconsin and Minnesota) that will connect Chicago to the Minneapolis - St. Paul area and reduce current travel time by over three hours.

The Cruise Ship Industry

Cruise ships provide a prime example of the total convergence of the tourist experience with a mode of transportation. In Minnesota, Lake Superior is the only waterway with a traditional cruise ship operation although paddle wheels, houseboats and other boats are available for short site-seeing and longer overnight trips on many lakes and rivers. In 1997, a German-based cruise ship began service with one scheduled cruise on Lake Superior. This year, 2000, five cruises were scheduled on Lake Superior with Duluth as a port of call.

Minnesota's port cities along the coast of Lake Superior stand to benefit from further expansion of the cruise ship industry. However, a major policy barrier to expansion stands in the way. An old federal legislative act, the Passenger Service Act of 1886 prohibits foreign vessels from carrying passengers between U.S. ports. Thus, if the German cruise ship makes a port of call to Duluth, it cannot visit a second U.S. port without heading back out of U.S. waters to a Canadian port. The Passenger Service Act of 1886 requires that trade between U.S. ports be conducted only by U.S. flagships and violations of the act carry a $200 per passenger fine plus possible confiscation of vessel.

The Passenger Service Act of 1886 was passed by the U.S. Congress as a response, in part, to the expanding Canadian presence in the Great Lakes excursion market in the mid-nineteenth century. During this time, Canadian ferryboats began a lucrative business, shuttling U.S. tourists between Great Lakes communities. American boat companies operating on the Great Lakes were angered by the Canadian expansion on U.S. shores. They clamored for legislation to protect their business. The Passenger Service Act of 1886 was passed in response.

Today, there are few U.S. cruise ships in operation. Flagships that are registered in foreign countries dominate the cruise business. Many of the countries where they are registered impose few regulations and levy taxes at lower rates. The few U.S. flagships that remain are primarily found in Hawaii where they provide service between islands. The U.S. has not built an ocean sized cruise ship in over 40 years.

Passenger Service Act opponents claim the existing legislation poses a policy barrier to job growth as well as tourism development in America's port towns. About 5 million North Americans take cruises every year, but, because there are few U.S. flagships and the Passenger Service Act of 1886 prevents foreign flagships from carrying passengers between U.S. ports, U.S. ports are under-served by the cruise industry. Cruise ships that pick up American passengers in U.S. ports must take them directly to foreign ports of call. Today there are an estimated 450,000 jobs in the U.S. because of the cruise industry. Proponents for repeal of the Passenger Services Act claim this number could grow significantly if the act were abolished.

There have been a number of unsuccessful attempts to repeal the Passenger Services Act of 1886. Most recently, the Cruising America Coalition, a group made up of convention and visitors bureaus, state tourism departments, travel agencies and ports was organized in 1997 for another attempt to change the Passenger Services Act. This coalition stimulated introduction of a Congressional bill (S 803) [22] during the 1998 legislative session to amend the Passenger Services Act rather than to repeal it. The amendment was endorsed by over fifty other organizations including the American Association of Port Authorities, many regional port authorities, the U. S. Chamber of Commerce, many individual city chambers, the Shipbuilders Council of America, the American Bus Association, the Society for Advancement of Travel for Handicapped, the National Council of State Travel Directors, many state travel and tourism associations, the American Society of Travel Agents, and the National Association of Cruise Only Agencies.

Senators John McCain, Chair of the Senate Commerce and Transportation Committee, Strom Thurmond (R-SC) and Frank Murkowski (R-AK) sponsored a bill, S 803, which offered a compromise to the Act. S 803 asked for a temporary waiver "to permit the transportation of passengers between U.S. ports by certain foreign-flag vessels and to encourage U.S.-flag vessels to participate in such transportation." In an attempt to appease opposition, S 803 included a number of controls and restrictions such as:

- Foreign flag carriers could apply to the Secretary of Transportation for the right to carry passengers between U.S. Ports. If the Secretary determined that there were no U.S. carriers over the route, the Secretary could grant operating approval.
- If a U.S. flagship wanted to begin service between ports that a foreign flagship was currently serving, the foreign ship would be given three years to terminate its service.
- All foreign flag operators providing coast wide service would be required to repair and maintain their ships in U.S. shipyards.
- To protect ferries, sight seeing and small ships currently doing business in the U.S., the amended bill would apply only to ships over 4,000 gross tons.

Supporters of S 803 argued that the waiver would stimulate opportunities in travel, maritime and other commercial sectors and increase repair work at U.S. shipyards. It could generate new tax revenues and jobs (twelve shoreside jobs for every cruise ship job, according to Cruise America), stimulate interest in restoration of U.S. cruise services and help U.S. ships capture some of the untapped U.S. cruise market. It would also have a positive economic impact by increasing travel expenditures at ports and in communities on a cruise ship's itinerary. (According to Cruise America, passengers spend an average of $205/day at their departure port communities.) Opposition to S 803 was strong and the legislative initiative was dropped. Today there are no bills before the U.S. Congress that seek to repeal or amend the Passenger Service Act.

TEST OF TRANSPORTATION BARRIERS ON AN OVERSEAS TOURIST MARKET

Many barriers to tourism that involve the transportation sector are common throughout the United States. How important are these barriers to overseas visitors? Do the barriers posed by an automobile dependent society reduce or prevent visitation to Minnesota? Can strategies of mitigation be developed to reduce barriers and increase visitation? To find out how important these issues are to overseas tourists, we selected a population of Germans, who showed interest in travel to the Great Lakes area, on which to test the importance of the identified barriers and to measure their receptiveness to mitigating strategies.

Germans Who Offer a Potential Tourist Market to Minnesota

Germans are active travelers. On average, German workers receive over 6 weeks of paid vacation time each year—one of the highest averages in the world. During these holiday periods many Germans prefer to travel abroad. Other European countries receive the majority of German travelers, but no area in the world lacks German tourists. Because of the relatively high incomes possessed by many German residents, and their travel propensity, it was decided to develop a questionnaire addressing some of the identified barriers that would then be presented to a sample of the German long haul vacation market.

A questionnaire was designed to measure the impact and importance of the transportation barriers previously identified by the panel of experts and described in this report. Dr. Dagmar Lund-Durlacher, a tourism research consultant in Germany, translated the questionnaire into German and administered the survey from her office in Berlin. (See appendices B and C) It was mailed to a list of 1,782 people who had contacted the Great Lakes of North America, a tourism organization representing the Great Lakes states and provinces, at their German office to request travel and tourism information. The names of these travel information seekers were gathered over an eleven-month period from January 1999 through November 1999. There were 484 responses to the single mailing, which translates to a 27.2% response rate.

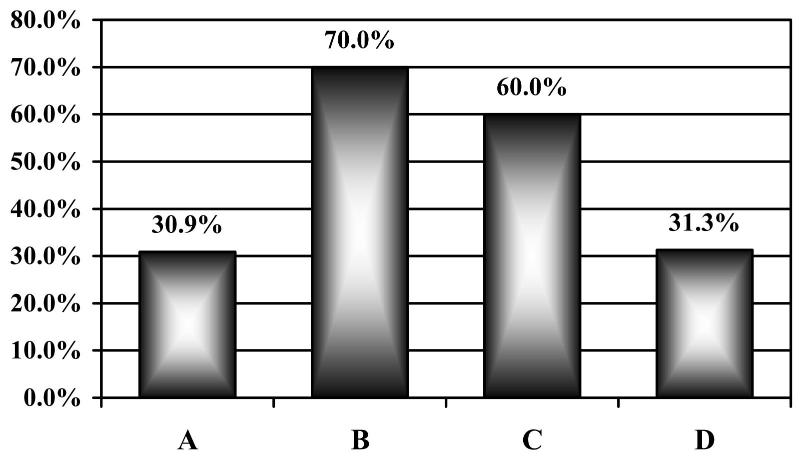
Results of a Survey of German Travelers

The average number of long haul trips (>5 hours) taken by the German sample group in the last five years was 3.45. Compared to other nationalities this represents a strong affinity for long haul travel. The results indicate that the German sample is interested in collecting new destinations and has a strong desire for stopovers. Although only 30.9% of them had ever stayed one or more nights in a place where they were waiting to catch a connecting flight to their final destination almost 70% would be likely or very likely to elect to stay at least one night in a place that is not their final destination, provided there was no increase in the price of airfare. Evidence of the sample population's desire to visit more than one destination while on a long haul trip can also be found in their response to selecting an open jaw option if made available. Sixty percent of the respondents said they would be likely or very likely to select a an open jaw travel option that allows them to arrive at one destination and depart from another to journey home provided there was no increase in airfare. Only 31.3% of the respondents would be likely or very likely to elect to stay in an unknown destination en route to the final destination if they could simply purchase an inclusive package tour but without the added benefit of any increase in airfares. All results reported above are displayed in Figure 3.1.

So, what does this information tell us about barriers? First, there appears to be strong interest in visiting new destinations even if there is little perceptual knowledge about that destination. It appears that one of the major barriers to destination selection, lack of perceptual knowledge/ tourism image about a place, can be overcome by reducing a private sector policy barrier. The lack of significant stopover visitation reflects, given the findings of the survey, either international air carriers unwillingness to offer stopovers and/or open jaw tickets to overseas passengers or, if allowed, the ignorance in the market regarding the availability of such tickets. Secondly, increasing airfare appears to be more of a barrier to accessing an unknown market than the availability of all-inclusive tour packages. More will be said about these barriers later in the report.

When the sample population was queried regarding logistical barriers the results were not too surprising. Respondents were asked in a series of questions how likely they would be to use various forms of transportation. Rental cars were viewed as an acceptable form of local transportation as 68.2% of the respondents were likely or very likely to use this means of transportation once arriving at their destination. Somewhat surprisingly 67.9% would be likely or very likely to walk and/or bike to get around or visit local attractions. Other forms of local transportation that would be likely or very likely to be selected included shuttle buses (65.9%), train, rail, subway (58.9%), local bus (48.9%), motor coach (41.9%) and finally taxi (25.9%). (Figure 3.2)

It is interesting to note how many people were not likely to use taxis for local transportation compared to the public bus system. This may be due to price sensitivity and/or the ease and safety with which people use public bus systems in Europe. In fact public bus systems in some



Legend	Average number of German long haul trips in the last 5 years	3.45
A	Stayed 1+ nights while waiting to catch a connecting flight to final destination	30.9%
B	Would be likely or very likely to elect to stay 1+ nights at place before connecting to final destination	Approx. 70%
C	Would be likely or very likely to select a travel option allowing them to arrive at one destination and depart from another	60%
D	Would be likely or very likely to stay in an unknown destination en route to their final destination if they could purchase an inclusive package	31.3%

Figure 3.1: German Long Haul Trips

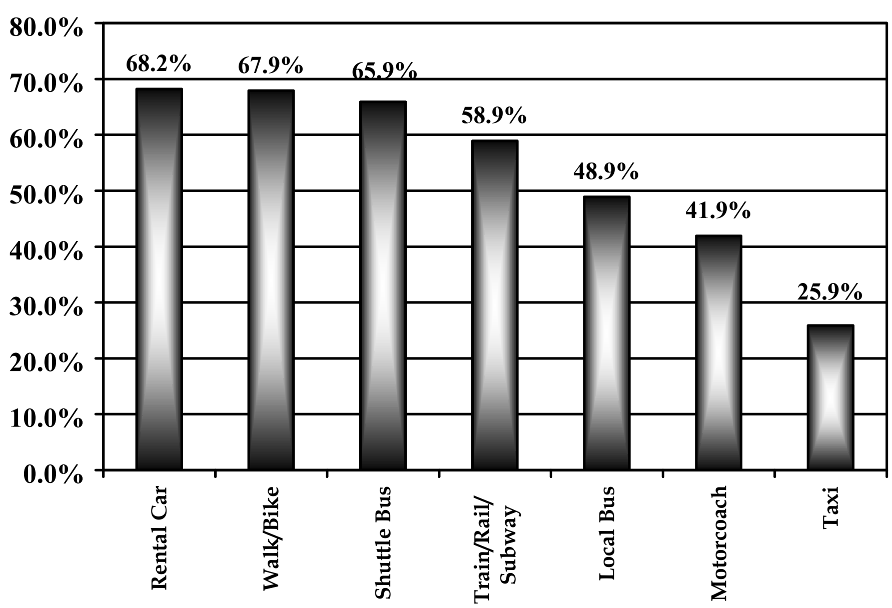


Figure 3.2: Local Transportation Likely or Very Likely To Be Selected By German Visitors to Minnesota

parts of Europe serve multiple roles including being the transportation system of choice for school children thereby justifying the expense of maintaining regular route service throughout the local area. The responses seem to indicate that destinations (like the Minneapolis-St. Paul area) that rely on taxis to move tourists between attractions and services will face logistical barriers in trying to increase their level of overseas tourism.

Assuming some of the identified policy and logistical barriers could be reduced, what types of attractions would most appeal to the German long haul market thus making it more likely that an unknown destination would be selected for a short stay? The study addressed this question by asking questionnaire recipients the types of natural, cultural or built attractions they would be most likely to select given a short stay in an unknown area. The majority (91.3%) of respondents were interested to very interested in seeing a well known geographic feature (e.g. Mississippi River) followed by a well known city (82.3%), new places (66.7%), countryside of lakes and forests (52.1%), engaging in shopping (29.2%) or outdoor recreation activities (22.7%), or canoeing in a remote wilderness area (16.1%). (See Figure 3.3)

Note that this analysis essentially asked the sample population to rate places or activities that are found in Minnesota without them knowing that this was the purpose of those questions. The results show that for a short stay, the German sample population is primarily sedentary, interested in seeing well-known or new places, but not much interested in engaging in physical activity.

