

ABSTRACT

Title of Dissertation: **PRIVATE AND PUBLIC SECTOR
COLLABORATION IN
GUAM'S TOURISM
INDUSTRY: IS GUAM
PREPARED FOR THE
FUTURE?**

Fred Robert Schumann, Doctor of Philosophy, 2006

Dissertation Directed By: Professor Masakatsu Ogata, Graduate School
of Asia Pacific Studies

The topic of tourism development has been explored by a number of scholars and increasingly, over the past decade, more literature has become available on tourism development on small islands¹. For many of the small island territories or nations, they share a number of major issues in the area of tourism. These include vast distances from source markets, foreign investment and the resulting leakage of revenue, over-dependence on tourism (mono-structured economy), dependence on imports, and an overburdened infrastructure, just to name a few (Gössling 2003; Harrison, 2004; McElroy, 2006). Most island destinations rely on stakeholders from not only a single sector, but from both private and public sectors to tackle these issues (Buhalis, 1999).

As a tourism-dependent economy, Guam receives at least sixty percent of its governmental revenues from tourism. Japanese visitors had made up over 80 percent of Guam's visitor arrivals in earlier years, but numbers started to drop in

¹ For some of the major sources, see the following: De Albuquerque and McElroy, 1992; Bass and Dalal-Clayton, 1995; Briguglio, et al., 1996; Hampton, 2005; Shareef, 2003; Duval, 2004; Milne, 1997; Milne and Nowosielski, 1997; McElroy, 2003, 2006)

recent years due to a number of reasons, such as natural disasters, world events, as well as stiffer competition from similar resort destinations. Still, the market remains the largest source of visitors for Guam, with South Korea coming in a distant second in ranking making up approximately 12 percent of Guam's visitor arrivals. As background information to illustrate the importance of public and private sector collaboration efforts on Guam, this research examines some of the changes occurring in Japanese overseas travel. It also reviews how tourist industry stakeholders in a nearby destination like Guam can adopt strategies to meet the changing expectations of this important market.

The primary research of this thesis involves the analysis of qualitative data generated from in-depth interviewing in examining the issue of collaboration between the private and public sectors as a method for assisting Guam's tourism industry to prepare for the future. This is followed by multiple case research (Yin 1994) that investigates strategies used in destinations to enhance tourist experiences through attractions. The SWOT Analysis is also utilized as an example of a tool to assist stakeholders in understanding the environment of the present to prepare strategies for the future.

Key Words: Guam, private and public sector, tourism, pacific islands, Japan

PRIVATE AND PUBLIC SECTOR COLLABORATION IN GUAM'S
TOURISM INDUSTRY: IS GUAM PREPARED FOR THE FUTURE?

by

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Preface

Business gurus Hamel and Prahalad suggest that in order for businesses to remain competitive, leaders need to continuously reflect on this question—“Am I more of a maintenance engineer keeping today's business humming along, or an architect imagining tomorrow's businesses?”

Gary Hamel and C.K. Prahalad in *Competing for the Future* (1994)

“For a travel market’s sustainability as a preferred destination, leaders in the business of tourism must compete with destinations worldwide. They must continuously reflect upon this question--Are we attempting to sustain the past, relying on previous years’ visitor statistics and outdated visitor profiles, or are we creating a new future for tourism in our destination market?”

Fred R. Schumann (2005)

Dedication

This dissertation is dedicated to my partner and tour companion, Bernie P. Schumann, who encouraged me to pursue my doctoral studies in Japan while she unselfishly continued her public service on the island of Guam.

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At the risk of missing a number of important individuals in my Acknowledgements, I would like to extend my heartfelt appreciation for the special people who guided me through my research efforts. Despite their busy schedules, they had taken the time to share with me their ideas concerning my research.

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with issues concerning Japanese overseas travel. Despite what many others commented about studying the weakening Japanese overseas travel market, the continued encouragement kept me on track. Professors Susumu Yamagami and J.S. Eades (again) deserve mention for their suggestions and encouragement in the final stages towards the completion of the dissertation.

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List of Abbreviations

ABC	Asahi Broadcasting Corporation (Japan)
APU	Asia Pacific University
CNMI	Commonwealth of the Northern Marianas
DFS	Formerly Duty Free Shoppers
DMOs	Destination Management Organizations
DOE	Department of Education
DUI	Driving Under the Influence
FIFA	Fédération Internationale de Football Association (French)
FIT	Free Independent Travelers
FSM	Federated States of Micronesia
FY	Fiscal Year
GDP	Gross Domestic Product
GEDCA	Guam Economic Development and Commerce Authority
GHRA	Guam Hotel and Restaurant Association
GPA	Guam Power Authority
GVB	Guam Visitors Bureau
GWA	Guam Waterworks Authority
HTA	Hawaii Tourism Authority
IATA	International Air Transport Association
IMF	International Monetary Fund
JATA	Japan Association of Travel Agents
JICA	Japan International Cooperation Agency
JNTO	Japan National Tourist Organization

JTA	Japan Tourist Association
JTB	Japan Travel Bureau
MBS	Mainichi Broadcasting System (Japan)
MICE	Meetings-Incentives-Conventions-Exhibitions
MILT	The Ministry of Land, Infrastructure and Transport (Japan)
MPHPT	The Ministry of Public Management, Home Affairs, Posts and Telecommunications (Japan)
NEET	Not in Education, Employment or Training
NGO	Non-Governmental Organization
NHK	Nippon Hoso Kyokai (Japan Broadcasting Corporation)
NPS	National Park Service (U.S.)
NPSA	National Park of American Samoa
NTA	Nippon Travel Agency
OECD	Organization for Economic Development and Cooperation
PATA	Pacific Asia Travel Association
R&R	Rest and Relaxation
SARS	Severe Acute Respiratory Syndrome
SIT	Special Interest Tourism
SITE	Small Island Tourism Economy
STAR	Survey on Tourism Attitudes of Guam Residents
STB	Singapore Tourism Board
SWOT	Strengths-Weaknesses-Opportunities-Threats
TAG	Tourism Association of Guam
UNWTO	World Tourism Organization
WAPA	War in the Pacific National Historical Park (Guam)
WTTC	World Travel and Tourism Council

Chapter 1. Introduction

Aim of the Study

The topic of tourism development has been explored by a number of scholars and increasingly, over the past decade, more literature has become available on tourism development on small islands². For many of the small island territories or nations, they share a number of major issues in the area of tourism. These include vast distances from source markets, foreign investment and the resulting leakage of revenue, over-dependence on tourism (mono-structured economy), dependence on imports, and an overburdened infrastructure, just to name a few (Gössling 2003; Harrison, 2004; McElroy, 2006). Most island destinations rely on stakeholders from not only a single sector, but from both private and public sectors to tackle these issues (Buhalis, 1999).

Governments and the public sector are heavily engaged in the operations of tourism even in countries where privatization has been maximized. They are producers of services for both hosts and visitors in a community and therefore are directly involved in the tourism product. In addition, governments act as the Research and Development arm of tourism as many smaller businesses operating within the industry do not have the resources for this function. Researchers (Bramwell and Lane, 2000; Hall, 1994; Leiper, 1995), showing how the influential aspect of the growing industry is seldom overlooked, have also covered the relationship of politics and tourism. Leiper (1995) points out that tourism is at

² For some of the major sources, see the following: De Albuquerque and McElroy, 1992; Bass and Dalal-Clayton, 1995; Briguglio, et al., 1996; Hampton, 2005; Shareef, 2003; Duval, 2004; Milne, 1997; Milne and Nowosielski, 1997; McElroy, 2003, 2006).

times used as a tool in a struggle for power, for example as an employment and revenue generating solution to a community's economic problems.

Unfortunately, there is a paucity of available literature concerning tourism in Micronesia's small island destinations with populations fewer than a million and no other major industries as backup in times of tourism industry slumps. Small island destinations such as Guam with a population of just under 160,000 have a lot at stake as tourism in many cases is the number one industry that directly affects the island's economic well being. Guam's isolated geography in the Mid-Pacific and its ecosystem limit new industries, even under the best economic and financial conditions. In recent years, Guam experienced some severe hardships in the form of disasters, such as Typhoon *Chata'an* in July 2002 and Typhoon *Pongsana* in December 2002, which was recorded as the strongest typhoon to hit Guam in the past century. Even before these two major typhoons, Guam was just in the process of rebuilding and recovering after being devastated by Typhoon *Paka* in 1997 (Osman, 2004). In addition, regional and global economic and financial problems dating back to the Asian financial crises of 1997-98 plagued the island's recovery from the bursting of the Japanese bubble economy in the early 1990's. With the collapse of the bubble economy, gone were the days when Japanese investors were buying properties around the world and travelers were making large purchases on merchandise and entertainment on overseas trips, including in destinations like Guam. Just when signs of recovery were appearing with many of Guam's retailers hitting record sales in August 2001, the September 11 attacks and SARS came along and dropped tourist traffic as much as 60 percent (Salas, 2004).

Guam now faces a very challenging future and much hope rides on tourism to bring the economy out of a long-term slump. Guam residents, knowing through years of exposure to public service announcements that tourism is the island's number one industry, are relying on industry leaders in both the private and public sectors to work together to create a better quality of life for residents via tourism revenues. Much of these revenues are generated via spending on Guam and from tax sources including the four percent Gross Receipts Tax on goods and services, and the eleven percent Hotel Occupancy Tax calculated by room rate. The main source of these revenues is from a single market—Japan.

There are a number of other destinations, like the island territory of Guam, have relied on Japanese visitors and their tourism dollars to help drive the economy. Ever since Japanese overseas travel was liberalized after the Tokyo Olympiad in 1964, Japanese overseas travel had grown continuously to close to 18 million by 2001. With these numbers came the higher than average spending per Japanese visitor on items such as luxury goods, food and entertainment, optional tours, and other goods and services. However, with the bursting of Japan's Bubble Economy in the early 1990's, we have started to see changes in Japanese domestic and international spending, as well as in attitudes toward overseas travel. These changes are likely to continue, resulting from trends occurring in Japan, and will impact choices for overseas destinations, purchases and activities.

One of the most significant changes is in demographics, which has been due to the growing number of elderly citizens, marriages taking place in later years for females, and lower birth rates influenced by the later marriages combined with a variety of other factors (Doteuchi, 2004). This has also carried over to affect changes in Japan's workplace and the way in which families spend

their time together as a unit for leisure time activities. These changes have had a profound affect on destinations that have relied on Japanese tourism for survival and will continue to do so in the coming years. This is especially true for Guam with such a high reliance on Japanese visitor arrivals.