How much time would someone add on to their journey in order to access a remote or rural attraction? Almost a third (30.9%) of the sample population responded that they would be willing to add on up to 3 hours to access a remote (with respect to where the international port is located) attraction. Almost three quarters (73.5%) of the sample population was willing to add on two additional hours to access a remote attraction. (Figure 3.4)

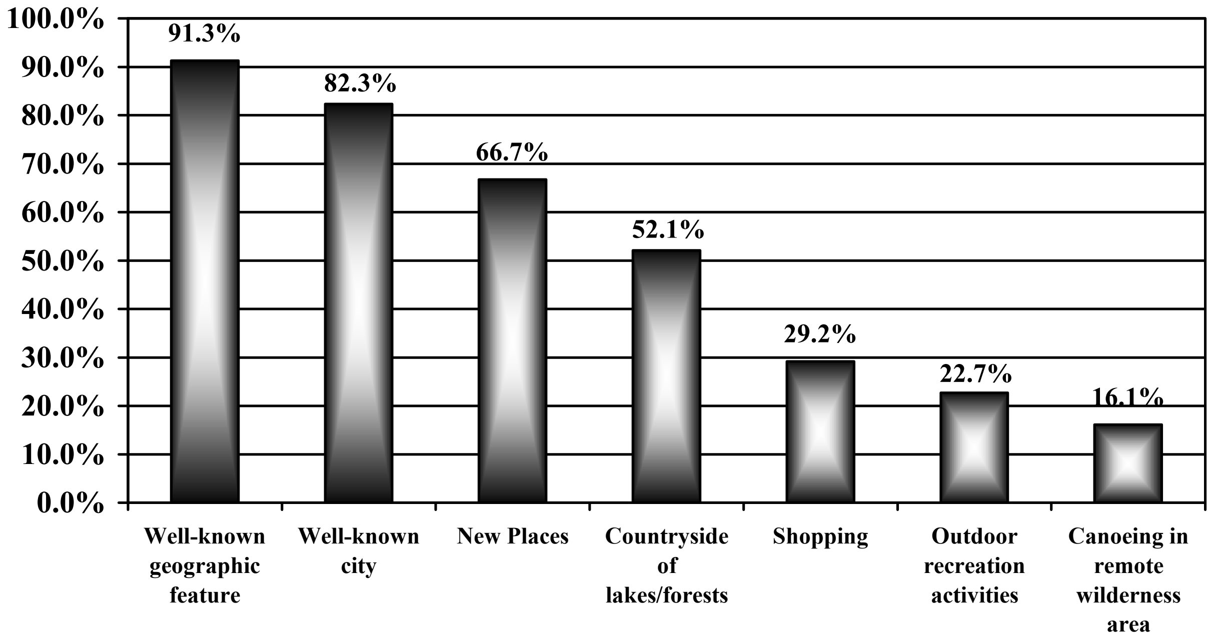


Figure 3.3: Attractions German Tourists Are Most Likely To Select Given a Short Stay in an Unknown Area

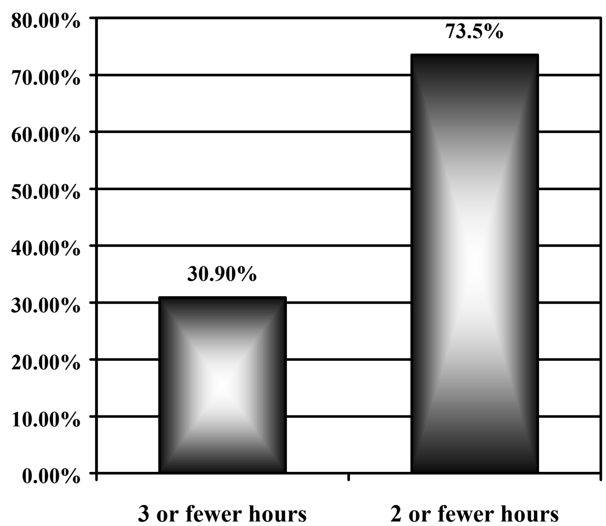


Figure 3.4: Time Willing To Be Spent In Order To Access a Remote or Rural Attraction

Using Tour Packaging to Encourage Travel to Greater Minnesota

Packages may be one way of overcoming some of the trepidation that may accompany a journey into a remote area that is not used to seeing overseas visitors. If it is purchased before the traveler leaves home than it also serves to reduce the amount of time it takes to access a remote area once a person arrives at the main gateway or international airport. Given that a higher proportion of overseas visitors buy package trips than U.S. travelers the sample population was asked to rate the importance of package components. The package components evaluated could all be included in the categories of logistical and functional barriers. Some, as will be shown, are much more highly desired than others and the absence of a trip package that includes them would serve to increase access costs or, in other words, erect barriers.

The number one component, not surprisingly, was airfare with almost ninety percent (88.8%) rating it as important or very important. Lodging was the second highest rated component with 84.2 percent rating is as important or very important, followed by transport from airport to lodging (72.1%), breakfast (63.4%), city tour (39.8%), rental car (39.7%), guide service (36.2%), transport from lodging to attractions (24.2%) and attraction admission fees (20.6%). The above results indicate that transportation is a crucial element of any tour package especially from point of origin to destination. Once safe arrival at a place of lodging has been achieved respondents were more likely to act as Free Independent Travelers and desire package components that meet their individual needs. Packages that offered the basics (i.e. airfare, lodging, transport to lodging and breakfast) would be able to cater to the majority of package tour users from the German market with additional sources of income derived from offering add on components on a "as desired" basis. One reason breakfast only services were rated so high versus an all meals option may be due to familiarity. It is quite common in Europe for hotels to provide breakfast included in the room rate. Familiarity in this case may lead to a particular service preference when traveling abroad.

The Importance of Access Barriers

The United States is a long haul destination for Europeans and Asian visitors. Therefore, in order to determine the importance of some functional and logistical access barriers to the States a number of statements were presented to the sample population who were asked to rate them in terms of degrees of agreement. The most important barrier is a logistical one dealing with how one gets around the U.S. after arrival. A total of 55.5% of the sample population agreed or strongly agreed with the statement that it is too difficult to get around the U.S. without driving a car. A functional barrier, cost of travel to the U.S., was only perceived as a barrier by 33.4% of the sample population who agreed or strongly agreed that travel to the U.S. was too expensive. Other barriers such as travel time, language, and personal free time for travel were not viewed as serious concerns (Figure 3.5).

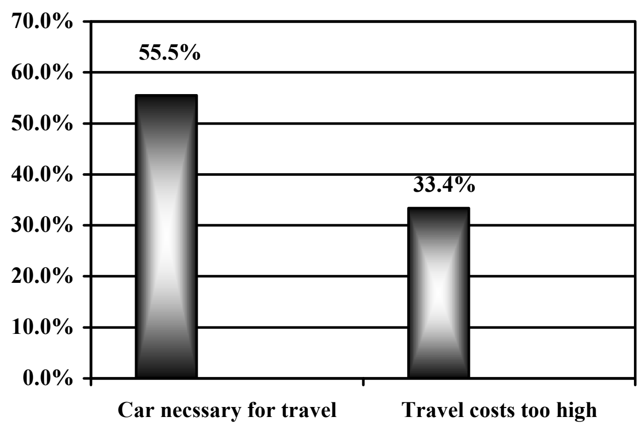


Figure 3.5: Barriers to Travel in the U.S.

As previously mentioned, the cost of airfare is considered a functional barrier when it comes to long haul destinations. Although the results reported above tend to indicate that the majority of the sample population is not too concerned about the cost of air tickets to the United States they may be concerned about cost of accessing one port versus another. To test this, the sample population was asked to state their willingness to pay for round trip airfare to the United States for a holiday trip. The mean was 1241 DM or approximately $560 with the range from 500 DM ($227) to 5000 DM ($2,262). For those clustering around the mean Minnesota would not be considered a viable point of entry to the U.S. if the airfare analyses presented earlier in this report are a valid indicator of relative airfares throughout the year. Further tests of price elasticity were conducted for secondary markets.

Potential for New Destination Sampling

The sample population was asked to state how much lower an airfare would have to be for them to access a secondary market versus their preferred destination for initial entry to the United States. The question was further qualified by stating that the normal fare was 2200 DM ($995) and that they would have to spend at least one night at the secondary market before they could journey to their preferred destination. The mean reduction in fares for this to happen was calculated to be 657 DM ($297) reducing the total airfare to 1543DM ($698) or approximately 30 percent. What can be surmised from this and previous analyses is that although travelers, in this case members of the German sample, are interested in sampling new destinations (i.e. stopovers and open jaw) they are not overly eager to do so unless the economic gain were substantial enough to offset the inconvenience. This reinforces earlier comments that destinations with limited image awareness within a particular market pose higher economic risks to access.

Respondent Barrier Ranking

The sample population was asked to respond to a number of questions that addressed many of the barriers identified during the course of this study. The scale used for question responses has six categories ranging from strongly agree (1) to strongly disagree (6). Mean scores for each question are shown in Figure 9. Values Lower than 3.5 are tending to the agree side of the scale with those over 3.5 registering a degree of disagreement with the statement.

To summarize the findings:

- There is strong support for stopovers in unfamiliar places provided there is no additional cost for airfare;
- There is some support to travel to destinations that have fast and efficient public transportation systems, but it is weak;
- There is a strong tendency to consider destination costs as well as airfare costs when selecting a destination;
- There is a strong belief that taxis are more trustworthy if they have fixed rates for travel between zones than ones that charge by distance;
- There is a strong desire to see local attractions if there is more than five hours spent waiting for a connecting flight and as long as an “on time” return to the airport were

guaranteed;

- There is a desire to use a rail or subway system if it is cheaper than other transportation options;
- There is some agreement that most public bus systems are easy to use but the agreement level is not strong or overwhelming;
- There is some agreement that when traveling with luggage the best transportation option is one that picks a person up at their door, regardless of price;
- Driving a car in an unfamiliar city is not viewed by many as too difficult;
- There is a moderately strong desire to visit a destination that has not been visited before;
- There is some agreement that, if available, fast and efficient public transportation will be utilized;
- There is a moderate desire to arrange for one's own transportation even if in an unfamiliar city;
- There is a moderate to strong belief that cities with rail and/or subway systems are more sophisticated;
- There is a strong desire to rent a car for ease of going when and where one wants;
- There is some agreement that a package holiday offers a good value;
- There is little agreement that the cost of local transportation at the destination is a barrier to destination selection;
- There is some agreement that the convenience of accessing a destination is an important factor when deciding which destination to select;
- There is little agreement that a train would be preferred over an airplane or car for moving between destinations;
- There is little agreement that once a destination has been selected there is no desire to add on other stops along the way;
- There is some agreement that time spent in traveling is an enjoyable part of the experience;
- There is some agreement that the U.S. is way behind Europe when it comes to offering fast and reliable transportation between its cities and regions.

The data in Figure 3.6 provide some insight into what respondents from the sample population think with respect to some of the barriers identified earlier in this study. However, caution must be exercised when interpreting the results as agreement or disagreement with a particular statement does not necessarily translate into direct action. For example although respondents voiced strong agreement with the statement that they prefer to use fast and efficient public transportation systems at the destination, earlier results indicated that the absence of such systems was not much of an impediment to destination selection. Therefore, it is important to determine what is clearly a barrier that prevents people from accessing Minnesota as distinguished from what is simply a preference for certain transportation modes once in Minnesota. To attempt to sort this out further analysis was conducted.

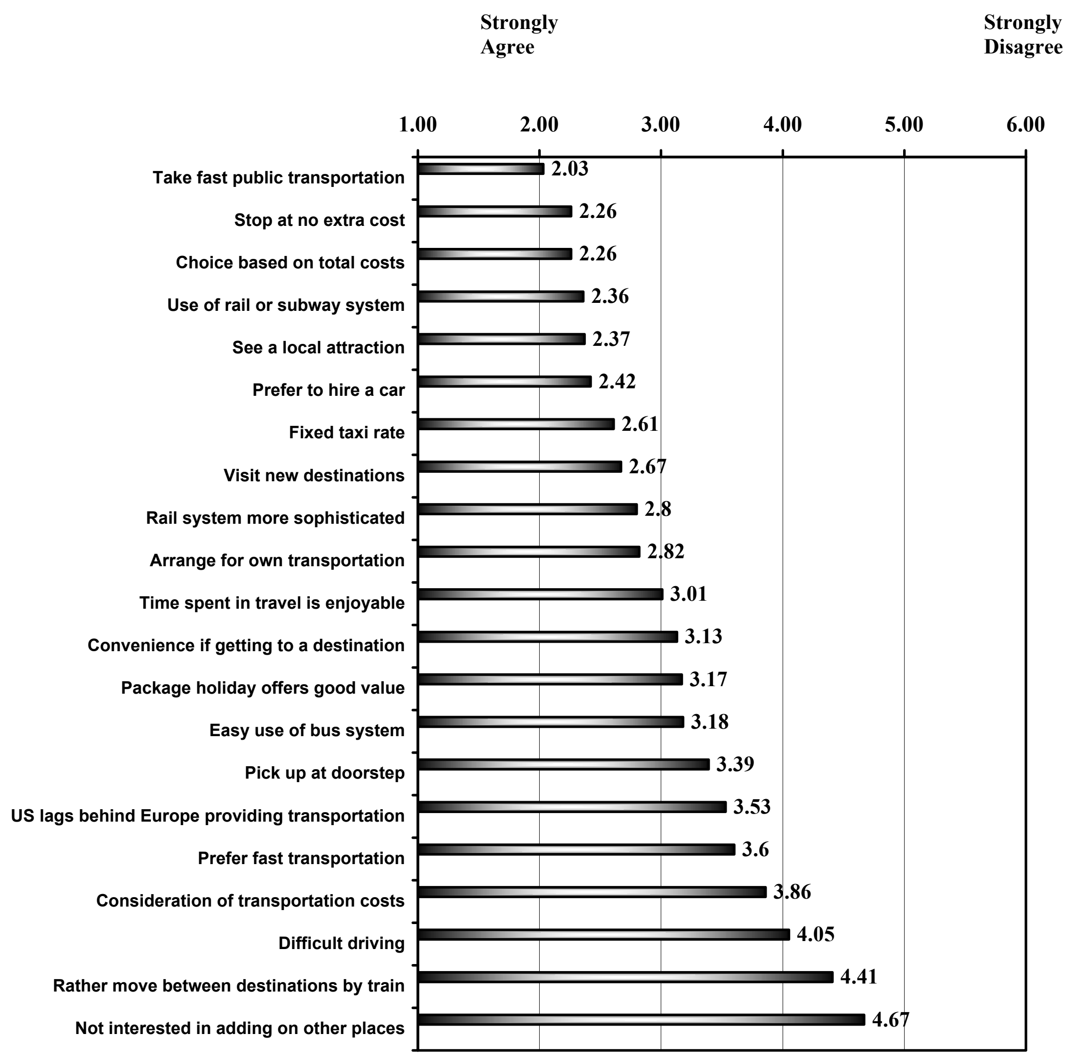


Figure 3.6: Survey Mean Scores

Traveler Profiles

Factor analysis is a data reduction technique used to uncover hidden relationships in data files. For this study all questions that were at the interval or ratio measurement scale were subjected to a factor analysis. Basically four groups of travelers were identified. They have been named: 1. Public Transport, 2. Stopovers, 3. Motor coach, and 4. Rental Car. The "Public Transport" group is most likely to use local bus, train, rail, subway or walk or bike when traveling in a destination. They want the public transport system to be fast and efficient and when moving between destinations trains are preferred to airlines. There does not seem to be a pattern for the types of attractions this group is interested in seeing; although there is some evidence that "new places" are preferred. A destination catering to this group must have a well-developed inter-modal public transportation system that is connected to places tourists would be interested in visiting.