As a tourism-dependent economy, Guam receives at least sixty percent of its governmental revenues from tourism. Japanese visitors had made up over 80 percent of Guam's visitor arrivals in earlier years, but numbers started to drop in recent years due to a number of reasons as mentioned above, such as natural disasters, world events, as well as stiffer competition from similar resort destinations. Still, the market remains the largest source of visitors for Guam, with South Korea coming in a distant second in ranking making up approximately 12 percent of Guam's visitor arrivals. As background information to illustrate the importance of public and private sector collaboration efforts on Guam, this research examines some of the changes occurring in Japanese overseas travel. It also reviews how tourist industry stakeholders in a nearby destination like Guam can adopt strategies to meet the changing expectations of this important market.

Tourism is a very competitive industry (Buhalis, 2000) and destinations are no longer in a seller's market. Destinations need to differentiate their products and develop partnerships between the public and private sector locally in order to coordinate delivery. Even destinations that specialize in attracting certain types of visitors and levels of income have to upgrade their basic infrastructures and add new attractions. It is essential that destination administrations, including Guam's, understand their market segments and that they plan their development strategy accordingly. It is also very critical that developments are quality driven and that the consumer experiences are used as evaluation criteria. Guam faces losing repeat

visitors as they seek alternatives if Guam's marketing and research efforts do not work toward continuing to identify key market trends and improving its product.³

The strategic guidance given to and management of, the tourism sector by the administration of Guam or any destination is a key foundation to that destination's ability to be successful. The relationship between private and public sector must be healthy with industry leaders communicating regularly and striving to meet goals established by all. In other words, both private and public sector industry leaders must have the same vision for the industry for these goals to be realized. Planners and stakeholders need to work together to develop a shared vision, common ground on future development and nature of a place, as well as the role that tourism might play in the vision.

This thesis presents the theoretical underpinning of the research in terms of the role of stakeholder involvement in tourism management. It also includes an examination of the relationship between Japan's changing society and Japanese overseas travel, and the role that Guam's tourism industry stakeholders can play in managing the future of tourism considering this relationship. This thesis analyzes qualitative data generated from in-depth interviewing in examining the issue of collaboration between the private and public sectors as a method for assisting Guam's tourism to industry prepare for the future. This is followed by multiple case research (Yin 1994) that investigates strategies used in destinations to enhance tourist experiences through attractions. The SWOT Analysis is also utilized as an example of a tool to assist stakeholders in understanding the

³ In December 2004, repeat visitors made up 48 percent of visitors from Japan. This figure varies from month to month but is generally 35 percent to 50 percent. Source: GVB Monthly Visitor Statistics December 2004.

environment of the present to prepare strategies for the future. These methodologies are described in detail in Chapter 4 and are merely introduced here.

Research Questions

In light of the situation described in the previous section concerning Guam's current reliance on tourism to run the economy and the heavy dependence on the arrivals of visitors from Japan, this brings us to question what is actually occurring on the island of Guam. This thesis will address questions that will ultimately reveal the shared level of awareness of trends among Guam's tourism industry stakeholders and what is being done in a collaborative effort between sectors to prepare for the future of Guam's tourism industry.

The key questions in this research are as follows;

- What steps are being taken to improve Guam's visitor product?
- Do industry leaders receive and share information about Guam's fragile tourist economy, which relies predominantly on one source market as well as being vulnerable to a variety of external factors?
- Do they communicate across sectors to address immediate and long-term issues?
- Are industry leaders aware of trends that directly affect Guam's tourism industry from major markets like Japan?
- Do Guam's industry leaders understand what they can and cannot control when it comes to increasing visitor arrivals and what is currently being done in this regard?

Significance of the Study

Planning for the future is an important process in tourism sustainability (Bramwell and Lane, 2000). However, not all destinations carry out the planning process properly or carry out a long-term view with intermediate measures to monitor progress. Tourism is not always the result of a national decision-making process. Decisions affecting tourism policy, the nature of government involvement in tourism, the structure of tourist organizations, and the nature of tourism development emerge from a political process that of course includes key players in the private sector. As Hall states, “this process involves the values of actors (individuals, interest groups and public and private organizations) in a struggle for power” (Hall 1994: 3). He also adds that there is an apparent lack of interest in studies of the political and administrative dimensions of tourism by government and industry, as well as in the community conflicts that occur in relation to tourism development. However, it is important to recognize that such research may be of an extremely practical nature (Hall 1994: 5).

For a destination like Guam that depends on visitor arrivals from its major market of Japan, it is necessary for industry leaders to see past the political maneuvering as part of the power struggle described above, and examine what changes are occurring on Japan’s domestic scene. Because of Guam’s geographic location, tropical climate, pristine beaches and political status as a U.S. territory, Japanese visitors will continue to be a major source of revenue for Guam’s tourism industry. How these visitors view Guam as a destination will impact the sustainability of Guam’s tourism industry.

Urry’s study (1990) using “the tourist gaze” metaphor for tourists has had a significant impact in tourism studies. His work conceptualizes the nature of how

tourists view and consume experiences at destinations throughout the world. Urry's analysis draws mostly on the experience and particular historical and cultural patterns of British tourism, although he does refer briefly to New Zealand examples to support elements of his analysis. However, does this conceptual framework equally apply to places and people in other parts of the world?

A number of criticisms have been made about Urry's work in this regard (e.g., Perkins and Thorns, 2001; Leiper, 1992; Hamilton-Smith, 1991). With changing preferences of tourists, it appears that the gaze metaphor may be too static or too simplistic. Shono, Fisher and McIntosh (2006) challenge the stereotypical image of Japanese tourists as gazers, and they analyze the changing nature of the Japanese outbound tourism market. In "The Changing Japanese Gaze" (2006), they also argue that Japanese tourists are becoming more independent as a result of changes in Japanese culture and want experiences that go far beyond a mere "gaze." Regardless of whether or not the gaze is no longer applicable, the "otherness" of what Japanese tourists encounter is still high. Therefore, Shono, et al. (2006) claim that what is needed is a greater understanding of the changing trends occurring around culture and society in Japan to fully understand the transformation of the gaze from a Japanese point of view. Societal changes in Japan have coincided with tourists who are less passive but who are still bound up in cultural obligations. Shono, et al. (2006) state in their work that in understanding the similarities and differences of the metaphor of the gazer for Japanese and Western tourists, a greater understanding of the transformation of Japanese outbound tourism is achieved. A more detailed review of the changing Japanese gaze as a reflection of changes in Japanese society and

its application to this study will be covered in the Review of Literature in Chapter Three.

Many of the changes occurring in Japanese society can be viewed in the travel behavior of Japan's overseas travelers on the island of Guam. The profile of the Japanese overseas visitor has been changing throughout the years since the liberalization of overseas travel in 1964. The identification of key trends taking place in Japan and the way they relate to overseas travel need to be studied carefully for Guam and other destinations that continue to rely on revenues from Japanese visitors for maintaining their economy. Using this information about key trends concerning Guam's major source market, private and public sector stakeholders must work together and plan for the future.

For such planning to take place, there is a need for a common goal, or a vision that can be clearly communicated and understood by all involved in the process (Ritchie, 1993, 1994, 1999, Cooper, 2002). For any private or public organization to be successful in their mission, it must have a clear vision for members to know what needs to be ultimately accomplished. The strategy-making process based on this vision must not be a once-only affair, but one that is an evolving long-term enterprise, able to cope with change, and able to admit to its own mistakes and shortcomings. It is the beginning of a partnership between business, government and cultural and conservation interests (Lane, 2001). With Guam's current economic situation that relies so heavily on tourism and Japan as a source market for visitors, it is critical that key players in the industry work together with a common goal to develop strategies for the long-term.

In addition to the findings, the collection of interview responses as a whole can be of great value for the future. We can justify incorporating stakeholder

views in tourism planning as it can “add value” by drawing on the knowledge and insights of stakeholders, can reduce the costs of conflict resolution in the longer term, and may be considered politically desirable (Healey, 1998). Learning from opinion collection does come with some challenges but the benefits far outweigh the costs. The challenges include being able to face change, i.e. admitting that what has been done in the past is no longer valuable, changing ways of doing things and creating incentives for people to take risks associated with changing how things are done (Benveniste, 1989).

In addition to the points on the significance of the study mentioned above, there is a need for research specifically focused on Guam’s unique position as a destination primarily for one major source market. A search for academic books on Guam’s tourism industry in general will leave the tourism student or researcher empty-handed. Due to the small number of non-Japanese tourists to Guam and the relatively short history of tourism as an academic subject, one would be hard-pressed to produce a copy of an English language book on the topic. One of the desired results for his research project is to lead up to the publication of Guam’s first academic book on the island’s tourism industry, with the hope that other relevant academic publications will follow to help guide future students and researchers of Guam’s tourism industry.

Limitations of Scope and Justification

This thesis examines tourism industry stakeholder collaboration on the island of Guam only, and does not include interviews with stakeholders in neighboring Micronesian islands. Although the islands of the CNMI (Commonwealth of the Northern Marianas--Rota, Tinian, and Saipan) are less than 160 kilometers away from Guam and share the same source market, this

study limits its scope solely to the island of Guam. One can argue that there have been efforts to regionalize the marketing of Micronesia (see Magnificent Micronesia 2006) and that collaborative efforts between stakeholders of these islands warrant the research of the actors in these other islands. However, this study focuses on the island of Guam where stakeholders have a primary interest in the future of the island territory. In addition, the political status of the other islands (e.g. commonwealth versus unincorporated U.S. territory) and different marketing focus, as in the case of gambling in Tinian, justify a limitation of scope to just the island of Guam, where such factors may interfere with the interpretation of data.

This thesis also examines Japan as the major source market, and does not review trends and changes in society for secondary source markets as they relate to overseas travel. Japan is and will continue to be the major source market for Guam, based on geographic location, historical trends, and forecasts based on Guam's industry experts (Salas 2004). Although tourists from other markets visit Guam, in total, they make up less than 20 percent of Guam's visitor arrivals (Guam Visitors Bureau 2005). In this research, the focus is on Japan and therefore, an examination of Japanese society and trends as they relate to overseas travel is conducted and, as such, limits the scope of study for source markets to that of Japan.

Structure of the Thesis

This thesis is divided into seven chapters. After the introductory chapter, Chapter Two provides background information to the study. This background includes Island Tourism, Guam as a Destination Market, Japanese Overseas Travel and important trends likely to impact Guam tourism, and finally a review

on the business concept of Competing for the Future in the context of the tourism industry.