The second group to emerge from the analysis was given the name "Stopovers". This group is very much interested in new places that are easy to access at low or no additional air transport costs. They show a fairly strong desire to select places where stopovers are allowed and also display some propensity for purchasing packages in the new destination. Places this group is very interested in seeing include a well-known natural geographic attraction (e.g. Mississippi river, Great Lakes, Rocky Mountains, Grand Canyon). They also indicate a desire to see well-known cities. However, this group is not entirely content to simply collect "new places". They indicate an equally strong desire to engage in recreational activity such as canoeing in a wilderness area. They also reveal a desire to shop. One of the key features of this group is their desire to see something that is recognized as unique, well known or otherwise unusual. For example although the group indicates a desire to canoe in a remote wilderness area they show little desire to engage in outdoor recreation activities in general. The key feature distinguishing this group is their desire to add on new places when they travel but only if they can be had at no (possibly minimal) additional cost in airfare.

The third group, labeled "Motor coach", shares the common trait of wishing to purchase a package of services when traveling. The elements of the package most important to this group are: admission fees to attractions, transport from lodging to attractions, city tour, guide, transport from airport to lodging and meals. This group is most likely to use packaged motor coach services when traveling in and around the destination area rather than any form of public transportation or renting a car. Since the overall mean scores for each one of the package services desired by the Motor coach traveler indicates no desire to purchase these products on the part of the general population in the sample it can be surmised that the Motor coach group is a fairly uniform and identifiable market segment. This group indicates a strong propensity for all-inclusive travel within a destination with services provided by a motor coach charter tour company.

The fourth group has been given the name “Rental Car”. This group indicates a strong desire to rent a car and travel independently when they travel. They also like to make their own travel arrangements. They share no other common traits apart from avoiding public transportation options and setting off on their own. There is some indication that they prefer to travel by rental car outside of big cities as they indicate some difficulty in getting around driving in cities. They also indicate a desire to engage in shopping activities when traveling.

What does the above factor analysis tell us about barriers that exist in accessing Minnesota and the German sample population? For the first two groups Minnesota stands very little chance of becoming one of their international destinations. Our limited public transportation options would not attract “Public Transport” and the lack of any widespread knowledge or availability of stopover and open jaw options would not appeal to “Stopovers”. The “Motor coach” group can be captured but since this group does not appear to be large it would take direct marketing efforts to reach them. They are, however, quite a homogenous group so once accessed individuals can be reached with essentially the same message. Finally, the “Rental Car” group appears to be self-sufficient and can travel independently. They are most likely to represent the international tourists who now visit Minnesota.

Assessment of Functional Barriers

Finally, a number of other functional barriers were examined. The inability to communicate with a host in their native language or vice versa is often raised in casual conversation as a functional barrier. The results for the German market do not bear this out. Over ninety-six percent of the sample population respondents stated they would be comfortable traveling in a country where

English was the dominant language. This level is much higher than for travel to a French speaking country (29.8% comfort level), Spanish (10.7%), Italian (9.6%) or Russian (4%). The comfort level German long haul tourists have with the English language may be a reason they do not feel renting a car poses too much of barrier or have an overwhelming need to purchase complete tour packages. German long haul tourists are also experienced with driving, as they drive on the same side of the road as U.S. residents and only 1.5 percent does not possess a valid driver's license. Thus, for the German market language and ability or willingness to drive in a foreign nation does not pose much of a functional barrier for travel to the United States.

TRANSPORTATION SECTOR MODELS FOR REDUCING BARRIERS AND EXPANDING TOURISM

In the process of searching for additional transportation barriers contacts were made with people in various sectors of the tourism industry. A number of airlines, airports and tour operators that are widely recognized as leaders in the field of destination promotion were selected for further investigation. Interviews with representatives from these entities were conducted to identify strategies applicable to Minnesota that could boost passenger volume and assist in marketing Minnesota as an international destination. This section provides some background on these companies and organizations and summarizes strategies applicable to Minnesota.

Innovators in Destination Marketing: Airlines and Tourism Promotion

Vertical Integration and Stopovers: Icelandair

Icelandair is the product of the merger of two smaller airlines. It is a privately held company with 5,000 shareholders, many of whom are employees of the company. It is a very small carrier with only nine Boeing 737 and 757 passenger planes providing service to 147 markets in 15 countries. It has one of the youngest fleets in the industry and operates its passenger planes almost non-stop in order to service its scheduled routes. It provides service to northern European countries such as Finland, Sweden, Norway, and Denmark, as well as to popular tourist destinations such as Paris, Spain, London and Italy. It serves six U.S. markets: Boston, Washington, New York, Baltimore, Orlando and Minneapolis-St. Paul.

Icelandair has a number of subsidiary companies that are also involved in the tourist industry in Iceland including a rental car agency, seven hotels, and a tour company that offers day and overnight tours within Iceland as well as to other islands. Icelandair also manages the Reykjavik International Airport. Because Icelandair is a vertically integrated company, it has a vested interest in getting its passengers out of its planes and into its hotels or onto its tours. Icelandair spends more money promoting Iceland than the National Icelandic Tourist Board.

During 1998, Iceland hosted 230,000 foreign tourists. Although this number may sound small, there were almost as many overseas tourists in Iceland as there are Icelandic residents. Iceland is a good destination model for Minnesota because it shares many of Minnesota's image problems as a destination. It has cold winters and a short summer season. Much of it is wilderness. Iceland is much smaller than Minnesota, with a population (currently estimated at 265,000) only about 5% the size of Minnesota's. Yet Iceland hosted about the same number of overseas tourists as Minnesota. Much of Iceland's success in luring tourists is the result of Icelandair's promotional efforts. Icelandair uses Iceland as its hub, flying passengers from their points of origin into Iceland to make their connections to their final destinations. Icelandair is generally known in the marketplace as an inexpensive air carrier catering to holiday travelers. Its ability to provide inexpensive as well as reliable and safe service is one it its primary marketing strategies. The increase in tourist volume to Iceland is a result of Icelandair's route expansion, increase in flights on popular routes, and an aggressive policy regarding stopovers.

Icelandair employs a number of unique marketing strategies to get passengers to spend time in Iceland. One old, but reworked strategy is the marketing of free stopovers. Passengers on their way to a destination other than Iceland can get off the plane in Iceland for up to three nights without paying additional airfare. Other carriers offer free stopovers (mostly to overseas passengers) but Icelandair aggressively markets them. Icelandair's advertising campaign headlines its two competitive features, airfare prices and free stopovers. Travelers reading Icelandair's advertisements are alerted to the stopover offer before airfare purchase and with sufficient time to take the offer under consideration.

Icelandair's sale managers assert that free stopovers are especially appealing in new markets where people are not yet familiar with Iceland. To facilitate stopovers, Icelandair offers a selection of travel packages that include lodging, transportation, tours or attraction visits. According to an unpublished survey conducted by Icelandair, between 15 % and 20% of its passengers have purchased an Icelandair stopover package in the past. In addition to stopover packages, Icelandair offers a half day tour to one of Iceland's biggest attractions, the hot mineral pool known as the Blue Lagoon. This package is not only included in overnight packages, but is also offered to passengers who have long layovers at Reykjavik's airport. The tour operator for these tours, a subsidiary of Icelandair, shuttles passengers directly from the airport to the attraction so that passengers do not have to make their own arrangements and can feel confident that they will get back to the airport in time to catch their connecting flight.

Icelandair's sales managers voiced an interest is working with the Minnesota Office of Tourism and/or Minnesota communities to market Minnesota as a destination and boost Icelandair's passenger volume. Currently, Icelanders dominate Icelandair's overseas visitors to Minnesota, comprising about forty percent of the total. Norway and Sweden make up another thirty percent, while Britain and Germany follow at nine and seven percent, respectively.

Icelandair has a full time marketing director in charge of marketing overseas destinations to Icelanders. The marketing director is receptive to new ideas or travel products geared to Icelanders, a population with a high propensity to travel. One area he felt had potential was to link Icelandic doctors, who are required to keep up in their fields and can take up to three subsidized trips a year to do so, to Minnesota's medical education network. Icelandair has stated a strong interest in matching more Icelandic target markets to Minnesota products and services and would welcome the opportunity to work with Minnesota's tourism industry to identify such matches.

Long-Term Tourism Development: Malaysia Airlines

Malaysian Airlines is a privately held company with one major exception: the Malaysian government holds one share of stock, the "Golden Share". The Golden Share gives the Malaysian government an opportunity to influence airline policy and guide airline development and expansion. Influence over airline policy gives the Malaysian government the leverage it needs to affect the growth of tourism throughout the country.

Tourism is an important part of Malaysia's economic development strategy. Malaysia was hit early and hard by the recent economic crisis in Asia. In response, the Malaysian government began devising strategies to bring more foreign currency into the country. Tourism is one of the industries it targeted for growth. Tourism is viewed as a way to bring in foreign dollars and to move wealth from the more affluent cities to the depressed countryside. An important aspect of this strategy is to develop rural tourism products. To aid development, the government established school-based tourism clubs to introduce Malaysian students to the benefits of travel and to promote domestic travel to Malaysian rural communities. Malaysia hopes that local demand for its rural tourism products will spawn quality tourism development, which, in turn, will attract foreign tourists.

Malaysian Airlines has four subsidiary companies that are involved in promoting tourism: Golden Holidays, MAS Catering, Golden Boutique and an airline academy. The government has invested heavily in building a new airport to serve as a hub for Malaysian Airlines and to launch Kuala Lumpur, the Malaysian countryside and Malaysian beaches as world-class destinations. Malaysian Airlines serves eighty international destinations and thirty-four domestic ones. Currently the majority of its network cities are in Asia but it has recently expanded into the European market by providing service to Australia.

Golden Holidays and Malaysian Airlines work closely together, especially on strategies that are government sponsored. Currently, one of the strategies is to move tourists to the country's rural destinations that have the infrastructure and superstructure to provide quality experiences. To do this, Malaysian Airlines and Golden Tour have set up special packages to Malaysian destinations at greatly reduced rates. First, government specialists are sent to the destinations to provide expertise on tourism development. Few people within these rural destinations have previous experience with tourists so each destination is trained in how to understand, meet and manage tourist expectations. After the initial training, the accommodations and attractions in each destination are inspected and rated. Accommodations must be clean, comfortable and attractive to be selected for a travel package. The host communities are also trained in how to interpret their arts, crafts and cultural resources to add value for the tourists. Marketplaces are created in visible areas to sell local arts, crafts and products. Tourism industry employees also receive customer service training so that high quality service can be assured at all destinations.

Once a community passes final inspection, their tourism products are packaged. Golden Holidays provides the knowledge and expertise to develop and price the package. Golden Holidays also designs and produces the destination-marketing brochure. On first offering, the package is sold at cost because it is very difficult to entice a traveler to try an unfamiliar destination. Although there is tremendous financial risk involved in developing new tourist destinations, the involvement of the professional staff at Golden Holidays helps minimize the risk. By offering the package at cost, the destination will be one of the lowest priced packages on the market and will appeal to the price conscious consumer. During this stage, Golden Holiday, the airline and the lodging property are not expected to realize a cash return on their investment. The benefits, instead, go to the destination, as it gains exposure, valuable experience in hosting visitors and can make needed improvements for the next wave of tourists. As demand grows, package prices are raised to their market value and eventually profits are made. Golden Holiday monitors and controls the quality of the package by tracking its customers' satisfaction levels. Packages are adjusted if any problems are found.

Golden Holidays elicits cooperation from the lodging industry to provide discounts because it has proven its success by filling many of their rooms at standard prices. Lodging businesses know that developing new packages increases their profits. They understand how valuable a listing is in the Golden Holidays' catalogues. Malaysian Airlines is also willing to discount. Malaysian Airlines can afford to give Golden Holidays a limited number of deeply discounted seats because the airline is required to provide service to these communities and the planes have available seats.

Golden Holidays reports that packaging new destinations as part of a stopover tour is one of the most successful strategies to promote them. A stopover in Malaysia has a loose definition. The duration of stopover is defined as "up to a maximum of fourteen nights per hotel per stopover city". With two cities as the allowable maximum, the only limiting factor would be the number of hotels in the stopover cities.

Golden Holidays offers packages to fifteen different destinations, each with a number of lodging and tour options. The stopover package brochure (8" by 6 ½" paper) offers eighty-two pages of stopover options. In addition, Golden Holidays packages and markets special interest and targeted destination stopovers. Golf, beach resorts, and packages customized to regional tastes are developed and continuously revamped to meet changing market trends.

Malaysian Airlines is strategically positioning itself to accelerate tourism growth by expanding its flight network and increasing the frequency of flights on its routes. Malaysian Airlines is also ready to capture a portion of the high amenity "fly" market. It is launching up-scale, full service flights by equipping its Boeing 777's with luxury seating and sophisticated entertainment and business centers. Both of these new initiatives are expected to increase tourism to Malaysia.

Planning and Cooperation: Thai Airways

Bangkok, Thailand, a city of nearly 10 million people, is another example of a Southeast Asian country that is developing a new international airport to compete for a position as an international airport hub. Tourism is an important strategy in Thailand's economic future and, like the other Asian models, the national airline and a new airport are central to this goal.

The Tourism Authority of Thailand is aggressively promoting Thailand's destinations in the international marketplace. Despite the Asian economic crisis, tourist arrivals to Thailand grew by 7.5% in 1998. Most of the growth came from countries included in the Thai "open policy" program. The "open policy" relaxed visitor restrictions and increased both airline flights and routes to a number of Asian countries, most notably mainland China.

An increase in flights and seating capacity helped boost the number of North American visitors by 15% in 1998. Part of the strategy to increase the number of tourists involves liberal use of stopover promotions. Royal Orchid Holiday Tours, a Thai Airway International Airways tour subsidiary, offers reduced price hotel packages in 50 destinations as a promotional incentive to increase stopovers. In 1998, air arrivals to Thailand included 6.7 million international passengers and the vast majority (5.8 million) of these passengers came through the Bangkok International Airport. About 67% of the total passenger volume at Bangkok International Airport consists of international travelers.