The inclusion of a lengthy background on Japanese overseas travel is to provide insight on the relationship between changes occurring in Japanese society and how they relate to Japanese overseas travel, an important factor for Guam's major market. Private and public sector stakeholders in Guam's tourism industry must recognize this link and collaborate to adjust to the changes experienced in the profiles of Japan's outbound travelers. Due to Guam's proximity to Japan, Japan will most likely continue to be Guam's major source market in its most important industry. While it is not possible to predict the future, it is only prudent for stakeholders to be proactive by being cognizant of information that is available about Japan's changing society to anticipate coming trends.

Chapter Three is comprised of a Review of Literature covering public and private collaboration and is divided into sub-sections covering the Environmental, Cultural, Political and Economic dimensions of collaboration in the tourism industry. Chapter Four describes methods of data collection and the research challenges. Chapter Five Data Analysis – Public and Private Sector Interview Results provides the findings of the thesis. This chapter is divided into sections to review specific categories in the stakeholders' responses. These sections are: Awareness of Travel Industry Trends; The Japan Market; Vision; Preparedness; Priorities; and Public/Private Collaboration. Chapter Six examines three case studies with a thought to strategic management in response to changes in the industry. These are visitor destination success stories in the form of attractions, not necessarily taking place in small islands, that Guam's tourism industry stakeholders can review for possible adaptation to the local environment.

The three case studies are divided into sections of Ecological Attractions, Man-Made Attractions and Local Cultural Attractions.

The last part consists of Chapter Seven—Discussions and Implications, which discusses the major findings of the thesis and recommendations for Guam’s tourism industry stakeholders. Limitations of the study are also presented in this chapter and it concludes by considering possible further research private and public sector collaboration in small island destinations.

Chapter 2. Background Information to the Study

This chapter describes the changing nature of the tourism industry and establishes the foundation leading up to the importance of stakeholder collaboration on the island of Guam. Stakeholders are currently being tasked to face the challenges brought forth by these changes. The chapter begins with background information on Island Tourism, followed by an overview of Guam as a Destination Market, and finally an examination of Japanese Overseas Travel and the major trends concerning this segment of international travelers. This chapter provides important background information for understanding the link between changes occurring in Japanese society and choices for destination, products and services in overseas travel. It also sets the stage for the significance of this market on Guam's economic well being and establishes an understanding that tourism stakeholders must work together to respond to the needs of this changing market. Such an account is vital in a discussion of the effectiveness of private and public collaboration in Guam's tourism industry.

Island Tourism

Island tourism has been around for a long time, resulting from the seafaring traditions of people having access to voyages from coastal communities. For a few examples ranging from thousands of years ago to the past century, we can identify the following. The Romans traveled to the Isle of Capri as a holiday destination two thousand years ago, Bermuda has been a popular tourist destination since the latter part of the 19th century, and Bali has hosted tourists that were interested in Balinese culture for close to a century (Conlin and Baum 1995: 4). However, it is with the advent of air travel that island tourism began to take off

in many of the small island destinations. It is the postwar history of the islands and their relationship with tourism that has been receiving the most attention in recent years. Decolonization in the islands after the Second World War has been one of the most favorable factors that allowed for the growth of international tourism. Unfortunately, much of the growth happened too rapidly and in a haphazard way, resulting in damaged ecosystems in many island environments.

In the Caribbean, tourism expansion has either directly or indirectly caused deforestation and erosion of upland forests, as well as beach erosion resulting from condominium developments and road building (Bass and Dalal-Clayton, 1995; McElroy and de Albuquerque, 2002). In the Mediterranean, large-scale coastal marina developments have disfigured coastlines and waters near the shore with sewage; and the Pacific, in transition from subsistence to a cash economy, is facing substantial threats from commercial agricultural and fishing, logging and coastal tourist development (McElroy 2003: 231). Despite all the environmental issues, islands, especially small islands, are attractive to many people from larger mainland communities. Residents from mainland communities conjure up exotic images of sun, surf and sand associated with islands. Hawaii, located far from any largely populated mainland, is one of the most popular destinations in the Pacific area, receiving over 67 million visitors by air in 2005 (Hawaii Tourism Authority 2006). Tourism is generally more important economically to an island destination, especially to the smaller island destination with less than a population of a million, than is usually the case in mainland destinations (Shareef, 2003: 1126). This may be largely due to the fact that the island economies have commonalities such as small populations, very little productive capacity, similar ecological surroundings, and pleasant climates that encourage the growth of a tourism industry.