One of the major obstacles facing Bangkok is its lack of a reliable and fast transportation system. Bangkok's large population and sprawling development have caused traffic problems that are currently at a point of continuous road congestion. Visitors find it nearly impossible to move from one area to another without enduring long waits in traffic. Only the Bangkok monorail and river ferries move people along their limited routes without deadlock. There are two tiers of river ferries, one for the tourists which provides a comfortable sight-seeing experience at a relatively high fare, and one for the local commuters, with crowded but inexpensive service between neighborhoods.

The Tourism Authority of Thailand is aware of the transportation problems in Bangkok. One of its goals is to develop transport services to Thailand's destinations. Royal Orchid Holiday Tours provides airport-hotel transfers with every package and special coach tours of local and off-the-beaten-path attractions so its customers do not have to navigate through the traffic on their own. To provide easy access to rural destinations for the independent traveler, the government sponsors partnerships with car rental companies to offer self-drive cars at special discount rates. The Tourism Authority has made inroads in educating the tourism industry about transportation options so that visitors are alerted to Bangkok traffic and can plan accordingly.

Icelandair, Malaysian Airlines, and the Tourism Authority of Thailand are innovators in destination marketing. Increasing tourism is not just a strategic goal to increase their own profits, it is also a way to spread the wealth to other businesses and members of the community. In Iceland, Malaysia, and Thailand, tourism is an important economic development strategy and their flagship airlines play an important role in its development and expansion.

Icelandair, Malaysian Airlines and their subsidiaries are models for the active role that airlines can play in promoting, developing and providing access to remote destinations. Airports, as their partners, although often under separate operating authority, fill an equally significant niche. A number of on-site inspections and interviews with airport personnel were conducted to determine how airports can also serve to enhance and expand international tourism to their home city, region or country. Many of the ideas that came from these inspections and interviews can be applied in Minnesota. The most significant findings as they relate to logistical, perceptual, functional and policy related barriers are discussed in the following sections.

Airports and Tourism Promotion

Heathrow International Airport

The Heathrow International Airport is located about 15 miles west of London. Heathrow is one of the busiest airports in the world, handling more than 55 million passengers on 425,000 flights a year. In 1998, it ranked fourth after Atlanta, Chicago and Los Angeles, in passenger volume. It ranked first in international passenger volume, handling 50% more international travelers than the next closest competitor (Paris). Heathrow's primary passengers are business travelers.

Heathrow is managed by Heathrow Airport Limited, a subsidiary of BAA, plc, a company formed from the British Airport Authority, which was privatized in 1986. The parent company, BAA, is the world's largest privatized airport company and also manages airports in Glasgow, Edinburgh, Southampton, Aberdeen and New York (JFK), as well as London's Gatwick and Stansted airports. Many of its employees are shareholders and have a vested interest in the success of the company.

Heathrow is currently operating close to capacity. It would like to add another terminal and, in preparation, conducted a government mandated environmental impact analysis. During this process, Heathrow realized that the surrounding community was opposed to further airport expansion. A major area of community opposition was the traffic and congestion caused by Heathrow passengers. Few Heathrow passengers used the modes of mass transit (shuttles and buses) currently serving the airport.

Heathrow's research showed that the transport modes offered to passengers were not ones that most of them wanted. Shuttles and buses were too slow. Heathrow decided to develop and promote its own alternative transportation mode, a train, to mitigate the traffic problem. Heathrow invested 620 million pounds in infrastructure to develop the *Heathrow Express* train and to extend the London Underground to the airport. Its efforts appear to be successful. In 1998, 34% of Heathrow passengers used public transport to get to and from the airport. At 13 million users, no other airport comes close to moving as many people in and out of the facility on mass transit as Heathrow.

Heathrow's investments in infrastructure and transport have turned it into an integrated transportation hub. It also has implemented other unique initiatives to induce travelers to use mass transit. For example, Passenger check-in for a number of airlines is offered at Paddington Train Station in central London, the origin and termination point of Heathrow's Express train service. A shuttle bus provides pick up and delivery on a regular schedule to Paddington Station so that travelers can get to and from their hotels. Touch screen train ticketing machines are also available at the station. These machines accept seven different currencies and are programmed in six different languages for the convenience of foreign visitors. Tickets are also available on-board the express train as well as through travel agents and at selected airline counters. These measures eliminate many of the barriers that passengers might have to using public transport. Heathrow plans to duplicate this service at other stations. Heathrow is also working with a number of partners on redevelopment of a nearby train station so that travelers heading to other places in the U.K. have easy access from the airport. Heathrow's investments have paid off in passenger satisfaction levels as well as in better community relations.

The U.K. government has been a force in these transportation changes. The government's White Paper, *A New Deal for Transport*, presents a vision of a new international and domestic multi-modal transport interchange centered at Heathrow Airport that will provide an international gateway for rail service across the U.K. Heathrow has embraced the concept of sustainable transport although sustainability is expected to curtail some of Heathrow's own growth. Heathrow's position is that people should be encouraged to use the most environmentally sound transport modes practical for the journey. Heathrow's policy could mean that more people use trains rather than airplanes for short haul journeys but the end result will translate to more efficient use of Heathrow's limited runway space for larger long haul aircraft.

Heathrow is also known for many other innovations. Heathrow is considered to be one of the world's easiest airports to navigate. Heathrow conducts on-going research on airport signs, their visibility and how people use them. It has developed a set of standards for directional signs. On arrival, not only does a traveler see the usual ground transportation signs, but also large footprints and logos on the floor leading them to the *Heathrow Express* train. English is the only language used on Heathrow's directional signs, unusual for an international airport. However, Heathrow research shows that its set of directional icons are so well understood and accepted that additional foreign language signs are not needed.

Like many airports, Heathrow's move into the area of rapid transit was not one of choice. It was a response to community concerns that presented a barrier to Heathrow's expansion. But once the decision was made, and Heathrow's own money invested, the concept was fully embraced. Today Heathrow provides a model for development of intermodal transportation hubs. Heathrow offers us an example of many successful strategies to attract passengers to rapid transit through promotion and value added customer service. Although a new runway is not yet approved, Heathrow reports that airport passenger volume is stable and passenger satisfaction is up. But, more importantly from Heathrow's point of view, passenger expenditures at the airport have increased substantially now that passengers using *Heathrow Express* arrive at the airport with time to shop.

Manchester Airport

The Manchester Airport is a smaller, regional U.K. airport, serving a metro area of 2.5 million people. It is a few hours to the north of London by train. The Manchester airport is publicly owned by the Manchester City Council and other Greater Manchester District Councils. Currently, the Manchester Airport serves about 16 million people, including about 12 million international travelers, with two terminals and two runways. It ranks 18th among airports in international passenger volume. Manchester Airport views its primary role as serving the people within its region but it also serves 8 million holiday passengers on charter flights. These passengers make up about one third of the total U. K. international holiday travel market.

The Manchester Airport is well known in the airport industry as one that provides high customer service and is actively involved in applying and promoting environmentally sound management practices. Over the last ten years it has won numerous awards for its environmental strategies, energy efficiency, landscaping, and design and transportation strategies. It is considered by the industry to be, not only one of the U.K.'s best airports, but also one of the world's best regional airports.

The Manchester Airport is positioning itself to increase its passenger volume by becoming an intermodal transportation hub. A rail station was opened at the airport in 1992, providing direct links to towns and cities in Northern England. The southern spur of the rail link was connected in 1996, opening up rail service to central London. Flight timings have been integrated so that connections through Manchester take, on average, no more than 30 minutes. In many cases Manchester Airport provides faster service to travelers from London than they can get at closer airports.

Manchester Airport's system of informational signs makes navigation in and around the airport and to airport services very easy. Tourism "centers" are located in both terminals, offering a wide variety of information on North England, Scotland and Wales. A 24-hour video of Manchester area's attractions and events is updated regularly and played continuously, accompanied by a detailed listing of accommodations. In addition to the standard courtesy telephone linked to the area's major hotels, a local hotel reservation office is also housed near the tourist information center.

The Manchester Airport's primary tourism development responsibility is to its community. The airport works closely with tourism officials to promote Manchester. The airport's plans for growth are integrated into the economic development strategy of the community. The airport is conscious of any negative impacts that its activity has on the community and works to mitigate them. It is a community leader, as well as an aviation industry leader. It demonstrates leadership in the areas of community relations, energy conservation, noise and noise abatement strategies, water quality, waste management and nature conservation. Staff, at all levels, have specific environmental targets and responsibilities that frequently surpass government environmental guidelines. The airport has a special work unit dedicated to promoting alternative transportation modes and, through the new Metrolink tram and local train service, is providing fast and reliable public transportation for both travelers and employees. The Manchester Airport's rail station is located in the heart of the airport complex and operates 24 hours a day all year round. Service between the city center station and airport is direct so that there is no need to change trains. The airport station is linked to both terminals by a moving walkway system, Skylink.

The Manchester Airport views this transport system as one that creates new jobs, spurs business growth and fosters a better business and community environment. The airport sponsors educational and community projects including those dedicated to the arts, music and theater and is one of the few public facilities to employ a full-time Arts Sponsorship Manager. The Manchester Airport is an example of how an airport can be an integral part of the community fabric. It is also an example of an airport that has found a way to balance the environmental interests and values of its community with business and tourism development.

Manchester Airport offers an example of an airport that developed an intermodal transportation hub as a pro-active responsive to community needs. Manchester Airport used rapid transit as a way to decease passenger transit time and improve customer satisfaction. It gave Manchester a competitive edge over many other area airports without detrimentally impacting the community. Efficient access to and through Manchester Airport has increased its passenger volume (and associated revenues) by attracting charter tours away from other airports that, in many cases, are closer to the passengers' homes. By providing efficient rail links to area communities, Manchester Airport has also helped increase the volume of tourism and trade in the area.

Chek Lap Kok International Airport

Hong Kong, a densely populated city of 7 million people, has a bustling free market economy highly dependent on international trade. Tourism is the territory's second largest foreign exchange earner, bringing in an estimated $8.3 billion dollars a year (about 5% of GDP) and attracting 9.3 million visitors. Hong Kong, long a territory of the U.K., was recently reunited with the People's Republic of China. The change in administration boosted tourist arrivals from Mainland China, but the Asian economic crisis caused declines in arrivals from other Asian markets, especially from the lucrative Japanese market. Traditionally a center of finance and business, the new Hong Kong is diversifying and tourism is one of the industries it has targeted.

Hong Kong completed construction of the award winning Chek Lap Kok airport in the summer of 1998. The old airport, Kai Tak, had been operating at capacity for many years. It could no longer meet the demand for commercial passenger airlines and is estimated to have turned away 1.4 million visitors, weakening Hong Kong's position as an aviation hub [23]. The new airport provides Hong Kong with 24-hour flight service and doubles the number of flight slots and docking bays. Currently, Chek Lap Kok has capacity available, which places it in a strategic position within Hong Kong's economic development plans.

The Chek Lap Kok passenger terminal is designed to be beautiful, energy efficient and functional. It is one of the world's largest enclosed spaces but has an internal rail network that can move people to the furthermost gates in 70 seconds. Adjacent to the terminal is the intermodal ground transportation center, offering an express train, taxis, shuttles and public buses into the city. The express train contracts with outbound travel agents to include train fare to the city in their tour packages. Chek Lap Kok is currently negotiating contracts with inbound agents to do the same. It offers them a discounted fare of $70 HK (US$9), which is considerably lower than the price of the Heathrow Express (equivalent to $124 HK or US$16). Chek Lap Kok is one of the world's most efficient international airports for passengers. Ninety percent of checked bags are available in less than twenty minutes after gate arrival. Ninety percent of passengers clear customs within fifteen minutes and wait no longer than ten minutes for their bags after arrival in the baggage hall. The express train carries passengers into downtown Hong Kong in less than twenty minutes. Seventy percent of flights leave within fifteen minutes of their scheduled departure time. Chek Lap Kok was designed to present a good first impression of Hong Kong and to reflect the values that Hong Kong wants to present to the world.

The Hong Kong Tourist Authority (HKTA), a non-governmental organization, works closely with the Airport Authority to promote tourism. HKTA is a major player in the development and marketing of city tours. HKTA plans, develops, operates and markets new tour itineraries for the area. When one of its tours produces a profit, the HKTA turns them over, through a bidding process, to private sector tour operators. In addition to developing new tours, the HKTA produced a series of itineraries to enable the public transit user to see Hong Kong's attractions. It has produced brochures and programmed the Hong Kong tourism World Wide Web site to provide tourist information by transit stop. Various categories of attractions, hotels and restaurants are organized so that a visitor can take the bus from stop to stop, getting off to see attractions and back on to continue the tour at no extra cost. Its web site goes one step farther by providing customized searches of tourist services and facilities. Users can select a type of attraction or cuisine and the resulting output provides a list of the places that satisfy the selected criteria and are within walking distance of each transit stop.

Amsterdam Airport Schipol

The Amsterdam Airport Schipol, which is currently owned by the Dutch government (76%), and the municipalities of Amsterdam (22%) and Rotterdam (2%), is in the planning stages for privatization. In 1997, Schipol was rated among the fastest growing passenger airports in the world, a tribute to the government's 1993 airport plan which positioned the airport to become the fourth largest in Europe. Today, Schipol controls its growth carefully in order to stay within government set noise zones. Schipol is investigating the possibility of developing artificial islands off the coast on which to build a new airport. The new airport would be connected to Amsterdam by a fast, magnetic levitation rail link.

Schipol is one of the world's most technologically friendly airports. It has six self-service check-in kiosks, the first check-in system that allows numerous airlines to share equipment and software. These kiosks are multi-lingual with instructions offered in Dutch, English, French, German, Italian and Spanish. The kiosks can scan data from passports as well as allow passengers to print boarding passes for their return flight or their onward flights at other airports. Schipol also has e-mail kiosks housed within its banks of public telephones so travelers can check their e-mail without having to carry their own laptops.

Schipol has a number of other features that are somewhat unique to airports. Its interior is decorated with works of art, many done by local artists. These commissioned works frequently elicit a feeling of surprise as they contrast with the airport setting. The Airport Authority feels that art contributes to the quality experience it would like its passengers to have as well as promoting artists and creating an image of The Netherlands as an artistic country. Schipol's shopping and restaurants rival that of any airport in the world. Because Schipol is connected to Amsterdam by rail car traffic and parking do not pose a problem so residents as well as travelers are welcome and frequent shoppers. Like Heathrow, Schipol also offers a money back guarantee for all goods purchased at its shops.

Schipol is a transportation hub, served by rail as well as taxis, buses and shuttles. The train not only brings travelers into downtown Amsterdam but also to a vast array of other Dutch and European destinations. Travelers having four or more hours between flights can take a twenty-minute train ride into Amsterdam to look around the city. In addition, Schipol provides bicycle rental with trail access into Amsterdam or to neighboring towns, a uniquely Dutch transportation mode.

Staffed tourist information booths are convenient and visibly located at both the airport and near the central train station in the city. Tourist kiosks cater to the lay-over traveler by providing information on what to do in Amsterdam if you have a few hours or a few days. For a small fee, vending type kiosks dispense city and country maps. The tourist information centers distribute tourist brochures and sell tourist products: tickets to attractions, hotel rooms, boat tours, city tours and countryside tours. One tour company alone, Holland Keytours, has nearly twenty tour products, all of which can be purchased through the information centers.

The Amsterdam Airport Schipol is a model for how an airport can play a pivotal role in tourism promotion. Schipol is not only a transportation hub, facilitating access to The Netherlands's tourist destinations, but also is a tourism promotion agency for the country. Schipol promotes The Netherlands by confidently showing its "Dutchness." Schipol's walls serve as backdrops for local art and Dutch themes are used throughout. It is also one of the central offices for Dutch tourist information, providing a marketplace for tourism products.

Kuala Lumpur International Airport

In 1998 a new international airport was opened in Kuala Lumpur, Malaysia. The airport was built to compete with other countries in the region for both cargo and travelers. The Kuala Lumpur International Airport is operated using an information technology management system. It employs state-of-the-art fiber and copper based communications; shared, centralized databases; and a centralized management system to provide high quality customer service and efficiency. Malaysia developed the airport to spawn tourism and business development.

The Kuala Lumpur International airport is built to handle 25 million passengers a year. Currently it is operating below capacity, with 5.4 million domestic and 8.9 million international passengers in 1998. Growth in both passenger volume and cargo is expected as airlines tire of the crowded conditions at other East Asian airports and travel to Asia increases. The Kuala Lumpur airport is one of the central pieces of Malaysia's plans for development. Within the airport corridor the country is developing a high tech, multimedia, recreation and resort community "super-corridor", leading to the four cities the airport serves. The airport, itself, is expected to become a catchment for development and a hive of new business activity. The Kuala Lumpur International Airport is pivotal to Malaysia's economic future.

The Kuala Lumpur airport is about 31 miles outside the boundary of Kuala Lumpur, the capital and major population center (about 2.5 million people) of Malaysia. The airport serves as a gateway to three other Malaysian cities, Shah Alam, Seremban and Malacca. A new surface highway links the airport to the Kuala Lumpur city center. Eventually, the airport will serve as an intermodal transportation hub with a high-speed rail link to the city. Light rail transit and buses are currently available within the city of Kuala Lumpur. The high-speed rail system will be linked to light rail and public buses.

Kuala Lumpur International Airport reflects Malaysia's public identity. It uses Malaysian materials and creates a feeling for the culture through use of ethnic symbols. Its landscaping is designed to create an image of an ecologically sensitive country and to introduce its passengers to its tropical environment. Its theme, "Airport in the Forest and Forest in the Airport", is integral to the design and it uses native plants and trees to give a feeling for Malaysia's tropical ecosystem. Twenty percent of the central terminal area is devoted to landscape and gardens. The image is carried outside to the surface highways where large trees, 20 meters apart on the high speed roads and 15 meters on the lower speed roads, extend the feeling of the Malaysian forest. These design elements are intended to increase tourism by showing that Malaysia is a beautiful, well-managed, tropical destination.

Kuala Lumpur International Airport works closely with Malaysian Airlines, the Malaysian Tourism Authority and Golden Holidays Tours to promote tourism and maximize customer satisfaction. The airport is experimenting in promotional areas that are unusual for airports. It hosts cultural shows and exhibitions to introduce visitors to Malaysia's unique culture and attract them to the authentic cultural destinations in Malaysia. It is also a partner in the development of a Sepang F1 Circuit, a motor sports racing attraction for international racing events, which is intended to spawn developments in the automotive industry as well as the tourism industry. The Kuala Lumpur International Airport is a pro-active partner in the country's economic development strategy and is setting new trends in how airports and destinations can work together to promote tourism.

Changi International Airport

The Republic of Singapore is a small, densely populated country of 3.5 million people. It is a wealthy nation with an economy based on finance, service and manufacturing sectors. It has excellent international trading links. Singapore prides itself on being a well-organized, safe and clean city - probably one of the most orderly cities in the world. It actively uses tax credits and subsidies to implement policies needed to maintain its position. Transportation is central to this goal.

The Singaporean vision of transportation places public transportation at its center. It implements policies such as road pricing to encourage use of public transportation. The Singapore Land Transport Authority is a central planning agency for Singapore's transportation system. Its goal is to offer "convenient, comfortable, reliable, easy to use, affordable transport that is competitive to the automobile in travel time". The key is to provide commuters with a wide spectrum of affordable transport choices integrated to create a seamless journey. Singapore today offers mass rapid transit (MRT) serving its heavy corridors and its international airport. It offers light rail, with major plans for expansion, to serve as feeder lines to the MRT. It also provides buses for less heavy corridors and premier buses for a higher quality experience. Singapore plans to expand the public transport system over the next ten years. In addition to extending the network, the Singapore Land Transport Authority plans to improve travel times, provide a high quality of service and use the latest technology, including global positioning, to manage the transportation system.

The Changi International Airport reflects Singapore's commitment to providing one of the highest quality transportation systems in the world. Changi was completed in 1981 and built on land reclaimed from the sea. It serves 25 million passengers a year, with 3,118 weekly scheduled flights to 52 countries.

Changi is one of the world's top rated airports, repeatedly receiving some of the highest ratings of any airport in the world from the pilots and passengers who pass through it. It is the recipient of many awards such as Best Airport in the World by Business Traveler magazine and Best International Airport from the International Federation of Airline Pilots. It receives these awards both for its facilities and the high quality services it provides. Not only does it have the basic facilities that are offered by other international airports such as a business center, lockers, retail and restaurants, but it also goes well beyond. Changi offers indoor swimming, health and fitness facilities, a massage center, an aromatherapy center and saunas. It houses a cactus garden as well as an in-door orchid garden (one of Singapore's national specialties) set in landscape designed to emulate the natural environment. It offers an Internet center, the first of its kind at an airport, as well as an interactive science and discovery center. Changi claims its honors are the result of careful listening to passengers, providing them with ample opportunity for input and keeping in tune with changing passenger needs.

Promotion of tourism through exhibitions, displays and other strategies to show its passengers the culture of the nation is an important function of Changi. In addition, free motor coach tours of Singapore are offered at Changi for the passenger on long layover (4 or more hours). The free sightseeing tour is a partnership between the Civil Aviation Authority of Singapore, Singapore

Airlines, and the Singapore Tourism Board. The airport provides culturally authentic entertainment. During 2000 in particular, millennium fever has hit Changi and it is hosting a series of events to introduce passengers to the wonders of Singapore. Festivals such as the Mid-autumn Festival offer tea tasting and mooncakes, in addition to music, performances and lantern making. A *Vanishing Crafts* celebration last October demonstrated traditional crafts such as rattan weaving, batik printing, Chinese face painting and umbrella making. During the entire year of 2000 the airport will be filled with art, music and events to show the world the cultural traditions of Singapore. Singapore hopes these efforts boost tourism and bring pass- through passengers back for a stay.

International Airport Comparison

What does this airport comparison tells us about barriers? First although airports do compete based on amenities offered this is not necessarily done so with the intent of increasing the number of international visitors to the home community. Shopping, meal and on site travelers services were offered at all international airports. While airports compete amongst themselves to improve their level of customer service it is other things they do that have an impact on tourism development in the home community. The most important barrier reduction strategy performed by airports is to provide access by offering a number of different transportation options to other parts of the state or country in which they are located. Of the various transportation options offered the ones that seem the most suited for local tourism development deal with some type of rail service (e.g. subway, light rail). All the airports studied for this report, with the exception of Kuala Lumpur and Singapore, offer some type of rail service directly from the airport to the city. Eventually Kuala Lumpur and Singapore intend to extend rail service directly to the airport. Those airports that offer a number of easily accessed transportation modes are better suited to handle the international traveler than those where taxis and scheduled shuttles are the primary options available. However, there was very little evidence uncovered that indicates the development of different transportation options is all that is needed to increase current levels of international visitation. Other strategies employed by the surveyed airports included the use of image development material (e.g. paintings, pictures, information kiosks) to increase traveler's propensity to visit the region and the added incentive of stopover packages.

Of all the airports and communities served by the airports visited it was Malaysia that emerged as the leader in encouraging tourism development. They did this mainly through the use of stopovers. Since the government of Malaysia owns the “Golden Share” of Malaysian Airlines and is the source of funding for the new airport serving Kuala Lumpur it can exert a great deal of influence over tourism development policy. It does so by actively working with the private sector and by making sure the component parts of the tourism industry (i.e., airlines and destinations) work together to make tourism development happen. This is not a model that can easily be replicated in the U.S. system, but it does provide an example of how an interconnected system can work to accelerate the tourism development process, especially for remote areas.

Although it is not possible to point to any one airport and/or controlling authority as the best example for MSP to emulate, there are certain strategies that can be adopted. It seems obvious from the above analysis that one-way to increase overseas visitation to Minnesota is through the use of stopover and open jaw tickets. Of the airports and destinations studied, only Iceland and Malaysia were actively promoting stopovers. Icelandair has a vested interest in promoting stopovers since it owns or controls much of the tourism plant in Iceland. Malaysia, on the other hand, controls enough of Malaysian Air to make use of a liberal stopover policy with the intent of increasing tourism development in its remote areas.

One key element to increasing international visitation appears to be ownership or control of key factors of production. However, in the highly decentralized economic system found in the U.S., it is difficult, if not impossible, to exert the level of control over the various businesses and authorities that would be required to link tourism development with tourism transportation systems, making a destination easily accessible, in all respects, for international visitors. Therefore, to compete at the same level as some of these other destinations will require that strategic alliances and partnerships with defined objectives that have increasing international visitation to Minnesota as their primary goal.

Other strategies employed by many of the visited airports included the liberal use of image awareness strategies to introduce the connecting passengers to the attractions found in the destination. Singapore was the leader in this area as they not only used airport décor to introduce connecting passengers to the local attractions but offered free city tours to people waiting four or more hours for a connecting flight. Since this was a three-way partnership between Singapore Airlines (privately held), the Changi Airport Authority and the Singapore Tourism Board it does provide an example of how the private and public sectors can combine resources to promote local tourism development.

The airport comparison part of this study did not lead to the recognition that one model is right for the Minnesota situation. However, it did lead us to conclude that one authority or company does not possess enough power to reduce the barriers that prevent a local destination from increasing its level of international visitation. In every instance where local tourism development was a goal there was considerable interaction between various influential authorities and businesses needed before significant change took place. Even if MSP were to adopt some of the strategies employed by other airport authorities (e.g. local image awareness) its efforts would be stalled by the absence of preferred transportation modes available at the airport and/or the lack of stopover packages offered to tourists. The reduction of barriers is a complex strategy that must employ different actors to be successful.

BARRIER REDUCTION

As mentioned in the first few pages of this report a number of barriers were identified in the course of this study. The obvious question is, "which of the barriers is most critical to preventing more overseas visitors from coming to Minnesota?" Although the intent of this work was to identify barriers and not to test their relative ranking it is possible to offer some insights based on this work and relevant literature.

Functional Barriers

With respect to functional barriers the position of Minnesota is mixed. Issues of currency exchange, ease of navigating MSP airport, availability of tourist information, etc., do not appear to pose significant barriers. MSP, as a port of entry, is favorably compared to many other airports reviewed in this study when it comes to providing needed services. However, the issue of pricing does cause some concern. If the limited evidence identified in this study is a valid indicator of the relative prices for air service to Minnesota versus other U.S. destinations, than very few overseas visitors will select Minnesota as their U.S. port of entry. Unless tourist images are strong enough within a particular market to overcome higher access costs, the functional barrier of cost will serve to significantly limit the market. There was no evidence found that would indicate Minnesota's touristic image could compete favorably with other U.S. ports of entry (e.g. Chicago, San Francisco, etc.) when considering the higher costs of access. This applies to the Twin Cities as well as Greater Minnesota destinations.

Logistical Barriers

Logistical barriers are an area where Minnesota does not fare well. Compared to other airports MSP has limited transportation options. Especially noted is the absence of some form of rail service. Based on the survey research conducted on the German market there is a fairly strong indication that developing this type of transportation connection to the cities would be a desirable option. However, it should be noted that the German market also shows a high propensity to rent cars and do their own driving. Whether this is a tendency shared by other potential international markets for Minnesota is unknown. Minnesota also fares poorly when it comes to accessing local attractions by some form of transportation other than taxi or public bus. It should be noted that the public bus system in the cities does not serve many of the area's attractions. Preference for attraction shuttles with hotel pickup, rail service, and rental cars scored higher than taxis. Taxis, the predominant mode of accessing local attractions for overseas visitors without access to cars, were one of the least preferred forms of local transportation for the German market. Given that car rentals are considerably more expensive than other forms of public transportation the lack of alternative transportation options, a logistical barrier, is further compounded by the issue of cost, a functional barrier.

Perceptual Barriers

Although perceptual barriers, for the most part, were not a focus of our inquiry the theory behind the image formation process does allow for some examination of the role perceptual barriers play in preventing more overseas visitors from coming to Minnesota. The Minnesota Office of Tourism does not have an overly large promotion or advertising budget compared to other states, especially its Central Region neighbors. A cursory examination of past promotional effort reveals little expenditure in overseas markets. The theory of image formation indicates that the less exposure one has to a particular destination via direct advertising efforts or media reports the less likely a touristic image will be formed of the destination. The theory also indicates that in the absence of a major event that continuously overwhelms someone with new information about a destination the less likely it becomes that significant image change will occur. Even when a major event does put a destination center stage, such as the hosting of the Olympics, the boost in image awareness is relatively short lived and previously held images re-assert themselves. Therefore, with some certainty we could conclude that the touristic image Germans have of Minnesota is limited at best.