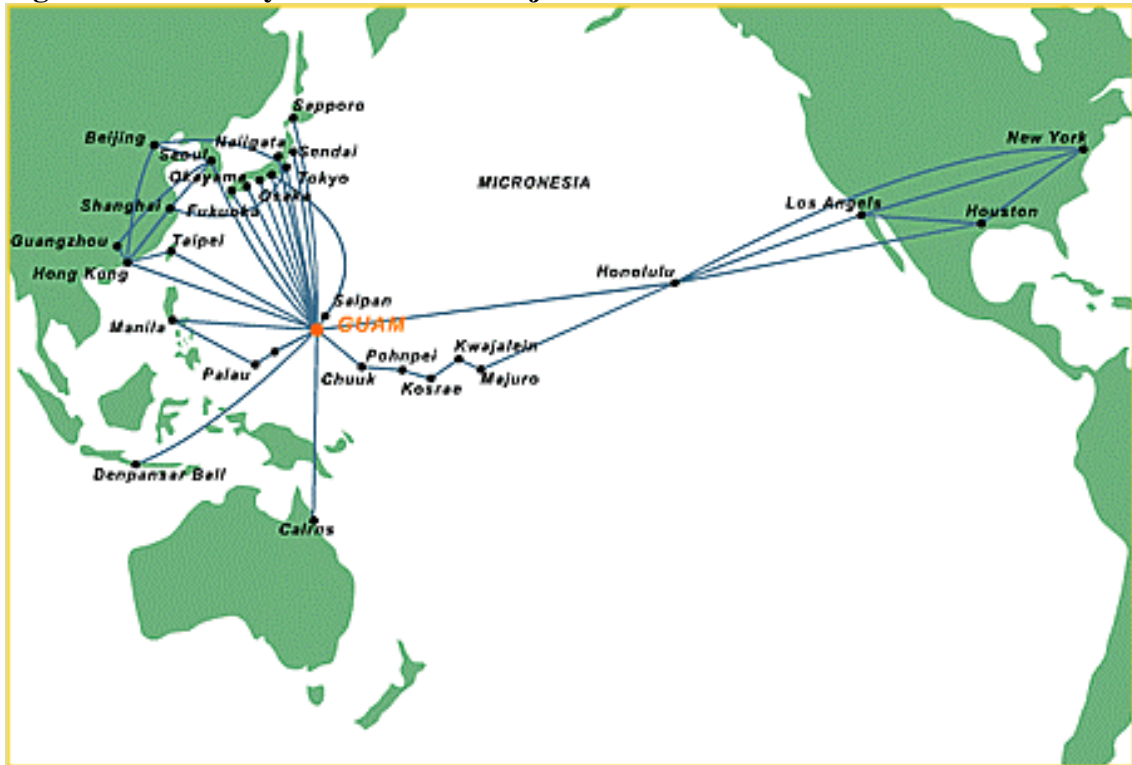
From a global perspective, tourism continues to grow as a major contributor to economies around the world. In 2004 international tourism receipts reached a new record of US\$622 billion in absolute figures. According to the 2005 edition of the UNWTO World Tourism Barometer, worldwide tourism earnings grew by an extraordinary 10.3 percent over the previous year, a rate practically equal to that of international tourist arrivals, which increased by 10.7 percent in 2003 from 2002 (UNWTO World Tourism Barometer, July 2005). The main tourism earners were the United States (US\$ 74.5 billion), Spain (US\$ 45.2 billion) and France (US\$ 40.8 billion), with France, Spain and the United States taking up the top spots in visitor arrivals. Preliminary data from 2005 indicates that an all-time record of 808 million international tourist arrivals worldwide was achieved (UNWTO World Tourism Barometer, January 2006).

Guam as a Destination Market

Guam, an unincorporated territory of the United States, is the largest island in the Mariana Archipelago. It is located in the northwest Pacific Ocean approximately 6,100 kilometers west of Hawaii, 2,400 kilometers south of Japan and 3,200 kilometers east of Hong Kong. Figure 1 below shows the proximity of Guam and major airline routes to and from the island. The land area of Guam is approximately 549 square kilometers. The island is 48 kilometers long and ranges from 8 to 14 kilometers in width. Guam was formed by undersea volcanoes and is surrounded by coral reefs near the shore. Hagatna, the capital city, is located in the central section of the island, which also serves as the center of commercial and industrial activities for the territory. Tumon Bay, the major tourist resort area, is located in the central section of the island. The northern section of Guam is relatively flat and is the location of Anderson Air Force Base. The southern

section is mountainous and is sparsely populated. Apra Harbor, the commercial port and main naval base, is located in the southern section. Much of the interior of Guam is covered with dense jungle and vegetation.

Figure 1. Proximity of Guam with Major Airline Routes



Source: Guam Visitors Bureau 2005

Figure 2 displays the map of Guam with indicators for the island's capital (Agana or Hagatna), its cities and villages. The climate is tropical, but is tempered by the northeast trade winds with temperatures ranging from 26 to 30 degrees Celsius throughout the year. Guam is frequently affected by typhoons and mild earthquakes. Average rainfall is between 2,509 and 3,136 millimeters per year. Guam has two seasons—rainy (June through October) and dry (November through May).

Figure 2. Map of Guam



Source: Magellan Geographix 1997, <http://www.maps.com>

The current population of the island is approximately 160,000, which is made up of a rich mixture of people from various areas of the world. The mix of peoples from the Pacific Islands, Asia, Spain, America, and the Philippines, has created a unique blend of cultures on Guam. The native Chamorro population has been reduced in recent years due to migration to the U.S. mainland and the great influx of other ethnic groups. The Chamorro inhabited Guam before its discovery by Europeans, starting with Ferdinand Magellan on March 6, 1521. Spain took

possession of Guam, along with other Marianas Islands, in 1565 and used Guam as a stopover point for the Spanish trade route between Mexico and the Philippines. In 1688, missionaries arrived to convert the population to Christianity while famine and European diseases devastated the Chamorro population during the early period of Spanish rule.