Images can be changed through a variety of means. The most common of these is focused marketing and promotion efforts. However, for these types of image formation strategies to be effective the promotional campaign must be focused and budgeted long term. As this is generally an expensive proposition with low rates of return (somewhat compensated for by high market penetration rates) overseas markets with their high functional access barriers (i.e. cost of airline tickets) are not normally targeted for major image formation campaigns. Investments to attract tourists from overseas markets should be carefully weighed against investments in new North American markets where awareness of Minnesota as a destination may be greater and rates of return on investment higher.

Another way to affect image formation is through word of mouth. As previously discussed, many of Minnesota's overseas visitors are coming to the state to visit friends and relatives. If the touristic resources they encounter on their visit are of high enough quality to create a desire for a return trip this information will be passed on to people back home resulting in market growth over time. What is not known about the friend and relative connection for Minnesota tourism is first, the retention rate, which is the frequency of repeat visitation, and, second, the growth rate which would be the result of word of mouth advertising. Even if these rates were known and they were both relatively high it would take many years before substantial increases were noted. The reason for this is simply the current low levels of overseas visitation Minnesota now records. Using the numbers provided earlier, it can be shown that overseas visitors currently account (estimating up) for less than one percent of total visitation. Assuming nothing changes with respect to current barriers it would take many, many years at very high rates of retention and rates of growth, based on word of mouth image formation, before overseas visitors became a noticeable part of the Minnesota tourism scene. However, this does not mean perceptual barriers cannot be addressed in different ways.

It was noted earlier that one airport, Manchester, was actively involved in destination image development through the pictures, paintings and overall design of the facility. Unlike many airports that do not project local destination images through their design Manchester offers a contrasting example. Given the number of connecting overseas travelers passing through the MSP airport a redesign to project Minnesota images would be expected, in the long run, to increase rates of tourism growth through the long term development of positive image formation. This would apply to both the overseas and domestic market.

Most of the barrier discussion above, with the exception of airline ticket prices, deals with those encountered once an overseas visitor arrives in Minnesota. Eliminating or reducing on site barriers should serve to increase visitation in the long term by increasing word of mouth image formation thereby adjusting the overseas growth rate upwards. However, any significant overseas market growth, in the relatively short run, would have to come through reductions in policy barriers.

Policy Barriers

Policy barriers were shown to impact the development of the cruise industry in Minnesota. The Passengers Services Act appears to be the most significant piece of legislation preventing the development of more Great Lakes cruise packages. There is some evidence to indicate that despite the barrier imposed by the Passengers Services Act, the Great Lakes, as a cruise ship destination is in demand. As noted earlier, there were plans to bring five cruise boats into Duluth in 2000. This is up from one in 1999, despite the limitations placed on cruise ships not registered in the U.S. but operating in U.S. ports. Although the private sector, in this case, is in a position to influence policy they do not determine policy. Therefore, increasing the importance of the cruise ship component of overseas visitation to Minnesota will require a public sector initiative to barrier reduction.

Another policy barrier that has the greatest potential to overcome some of the perceptual and functional barriers limiting Minnesota's share of international visitors has to do with the private sector. As mentioned in the discussion surrounding the results of our study of the German market the desire to visit new places whether they be cities, well-known natural features (e.g. Mississippi river), or simply the local countryside was strong. The desire to see new things appeared to be much greater than a desire to engage in physical activities. One way to experience "new things" without making a high financial and/or time commitment is to sample the product. Given the way airlines serving Minnesota are currently marketing their services there does not appear to be any way to sample the state's offerings. Instead, a full commitment to visit Minnesota must be made and the cost of traveling onward added to the total trip cost. If Minnesota, as some evidence indicates, is a high cost option to access, and touristic images are not positive or well developed, then very little overseas tourist travel to the state will take place. The relatively low number of overseas visitors the state now receives, when adjusted for the Friends and Relatives motives for visitation, appears to support this conclusion.

Site visits to other destinations indicated to the researchers how effective stopover policies can be for local tourism development by increasing the number of short stay international visitors. Data analysis of the study completed for the German market indicates very high levels of support for liberal stopover and open jaw policies. As previously mentioned we could find no evidence that the market, or even travel agents, are aware they exist.

In our opinion, after reviewing all the findings from this study, it appears that there are two barriers that, if changed, would have the most impact, in the short run, to increasing international visitation to the state. The first barrier is that tourists are not widely aware that they can stopover in Minnesota on their international trips. Mitigation would involve an active campaign to create awareness of the stopover option. The other barrier involves a general airline policy for airlines serving Minnesota that disallows open jaw airline tickets. Many of Minnesota's current overseas vacationers are on driving tours. The creation of an open jaw travel package/itinerary with a required Minnesota stay at one end would have great appeal to the driving tour tourist. It would allow an international visitor to sample a "new place" without having to accept the full risk that comes with a complete commitment to the "new place". From the study of the German market, it is also clear that many types of attractions could be marketed in a stopover or open jaw package. Most of what they desire to see is found in Minnesota. Also, since the activities sought by the market are of a sedentary nature, consisting primarily of simply collecting new sites, they can be easily packaged with available ground transportation options. Additional ground transportation would be helpful and possibly encourage more people to “sample” Minnesota, but the addition of more ground transportation options would not have the same effect as mitigating these barriers by aggressively promoting stopovers and developing an open jaw option on the part of international carriers bringing passengers through MSP airport. Assuming Minnesota tourism products are acceptable to an international audience, retention and growth rates would increase in the short run once the policy change was implemented.

CHAPTER 4
SUMMARY

The summary section is presented in three parts. The first is a synopsis of key findings. The most important findings that formed the basis for the barrier reduction analysis are presented followed by recommendations to reduce identified barriers. Finally, recommendations for further research into the issues of barrier identification, analysis and reduction are presented.

Summary of Findings

- Minnesota is a regional destination with the majority of its tourists coming from within the state and adjacent states.
- Minnesota is primarily a drive market (i.e., the majority of the visitors are driving to arrive here).
- Most of Minnesota's Canadian visitors come from within the region; are on drive vacations; and experience few problems with Minnesota's road system; but would like to see metric distance and speed units on highway signs.
- Overseas visitors to Minnesota comprise less than 2% of Minnesota's total number of tourists and Minnesota has a 1% share of the total overseas market to the U.S.
- The Business and Convention and VFR (visiting friends and relatives) segments comprise the largest shares of Minnesota's overseas travel market.
- Many of Minnesota's overseas visitors are experienced travelers who are on repeat trips to the U.S.
- Many of Minnesota's overseas holiday visitors (leisure travelers who are not visiting friends and relatives) are on driving tour vacations and are visiting many states on their trips.
- A large portion of Japanese travelers purchase travel packages and pre-arranged transportation is one of the most important reasons for this purchase. Many of these travelers like a combination of urban and natural resource based experiences.
- Western European leisure travelers tend to be independent travelers who are not afraid to

rent cars and drive around the U.S. On the East Coast tour operators are developing unique Free Independent Travel (FIT) packages directed at this market.

- Overseas holiday travelers spend more time than domestic travelers on their trips. The precise amount of time spent in Minnesota is not known but indications are that one important segment for Minnesota is the drive tour market. These overseas tourists take in many destinations and do not stay for long visits in any one place.
- Half of an overseas visitor's travel dollar is spent on their international airfare. Airfare costs are one of the most important considerations in an overseas visitor's trip decision.
- There is some evidence to suggest that international airfares to Minnesota are not as low as those to many other U.S. international gateways.
- Overseas airfares listed on a popular web site to some Greater Minnesota destinations seem to be higher than their component parts, which places these destinations at a competitive disadvantage.
- The Minneapolis-St. Paul International Airport (MSP) is the world's 12th largest in passenger volume. Its status as a hub airport for Northwest Airlines is an important factor in it high passenger volume.
- There are no U.S. international airports that rank among the busiest airports in the world in international passenger volume. MSP ranks 20th among U.S. international airports with about 1 million passengers embarking, debarking or connecting from its international gates. Many of these passengers are Americans who are taking international trips rather than overseas visitors coming here.
- MSP provides good service and facilities and receives favorable ratings from international passengers.
- Minnesota's convention and visitor bureau directors feel that MSP is vital to the tourism industry but could make some improvements in its promotion of tourism, especially by incorporating Minnesota tourism images into its decor.
- Ground transportation costs from MSP are comparable to costs at other U.S. airports.
- MSP lacks a high speed public transportation system that many other airports and cities offer.
- Minnesota lacks an inter-modal transportation system that could serve to move non-driving visitors to its attractions and Greater Minnesota destinations.

- Minnesota lacks transportation links from its communities to its rural resorts, vacation properties and its natural resource-based tourism facilities.
- Minnesota is served by Amtrak and shuttle service to many Greater Minnesota destinations but these systems are not packaged for tourists or promoted.
- The Passenger Services Act of 1886 stands in the way of expanding cruise ship tourism on Lake Superior.
- Minnesota could do much more (e.g. through art and design, tourist information organization and availability, facilitation of attraction/city tours) to promote its tourist destinations at its airports.
- There exists (at least in the German long haul market) a propensity to visit new places with interesting attractions. Minnesota attractions can compete favorably for these visitors.
- Although there is a desire to visit new places the propensity to do so declines rapidly if airline ticket prices add substantially to the cost of accessing a "new place".
- The German market exhibits a strong tendency to use various forms of transportation services when traveling. Although over 62% were comfortable with rental cars there was also desire to use other forms of public transportation with the exception of taxis which would be used by only 25% of the German long haul market.
- Many of Minnesota's attraction would be in demand by the German long haul tourist if it were possible to access the attraction in three hours or less from MSP.
- The German market exhibits "FIT" (Free Independent Traveler) tendencies except for those seeking to travel by chartered motor coach. Packages sold to the German market should be of the build your own variety or if the focus is on motor coach, travel packages should be of the all-inclusive variety.
- Language and driving a car in the states did not appear to be functional barriers for the long haul German market.
- Airports can play an important role in building images of destinations and facilitating access to them.
- Transportation hubs offering efficient and inexpensive transport modes facilitate and, to some degree, stimulate visitorship.
- Innovative packages that include quality rural tourism products and inexpensive, efficient

transport can stimulate visitorship.

- Growth from inter-regional tourism markets will help stimulate the infrastructure and superstructure development in a destination that is needed to attract other long-haul markets.
- New airline routes and expanded airline networks stimulate tourism growth to hub cities and destinations.

Recommendations for Reducing Barriers

A number of recommendations can be offered based on the findings from this multi-method investigation of barriers preventing international visitor growth. They are derived from the discussion throughout this report. However, not all barrier reduction strategies should be expected to have the same effect on different nationalities. As previously mentioned, only the German long haul market was subjected to a barrier reduction survey. Other nationalities may see some of the barriers, not significant for the German market, to be highly significant in their own culture. Therefore, before barrier reduction strategies are employed, the target market should be identified and tests for barrier resiliency should be performed on those markets. With that caveat in mind recommendations for barrier reduction follow.

MSP Airport

1. Increase participation from the Greater Minnesota tourism industry in planning of airport functions that have a tourism component.
2. In partnership with the Minnesota Office of Tourism, the Mall of America and the Metro Area tourism associations develop tourist information that addresses specific ideas on what to do and see in the Metro Area for layovers of various lengths. In addition to describing attractions, include detailed information about the location of each attraction, how far it is from the airport, average amount of time it takes to get there, average amount of time needed at the attraction, transport modes to use and where to catch them, rush hour warnings and estimated cost of transport. Use promotional signs to alert passengers to the availability of tourist information.
3. Consider development of kiosk-based airport and tourist information systems that can be deployed at a number of sites within the airport.

4. Develop and implement interior design concepts for the airport that reflect the uniqueness of Minnesota and its tourism products.
5. Create and display images of Minnesota's tourism products at all of Minnesota's airports that have scheduled air service. Incorporate both Metro Area and Greater Minnesota tourism images into the airport decor. Focus on Minnesota's best known tourism products such as the Mississippi River, Lake Superior, lakes and woods, BWCA, Mall of America, downtowns, Voyageur National Park etc. Include tourism images and activities for all seasons.
6. Post more information on MSP web sites on the area's major attractions and how to access them from the airport. Include descriptions of attractions, distance from the airport, estimated transport and visit time, transport fares and admission prices.
7. Continue to work toward attracting more airlines and accommodating new routes into Minnesota.
8. Evaluate current overseas markets into Minnesota and prioritize the ones that are important targets for tourism growth. As changes occur in the airline industry, Minnesota should be prepared to negotiate with airlines to provide service to and/or retain the services of the ones that are most important.

Minnesota Department of Transportation

1. Add metric distance measures to some highway signs, targeting the major routes from Canadian border to the Twin Cities.
2. Continue support for intermodal transportation, especially high-speed options to primary tourist attractions and destinations, both within Minnesota and to Greater Minnesota destinations.
3. Post information about ground transportation options from Easy Goin' -Fly Local airports. Include a listing of the local lodging properties that offer shuttle service.

Tourism Product Development and Marketing Ideas for Overseas Markets

1. Develop a small number of combined Metro Area and Greater Minnesota packages that include both pre-arranged transportation modes and car rental options.
2. Develop new packages for the Amtrak market including target properties that would

provide pickup at station.

3. Develop a pilot open-jaw product partnership program with an airline and car rental company. Packages should include at least one mandatory day of lodging in Minnesota. It might also include optional scenic routes with vouchers for lodging and attractions along the routes.
4. Investigate the feasibility of scheduled shuttle service to transport tourists between Metro area lodging and area attractions, especially ones that are not currently served by public transportation links such as Shakopee.
5. Develop partnerships with shuttle services between the airport and Greater Minnesota communities and develop information to be included in tourist brochures on how to use them.
6. Identify and partner with lodging properties that will provide transport from Greater Minnesota drop-off sites to their doors. Identify these properties in brochures.
7. Create maps for a select number of scenic routes through Minnesota that include attractions and lodging voucher packages along the routes. These packages should be aimed at the current overseas touring market to keep them in Minnesota longer. They should be made available to overseas travelers requesting Minnesota information by mail, phone or Email as well as distributed at the state Travel Information Centers.
8. Identify industry support for the repeal or revision of the Passenger Services Act of 1886. Inform the governor and Minnesota's federal level legislators about the issue and the industry position.
9. Develop a web site with information on Minnesota's travel packages; especially ones that offer arranged transportation to the non-driving visitor.
10. Estimate fair taxi rates and include estimates on MSP and tourism web sites and in all brochures directed to out-of-state tourists between the airport and major attractions, downtown or hotel strip areas and major attractions.
11. Include information on shuttle service and fares from the airport to applicable destinations in the destination description entries on the Explore Minnesota web site and on the web sites of the destinations.
12. Partner with Icelandair in marketing Minnesota products to Icelanders. Iceland is a very small market but Icelanders have a high propensity to travel and may be an easy market

to penetrate. (e.g. Mall of America, Cabella's, continuing education opportunities for professionals, wilderness packages, etc.)