Guam was ceded to the United States by the Treaty of Paris after the Spanish-American War in 1898. The U.S. Navy administered the island until 1950 except for the period of Japanese occupation during World War II when Guam became the first American territory occupied by Japan. Guam was liberated from Japan after a campaign from July 21 to August 10, 1944. *Guamanians*⁴ today are U.S. citizens but may not vote in national elections. In 1950, the Organic Act of Guam established a civilian administration under the Department of Interior.

The growth of tourism on Guam began with the liberalization of Japanese overseas travel in 1964, when Japan relaxed foreign travel restrictions at a time when there were also substantial falls in airfares. During the early liberalization period, Guam was receiving visitors at an extremely rapid growth rate. The majority of visitors were from Japan (approximately 60 percent), with a substantial increase noted in the late 1960s resulting from the introduction of flights from Japan by Pan American, the world's largest airline at that time. The proportion of Japanese visitors was 74 percent by 1980. During this period, economic factors and favorable government policies, as well as the aggressive marketing efforts of travel agencies, contributed to the growth of Japanese overseas travel. A combination of these factors is still influential today in the

⁴ Guamanian – Term referring to those who are long-term residents of Guam, usually holding U.S. citizenship. These include people from one or a mixture of a variety of ethnic backgrounds, such as Filipino, Caucasian, Chinese, Korean, Japanese, Chamorro, etc.

highly volatile and competitive tourism industry, with many destinations working hard to get a larger share of the Japanese visitors' spending power. In fact, by 1989, Japan had become the world's leader in spending on international tourism. In the year 2000 following nearly a decade of poor economic performance, the more savings conscious Japanese overseas travelers were still the fourth largest group of spenders on international travel in the world, after the Americans, the Germans, and the British (Mak et al. 2004).

Well-known international and Japanese brands, especially in the lodging industry, have established a presence on Guam to capitalize on the tourism industry dominated by Japanese consumers. The major international resorts on Guam today include Guam Marriott and Resort and Spa, Hilton Guam Resort and Spa, Hyatt Regency Guam, Outrigger Guam Resort, and the Westin Resort Guam. Large Japanese chains with a presence on Guam are Guam Hotel Okura, Hotel Nikko Guam and Palace Hotel Guam. Japan's Leo Palace Corporation has also made a substantial investment in the Leo Palace Resort (<http://www.leopalaceresort.com/>), a multi-faceted condominium, hotel, spa and world-class sports compound, which is located in central Guam approximately 20 minutes away by car from the tourist district of Tumon. The total number of hotel rooms as of the end of 2005 was just over 8,000 (Guam Hotel and Restaurant Association, <http://www.ghra.org>).

Guam offers a variety of leisure activities as well as historical and cultural attractions. Guam's beaches are known for their clear water and white sand that are perfect for sunbathing, a practically required activity for visitors to tropical beach resort areas. There is also duty free shopping and a varied nightlife, including a nightclub, which hosts top quality Las Vegas-style shows for families.

Guam has at least seven world-class golf courses with breathtaking views for golf fans. For ocean lovers, Guam has some of the best scuba diving and snorkeling in the world. There are also underwater parks (Underwater World, <http://www.aquariumteam.com/>) where visitors can pet sharks, and Fish Eye Marine Park, (<http://www.fisheyeguam.com/>), an underwater observatory that allows for viewing a variety of fish species that exist on Guam's reefs. In addition, Guam offers submarine tours, sunset dinner cruises, jet skiing, wind surfing, kayaking, parasailing, sky diving, and deep-sea fishing for those who enjoy these ocean-related activities. Visitors to Guam often take an optional trip to the Commonwealth of the Northern Marianas (CNMI) to enjoy similar activities in a different environment.

Due to the island's natural beauty, Guam has the potential to establish and promote more ecotourism sites and activities for its visitors. There are currently no tours offered to visitors that are specifically designated as ecotourism activities. This may be partially due to the lack of a local authorizing body that can approve of such designation if one did exist. Although these may not be as widely known to residents and tourists, Guam does have Marine Preserve Areas that provide environments for people to enjoy natural settings of the island's marine habitats. Marine Preserve Areas are zones in which certain activities such as fishing are restricted to protect coral reef habitats and aquatic animals such as fish. Preserves help restore reef fish stocks. On May 16, 1997, Guam's Public Law 24-21 was implemented creating five marine preserves and making changes to Guam's fishing regulations. The names of the preserves are the Pati Point Preserve, the Tumon Bay Preserve, the Piti Bomb Holes Preserve, the Sasa Bay Preserve, and the Achang Reef Flat Preserve.