13. Develop a marketing partnership with international airlines serving Minnesota to promote stopovers in Minnesota. Some marketing ideas include:
    - Banner ads with airline reservation systems to alert travel agents
    - Banner ads from Travelocity and other airfare web sites
    - Advertise on airline ticket jackets.
    - Investigate whether an Internet airfare site can program ad messages to be displayed when a traveler is searching for a flight that connects through MSP.
14. Identify a receptive airline and rental car company to cooperatively develop a prototype open jaw travel package for the overseas driving tour market. Possible driving tour itineraries could be organized around geographic feature, such as the Great Lakes or Mississippi River, that have broad international recognition and appeal.

Recommendations for Further Research

1. Conduct a study of other prime international markets (e.g. Japanese, British, Scandinavian) to determine how the barriers identified in this study affect other potential overseas visitors.
2. Estimate current retention and growth rates for the various international markets currently found in Minnesota with the intent of monitoring the effects of any barrier reduction strategies.
3. Investigate price elasticity for travel to the U.S., in particular Minnesota, on the part of identified target markets.
4. Identify other leading international airports and associated local tourism authorities and examine their tourism development strategies.

REFERENCES

1. ---, Tourism Highlights 2000, World Tourism Organization (WTO), 2000, website: http://www.word-tourism.org/omt/esta/monograf/highligh/hl_mk.htm
2. Vellas, F., and Becherel, L., International Tourism, St Martin's Press, New York, 1995.
3. ---, World Tourism Organization (WTO) web site: http://www.world-tourism.org/
4. Page, S. Transport for Tourism, Routledge, London, 1994.
5. ---, TravelScope, Tourism Industry Association of America, 1999.
6. ---, Spring/Summer Seasonal Survey, Minnesota Office of Tourism, 1999.
7. ---, In-Flight Survey of internation Air Travelers, Overseas Travelers to the United States, United States Department of Commerce, International Trade Administration, Washington D.C., January – December 1997.
8. Nambu, T., Investigating Japenese Travelers' Motives and Influential Factors Underlying Motives and Travel Decisions, Master Thesis, Arizona State University, 1999.
9. ---, Unpublished Enhanced Sample Data Set Produced for Minnesota Office of Tourism, Minnesota Department of Trade and Economic Development of In-Flight Survey of International Air Travelers, Overseas Travelers to the United States, United States Department of Commerce, International Trade Administration, Washington D.C., January –December 1996.
10. ---, Number of non-immigrants admitted to the United States who indicated Minnesota as their state of primary residence, United States Department of Immigration and Naturalization, data from I-94 form, 1998.
11. ---, Minneapolis/St. Paul International Airport website: http://www.mspairport.com/

12. Gartner, W.C., Tourism Development: Principles, Processes and Policies. Van Nostrand, New York, 1996.

13. ---, Europeans on Holiday, European Union Tourist Commission, website: http://europa.eu.int/comm/ , 1998.

14. ---, Domestic Airline Consumer Report, U.S. Department of Transporation, website: http://ostpxweb.dot.gov/aviation/domfares/domfares.htm , Second Quarter 1999.

15. ---, 1997 IATA Airport Monitor, International Air Transport Association, IATA Aviation Information & Research, 5th Edition, April 1998.

16. ---, Minnesota Department of Transportation Office of Aeronautics website: http://www.dot.state.mn.us/aero

17. ---, Travelocity (A Subsidiary of the Sabre computerized airline reservation system) website: http://www.travelocity.com

18. ---, Tourism Industry Association of America website: http://www.tia.org

19. ---, Business Travel News, December 1999.

20. ---, Travel Weekly, conducted by Chadwick Martin Bailey, March 2000.

21. ---, Airports Council International website: http://www.aci-na.org

22. ---, S 803, A bill to permit the transportation of passengers between United States ports by certain foreign-flag vessels and to encourage United States-flag vessels to participate in such transportation, United States 105th Congress, 1st Session, 1997.

23. Ap, J. Hong Kong Tourism – 1997 and Beyond: Issues Faced with the Change of Sovereignty, paper presented at the Inaugural Conference of the Asia Pacific Tourism Association, South Korea, 1995.

APPENDIX A

TECHNICAL ADVISORY PANEL MEMBERS

Transportation Related Barriers Limiting Expansion of Minnesota's Share of International Visitors

Mark Anderson, Technical Liaison
Office of Environmental Services
Minnesota Department of Transportation

Tim Anderson, Deputy Executive Director of Operations
Metropolitan Airport Commission

Kate Brady, Public Affairs and Marketing Supervisor
Parks and Recreation Division
Minnesota Department of Natural Resources

Jerry Fruin, Professor
Department of Applied Economics
University of Minnesota

Carol Lovro
Association of Minnesota Counties

Lyle Mehrkens
Office of Aeronautics
Minnesota Department of Transporation

Don Katagiri
Kiku Enterprises

Doug Killian, Director International Communication
Northwest Airlines

Amy Marx, Tourism Marketing Director
Mall of America

Tim Minor, Regional manager
Icelandair

Cheryl Offerman, Destinations Marketing Manager
Minnesota Office of Tourism

Dan Pasch, Administrative Representation
Office of Research Administration
Minnesota Department of Transportation

APPENDIX B

PREFERENCE SURVEY FOR LONG DISTANCE HOLIDAY

Appendix B: Preference Survey for Long Distance Holiday

01. In the last 5 years how many times have you taken a pleasure trip by plane that lasted 5 or more hours? ____________________

02. *Please list each country, city or region you have visited in the last five years that were outside of Europe.*

	COUNTRY	AREA/REGION/CITY	YEAR	TYPE OF TRIP
				Pleasure / Business
1.				
2.				
3.				
4.				
5.				
6.				

03. *Have you ever stayed one or more nights in a location where you were catching a connecting flight to your primary destination?*

yes ______ no _______

04. How likely would you be to stop at an unfamiliar place for a few days on a long distance holiday trip if:

		Very likely					Not likely
1.	You had to change planes in this place enroute to your primary destination **and** you could stay for a few of days without paying additional airfare.	**1**	**2**	**3**	**4**	**5**	**6**
2.	You could purchase a package tour to this place and would not have to make many arrangements.	**1**	**2**	**3**	**4**	**5**	**6**
3.	You arrive at this place and <u>could</u> depart from another location without paying an additional fare	**1**	**2**	**3**	**4**	**5**	**6**
4.	You could depart from this place at no extra cost after you had arrived at a different location.	**1**	**2**	**3**	**4**	**5**	**6**

05. After arriving at your destination, how likely would you be to use the following kinds of transportation to get around the city or visit local attractions? (Please rate):

		Very likely	. . . .	. . . . .	. . . . .	. . . . .	Not likely
1.	Shuttle bus with hotel pickup	1	2	3	4	5	6
2.	Local public bus system.	1	2	3	4	5	6
3.	Taxi / Cab.	1	2	3	4	5	6
4.	Organized motorcoach tour.	1	2	3	4	5	6
5.	Express train / rail / subway.	1	2	3	4	5	6
6.	Rental car	1	2	3	4	5	6
7.	Walk or bike.	1	2	3	4	5	6

06. *How interested would you be in having a short stay at a place en route to your primary destination if it provided an opportunity to:*

		Very interested	. . . . .	. . . . .	. . . . .	. . . . .	Not interested
1.	See a major well-known geographic feature (e.g. Rocky Mountains, Mississippi River, Great Lakes, Grand Canyon)	1	2	3	4	5	6
2.	See a well-known city	1	2	3	4	5	6
3.	Engage in outdoor recreation activities (hiking, biking, fishing, golfing, etc)	1	2	3	4	5	6
4.	Shop at a well-known mall or shopping area. .	1	2	3	4	5	6
5.	See a countryside of lakes and forests………..	1	2	3	4	5	6
6.	Seek out new places, cities or regions.	1	2	3	4	5	6
7.	Go canoeing in a remote wilderness area	1	2	3	4	5	6

07. You have decided to visit to a new city or resort area for three days while on a two-week holiday trip. What would be the maximum amount of travel time from a hub airport (one way) that you would be willing to spend in transit to get there? ______ Hour(s)

08. *Which if any, of the following modes of transportation would you generally avoid when traveling in an unfamiliar destination? (Check all that apply):*

[ ] Train / rail /subway
[ ] Rental car
[ ] Taxi
[ ] Public bus
[ ] Motorcoach / Shuttle bus
[ ] Walking

09. *When purchasing a holiday travel package, how important is it that the following services are included in the package?*

		Very Important					Not Important
1.	Lodging	**1**	**2**	**3**	**4**	**5**	**6**
2.	Airfare	**1**	**2**	**3**	**4**	**5**	**6**
3.	All meals	**1**	**2**	**3**	**4**	**5**	**6**
4.	Breakfast only	**1**	**2**	**3**	**4**	**5**	**6**
5.	Transport service from airport to lodging . .	**1**	**2**	**3**	**4**	**5**	**6**
6.	Transport service from lodging to local attractions	**1**	**2**	**3**	**4**	**5**	**6**
7.	Admission fees to local attractions	**1**	**2**	**3**	**4**	**5**	**6**
8.	Rental car	**1**	**2**	**3**	**4**	**5**	**6**
9.	A tour of the area or city	**1**	**2**	**3**	**4**	**5**	**6**
10.	A guide to meet you at the airport and facilitate your transport to lodging	**1**	**2**	**3**	**4**	**5**	**6**

10. *Please rate how you feel about the following statements* ***on long distance holiday travel*** *on a scale of 1 – 6, (where 1=strongly agree and 6=strongly disagree.)*

1. On a long distance trip I would stop for one (or more) night at an unfamiliar place if the airline permitted it at no extra cost.

Strongly Agree ←1 - 2 - 3 - 4 - 5 - 6→ **Strongly Disagree**

2. I prefer a destination that provides a fast and efficient public transportation system such as subways or trains so I can get around easily.

Strongly Agree ←1 - 2 - 3 - 4 - 5 - 6→ **Strongly Disagree**

3. I primarily choose my holiday destinations based on cost of total trip rather than just cost of airfare to get there.

Strongly Agree ←1 - 2 - 3 - 4 - 5 - 6→ **Strongly Disagree**

4. When traveling on a long distance trip, it would be nice to have an opportunity to stopover at another destination along the way for a short stay (1-3 days).

Strongly Agree ←1 - 2 - 3 - 4 - 5 - 6→ **Strongly Disagree**

5. Taxis that offer a fixed rate by geographic zones are more trustworthy than ones that charge by distance.

Strongly Agree ←1 - 2 - 3 - 4 - 5 - 6→ **Strongly Disagree**

6 Low airfare is one of the most important considerations in selecting a destination.

Strongly Agree ←1 - 2 - 3 - 4 - 5 - 6→ **Strongly Disagree**

7. I will only use a rail system to get from the airport to my hotel if the rail system drops me off right at the door to my hotel.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

8. If my trip requires more than 5 hours layover between flights, I would take advantage of the chance to see a local attraction as long as I knew that I could get back to the airport on schedule.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

9. I can easily learn to use a city rail or subway system and I generally use that rather than more expensive transportation options.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

10. Most public bus systems are easy for tourists to use.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

11. When I have my suitcase with me, I take the type of transportation that picks me up at the doorstep, regardless of price.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

12. Driving a car in an unfamiliar city is very difficult.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

13. I prefer to visit destinations where I have not been before.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

14. If a destination provides fast and efficient public transportation, I will gladly take it.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

15. I prefer to arrange for my own transportation at a destination even when I am in a country I have never before visited.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

16. Cities with rail or subway systems tend to be more sophisticated than cities that do not have them.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

17. I prefer to hire a car so that I can travel when and where I want.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

18. A packaged holiday offers a good value for the price.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

19. I consider the cost of the transportation services at the destination when deciding where to take a holiday.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

20. The convenience of getting to a destination is an important factor in deciding where I take a holiday.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

21. When moving between destinations, I prefer to travel by train rather than by airplane or car.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

22. Once I've decided on a particular destination, I am not interested in adding on other places to visit along the way.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

23. I consider the convenience of getting around a destination when deciding where to take a holiday.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

24. While on a holiday trip, the time spent in travel is an enjoyable part of the experience.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

25. The U.S. lags way behind Europe in providing fast and reliable transportation between its cities and regions.

Strongly Agree	←1 - 2 - 3 - 4 - 5 - 6→	**Strongly Disagree**

11. How much do you agree with the following statements about spending a holiday in the United States?

		I agree					**I disagree**
1.	It takes too long to get there.	**1**	**2**	**3**	**4**	**5**	**6**
2.	I don't speak English well enough to go………	**1**	**2**	**3**	**4**	**5**	**6**
3.	I don't have enough time to go	**1**	**2**	**3**	**4**	**5**	**6**
4.	It is too difficult to get around in the U. S. without driving a car.	**1**	**2**	**3**	**4**	**5**	**6**
5.	Traveling long distances is too tiring.	**1**	**2**	**3**	**4**	**5**	**6**
6.	Travel to the U. S. is too expensive.	**1**	**2**	**3**	**4**	**5**	**6**

12. How much would you be willing to pay for round trip airfare to the United States for a holiday trip?

____________________DM

*13. Imagine that you are planning a holiday trip to the U.S. Round trip airfare costs about 2200DM. You find that airfare to a lesser-known destination in the interior of the country is considerably lower than airfare to your preferred destination but you would have to spend **at least one night** there to get the lower airfare. How much lower would the airfare to the interior destination have to be for you to select that destination as your arrival city?*

__________DM   ______lower airfare would not make a difference

Demographics:

1. Do you have a driver's license? Yes _____ No _____

2. You are: [ ]Male [ ] Female

3. Your birth year is __________

4. Your federal state of domicile is ____________________________

5. Which of the following best describes your **household**?
a. [ ] Two-parent family (children under 18)
b. [ ] Couple (no children)
c. [ ] Couple (grown children)
d. [ ] Single-parent family (children under 18)
e. [ ] Single (no children)
f. [ ] Single (grown children)
g. [ ] Other (specify _____________________

6. Which of the following best describes your <u>monthly net</u> household income:
a. [ ] Under 1,500 DM
b. [ ] 1,500 – 2.999 DM
c. [ ] 3,000 – 4,499 DM
d. [ ] 4,500 – 5,999 DM
e. [ ] 6,000 – 7,999 DM
f. [ ] 8,000 DM and over

7. In addition to German, you would feel comfortable traveling in countries that speak which of the following languages? (Circle languages)

French   English   Russian   Spanish   Italian   Other______________

APPENDIX C

PREFERENCE SURVEY FOR LONG DISTANCE HOLIDAY (GERMAN)

Appendix C: Preference Survey for Long Distance Holiday

01. **Wie oft machten Sie in den letzten 5 Jahren einen Urlaub, der mit einem mehr als 5-stündigen Flug verbunden war?** *(Bitte geben Sie die Anzahl der Urlaubsreisen an!)*

_________Urlaubsreisen

02. **Bitte vermerken Sie jedes Land außerhalb Europas, das Sie in den letzten 5 Jahren besucht haben. Bitte geben Sie dabei Reiseziel, Reisejahr und Reiseart (Urlaubs- oder Geschäftsreise) so genau als möglich an!** (U = Urlaubsreise; G = Geschäftsreise)

Land	Zielgebiet/Stadt	Jahr	Reiseart *Bitte ankreuzen!*	
1.__________	__________	______	☐ U	☐ G
2.__________	__________	______	☐ U	☐ G
3.__________	__________	______	☐ U	☐ G
4.__________	__________	______	☐ U	☐ G
5.__________	__________	______	☐ U	☐ G
6.__________	__________	______	☐ U	☐ G

03. **Haben Sie schon einmal einen flugplanbedingten Zwischenstop für einen längeren Aufenthalt (mindestens 1 Nacht) genutzt, bevor Sie an Ihr endgültiges Urlaubsziel weiterreisten?**

☐ ja ☐ nein

04. **Unter welchen der unten angeführten Bedingungen würden Sie im Zuge einer Fernreise einen alternativen, Ihnen fremden Ort anfliegen und einige Tage dort verbringen? Bitte geben Sie Ihr Interesse anhand der 6-stufigen Skala an** (1= habe sehr großes Interesse, 6 = habe überhaupt kein Interesse):

sehr großes Interesse ... **überhaupt kein Interesse**

01. Sie müssen an diesem Ort umsteigen um an Ihr Reiseziel zu gelangen, und Sie könnten für ein paar Tage verweilen ohne mehr für Ihr Flugticket bezahlen zu müssen........................**1 ......2 ....3 ...... 4....... 5....... 6**

02. Sie könnten eine Pauschalreise an diesen Ort buchen und müßten keine großen Vorbereitungen treffen..............................**1 ......2 ....3 ...... 4....... 5....... 6**

03. Sie kommen an diesem Ort an und könnten von einem anderen Ort abreisen ohne mehr für Ihr Flugticket bezahlen zu müssen ... 1 **......2 ....3 ...... 4....... 5....... 6**

04. Sie kommen woanders an und könnten von diesem Ort abfliegen ohne mehr für Ihr Flugticket bezahlen zu müssen........**1 ......2 ....3 ...... 4....... 5....... 6**

05. Wenn Sie an Ihrem Zielort angekommen sind, welche der unten angeführten Verkehrsmittel würden Sie benützen, um sich die Stadt oder örtliche Sehenswürdigkeiten anzusehen? Bitte bewerten Sie anhand der 6-stufigen Skala (1 = würde ich ganz bestimmt nutzen, 6= würde ich sicher nicht nutzen)

	ganz bestimmt					sicher nicht
1. Shuttlebus mit Hotelabholung	1	2	3	4	5	6
2. örtliche öffentliche Buslinien	1	2	3	4	5	6
3. Taxi	1	2	3	4	5	6
4. Organisierte Busrundfahrt	1	2	3	4	5	6
5. Bahn, Schnellbahn, U-Bahn	1	2	3	4	5	6
6. Mietwagen	1	2	3	4	5	6
7. Zu Fuß	1	2	3	4	5	6

06. Wie interessant ist es für Sie, einen kurzen Zwischenaufenthalt auf Ihrer Reisestrecke zu Ihrem endgültigen Reiseziel einzuschieben, wenn sich Ihnen dort folgende Möglichkeiten bieten (1 = habe sehr großes Interesse, 6 = habe überhaupt kein Interesse,):

	sehr großes Interesse					überhaupt kein Interesse
1. Besichtigung bekannter geographischer Sehenswürdigkeiten (z.B. Rocky Mountains, Mississippi, Große-Seen-Region, Grand Canyon)	1	2	3	4	5	6
2. Besichtigung einer bekannten Stadt	1	2	3	4	5	6
3. Sportliche Aktivitäten im Freien (Wandern, Radfahren, Fischen, Golfen, etc.)	1	2	3	4	5	6
4. Einkaufen in einem bekannten Shopping Center	1	2	3	4	5	6
5. Besichtigung einer Wald- und Seenlandschaft	1	2	3	4	5	6
6. Entdeckung neuer Orte, Städte oder Regionen	1	2	3	4	5	6
7. Wildwasserpaddeln in entlegenen Gegenden	1	2	3	4	5	6

07. Sie haben sich entschieden, während Ihrer 2-wöchigen Urlaubsreise eine neue Stadt/ Region für drei Tage zu besuchen. Wieviel Fahrtzeit würden Sie maximal für den Transfer vom Flughafen zu diesem Ort in Kauf nehmen? *(Bitte geben Sie die Anzahl der Stunden an!)*

______ Stunde(n)

08. Welche der folgenden Verkehrsmittel würden Sie in einem Ihnen fremden Reiseziel im allgemeinen nicht nutzen? *(Bitte kreuzen Sie alle an, die Sie nicht nutzen würden!)*

- ☐ Bahn/ Schnellbahn/ U-Bahn
- ☐ Mietwagen
- ☐ Taxi
- ☐ Öffentlicher Bus
- ☐ Reisebus/ Shuttlebus
- ☐ Zu Fuß

09. Wie wichtig ist für Sie bei einer Pauschalreise, daß folgende Leistungen enthalten sind?
(1 = sehr wichtig, 6 = unwichtig)

	sehr wichtig					unwichtig
1. Unterkunft	1	2	3	4	5	6
2. Flug	1	2	3	4	5	6
3. Vollpension	1	2	3	4	5	6
4. Nur Frühstück	1	2	3	4	5	6
5. Transfer vom Flughafen zur Unterkunft	1	2	3	4	5	6
6. Transfer von der Unterkunft zu örtlichen Sehenswürdigkeiten	1	2	3	4	5	6
7. Eintrittsgelder zu örtlichen Sehenswürdigkeiten	1	2	3	4	5	6
8. Mietwagen	1	2	3	4	5	6
9. Besichtigungstour der Stadt oder des Gebietes	1	2	3	4	5	6
10. Reiseleiter, der Sie am Flughafen empfängt und der Ihren Transfer vom Flughafen zum Hotel abwickelt	1	2	3	4	5	6

10. Bitte geben Sie auf einer Skala von 1 bis 6 an, inwieweit sie den folgenden Aussagen über Fernreisen zustimmen oder nicht (1= stimme voll und ganz zu; 6 = stimme überhaupt nicht zu).

01. Auf einer Fernreise würde ich den Flug für eine oder mehrere Nächte an einem mir fremden Ort unterbrechen, wenn mich das Flugticket nicht mehr kostet.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
02. Ich ziehe Reiseziele vor, an denen es schnelle und effiziente öffentliche Verkehrsmittel wie U-Bahnen und Schnellbahnen gibt.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
03. Grundsätzlich wähle ich meine Urlaubsziele nach den Gesamtkosten der Reise und nicht nur nach den Kosten für den Flug.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
04. Im Zuge einer Fernreise wäre es interessant, die Möglichkeit zu haben an einem anderen Ort, der auf der Strecke liegt, einen Kurzaufenthalt (1 bis 3 Tage) zu verbringen.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu

05. Taxis, die Fixpreise innerhalb einer geographischen Zone anbieten, sind vertrauenswürdiger als jene, die das Fahrtgeld rein nach Distanz berechnen.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
06. Niedrige Flugkosten sind einer der wichtigsten Überlegungen bei der Auswahl des Reisezieles.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
07. Ich würde für den Transfer vom Flughafen zum Hotel nur dann die Bahn benützen, wenn ich damit direkt vor den Eingang des Hotels gelangen kann.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
08. Hätte ich mehr als 5 Stunden Wartezeit zwischen meinen Flügen, würde ich die Gelegenheit zum Besuch einer örtlichen Sehenswürdigkeit nützen, vorausgesetzt ich komme rechtzeitig zum Flughafen zurück.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
09. Ich finde mich in einer fremden Stadt leicht mit der S- oder U-Bahn zurecht und nutze diese wesentlich öfter als teurere Transportmittel.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
10. Für Touristen sind die meisten öffentlichen Bussysteme einfach zu nützen.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
11. Reise ich mit Gepäck, wähle ich das Verkehrsmittel, das vor meiner Tür hält, egal was es kostet.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
12. Ein Auto in einer mir fremden Stadt zu fahren ist sehr schwierig.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
13. Ich ziehe es vor dorthin zu reisen, wo ich noch nie gewesen bin.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
14. Bietet eine Urlaubsziel ein schnelles und effizientes öffentliches Verkehrsnetz, nehme ich dieses gerne in Anspruch.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
15. Ich ziehe es vor, meine Transfers am Urlaubsziel selbst zu organisieren, auch wenn ich zum ersten Mal in diesem Land bin.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
16. Städte mit U-Bahn oder Schnellbahnnetzen wirken fortschrittlicher als Städte ohne.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
17. Ich ziehe es vor mir einen Mietwagen zu nehmen, damit ich mich unabhängig bewegen kann.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
18. Eine Pauschalreise bietet ein gutes Preis-/Leistungsverhältnis.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
19. Ich berücksichtige bei der Wahl meines Urlaubsortes auch die Kosten für die Transportmittel vor Ort.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu

20. Eine bequeme Anreise zum Urlaubsort ist ein entscheidender Faktor bei der Wahl meines Urlaubszieles.	stimme voll und ganz zu	1	2	3	4	5	6	stimme überhaupt nicht zu
21. Reise ich von einem Urlaubsort zum nächsten, ziehe ich die Bahn dem Flugzeug und dem Auto vor.	stimme überhaupt nicht zu	1	2	3	4	5	6	stimme voll und ganz zu
22. Habe ich mich einmal für ein bestimmtes Urlaubsziel entschieden, interessiert es mich nicht, andere Orte während meiner Reise dorthin zu besuchen.	stimme überhaupt nicht zu	1	2	3	4	5	6	stimme voll und ganz zu
23. Ich berücksichtige bei der Wahl meines Urlaubsortes gute Transportmöglichkeiten vor Ort.	stimme überhaupt nicht zu	1	2	3	4	5	6	stimme voll und ganz zu
24. Die Zeit, die man mit dem Reisen an sich verbringt, betrachte ich während meines Urlaubes ebenfalls als angenehm.	stimme überhaupt nicht zu	1	2	3	4	5	6	stimme voll und ganz zu
25. Die öffentlichen Verkehrsmittel zwischen Städten und Regionen sind in den USA lange nicht so schnell und zuverlässig wie in Europa.	stimme überhaupt nicht zu	1	2	3	4	5	6	stimme voll und ganz zu

11. Wie denken Sie über einen Urlaub in den USA? Bitte geben Sie auf einer 6-stufigen Skala an, ob Sie den folgenden Aussagen zustimmen oder nicht (1 = stimme voll und ganz zu, 6= stimme überhaupt nicht zu)

	stimme voll- und ganz zu					stimme über- haupt nicht zu
1. Die Anreisezeit dorthin ist zu lang	1	2	3	4	5	6
2. Meine Englischkenntnisse reichen nicht aus	1	2	3	4	5	6
3. Ich habe nicht genug Zeit um dorthin zu reisen	1	2	3	4	5	6
4. Ohne Auto ist das Reisen in den USA zu schwierig	1	2	3	4	5	6
5. Lange Strecken zu reisen ist anstrengend	1	2	3	4	5	6
6. Reisen in die USA sind zu teuer	1	2	3	4	5	6

12. Wieviel würden Sie für einen Hin- und Rückflug in die USA ausgeben?
(Bitte in DM angeben)

________________ DM

13. Stellen Sie sich vor: Sie planen eine Urlaubsreise in die USA, Hin- und Rückflug kosten rund 2.200,- DM. Es ist erheblich preiswerter, eine weniger bekannte Stadt im Landesinneren anzufliegen, allerdings müßten Sie, um diesen günstigen Tarif zu erhalten, in dieser Stadt mindestens einmal übernachten. Um wieviel müßte dieser Tarif preiswerter sein, damit sie sich für diese Variante entscheiden?

☐ __________ DM

☐ Ich würde mein Ziel wegen eines preiswerteren Flugtickets nicht ändern.

Zum Abschluß erbitten wir noch einige statistische Daten von Ihnen

1. **Haben Sie einen Führerschein?** ☐ ja ☐ nein

2. **Geschlecht:** ☐ männlich
   ☐ weiblich

3. **Welcher Jahrgang sind Sie?** __________

4. **In welchem Bundesland wohnen Sie?** ____________________________

5. **Welche der folgenden Aussagen trifft am ehesten auf Ihren Haushalt zu?**

   a. ☐ 2 Elternteile und Kind(er) unter 18 Jahre
   b. ☐ Paar ohne Kinder
   c. ☐ Paar mit erwachsenen Kind(ern)
   d. ☐ 1 Elternteil und Kind(er) unter 18 Jahren
   e. ☐ Single ohne Kinder
   f. ☐ Single mit erwachsenen Kind(ern)
   g. ☐ sonstiges: __________________

6. **Wie hoch ist Ihr durchschnittliches monatliches Haushaltsnettoeinkommen?** (für alle im Haushalt lebenden Personen, abzüglich Steuern und Sozialversicherungsbeiträgen)

   a. ☐ unter 1.500,-- DM
   b. ☐ 1.500 – 2.999 DM
   c. ☐ 3.000 – 4.499 DM
   d. ☐ 4.500 – 5.999 DM
   e. ☐ 6.000 – 7.999 DM
   f. ☐ 8.000 DM und mehr

7. **Welche Fremdsprachen sprechen Sie gut genug um auf Reisen ohne Übersetzer auszukommen?** *(Bitte kreuzen Sie alle zutreffenden Sprachen an!)*

   a. ☐ Französisch
   b. ☐ Englisch
   c. ☐ Russisch
   d. ☐ Spanisch
   e. ☐ Italienisch
   f. ☐ andere: _______________