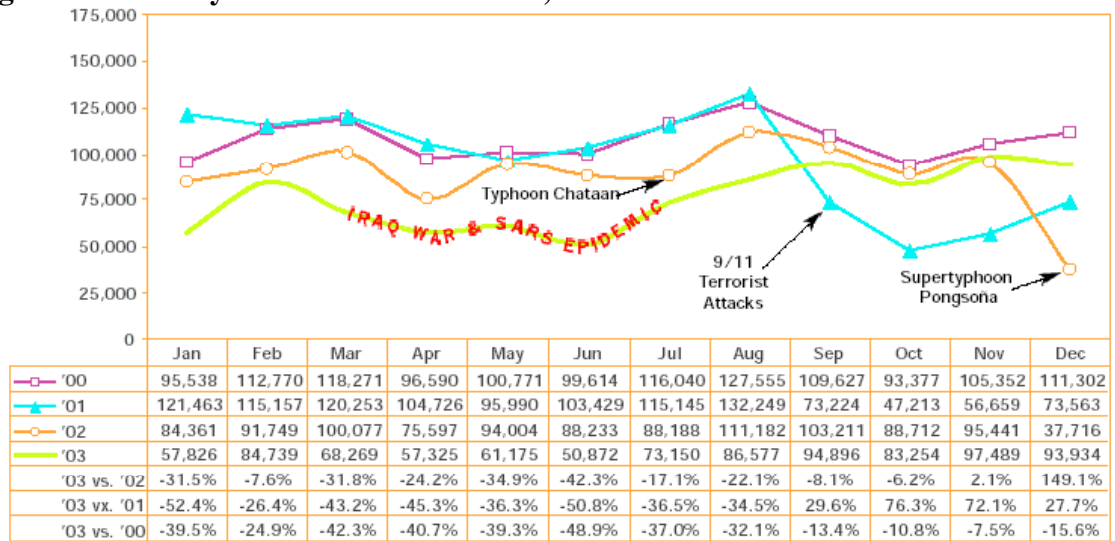
Guam has a unique National Park that is the only site in the U.S. National Park System (comprised of 385 parks) that honors the bravery and sacrifices of all those who participated in the Pacific Theater of World War II. This park includes information about the participation of the United States and its allies (Australia, Canada, China, France, Great Britain, New Zealand, the Netherlands and the Soviet Union, and Japan. Park visitors have the opportunity to learn about the events that led to the outbreak of the Pacific War, the Battle of Guam and the role the Mariana Islands played in helping to end World War II (1941-1945). At this National Park, the former battlefields, gun emplacements, trenches, and historic structures can be viewed as silent reminders of the bloody battles that took place on Guam over half a century ago. As a National Park unit, these unique resources are preserved for the benefit and enjoyment of present and future generations (National Park Service 2006). Unfortunately, due to extensive damage from Super-typhoon Pongsana in 2002, the Visitor Center (museum and bookstore) was still closed as of May 2006.

In addition to parks and marine preserves, tourists to Guam can also enjoy neighboring islands that take as little as 30 minutes to reach by air. Guam's neighbor, the Commonwealth of the Northern Marianas (CNMI) comprising a 14-island chain, is similar to Guam in the context of tourism since its main tourist market is also Japan. Three of the CNMI islands are inhabited (Saipan, Rota and Tinian) with a population totaling 70,000. The CNMI tourism industry receives approximately 600,000 to 700,000 tourists a year, with 70 percent of the total coming from Japan. The main comparative advantage CNMI has over Guam as a tourist destination is that it has more than one island, and each has its own attributes and comparative strengths. The island of Rota has pristine environment

with very little development, but due to the proximity to Guam, the island has the potential to change very quickly if development is left unchecked. Tinian's infrastructure is currently geared mainly toward attracting Chinese and Korean tourists, including gamblers for its casinos. With its mix of tourists and tourist facilities, CNMI is in an advantageous position to benefit from economic recovery in Japan and increased outbound travel from China (Osman 2004).

The recent typhoons and world events such as September 11, SARS, and the war in Iraq, contributed to Guam tourism suffering a major blow. With tourism making up 60 percent of Guam's revenue, the decline in tourism arrivals practically brought the island's economy to a standstill. Figure 3 illustrates how the events described above had affected visitor arrival figures.

Figure 3. Monthly Guam Visitor Arrivals, 2000-2003



Source: Guam Customs Declaration Forms, Guam Customs & Quarantine Agency

Arrival figures and hotel data for the past twenty-five years are shown below in Table 1. Although there was a recovery in arrivals in 2004 and 2005, these figures are still well below the figure of 1,382,513 for 1997, which resulted in higher hotel occupancy and average room rates. Not only have the arrivals shrunk but the Japan market that has traditionally had the highest spending

visitors, even after the bursting of the bubble economy, is also in decline. Guam's market share of Japan's outbound overseas visitors which was as high as 6.6 percent in 1997, declined to 4.7 percent in 2003, and there was also a decline in average visitor expenditures (Salas 2004).

Table 1. Guam Visitor Arrivals and Hotels Data

	Total Visitor Arrivals	Hotel Rooms	Hotel Occupancy Taxes (\$ Thousands)	Hotel Occupancy Rate (Percent)	Average Room Rate (\$)
1978	238,818	2,080	990.0	---	---
1979	272,681	2,336	1,354.0	---	---
1980	300,767	2,345	1,508.0	---	---
1981	321,766	2,345	1,898.0	---	---
1982	326,389	2,416	2,357.0	---	---
1983	350,540	2,819	3,028.0	---	---
1984	368,665	2,964	3,501.5	---	---
1985	378,146	2,991	4,051.5	---	---
1986	407,070	2,905	4,533.9	87.0	---
1987	477,491	3,864	5,760.2	86.0	---
1988	576,170	3,939	8,825.9	84.0	---
1989	658,883	4,133	11,577.9	90.0	---
1990	769,876	4,955	14,600.5	89.0	---
1991	728,722	6,122	15,782.9	79.0	---
1992	876,742	6,362	18,252.6	71.0	---
1993	784,018	6,038	14,570.6	58.0	---
1994	1,086,720	6,919	13,695.7	71.0	---
1995	1,361,830	7,140	20,981.6	87.0	109
1996	1,362,600	7,928	26,175.3	85.0	130
1997	1,381,513	8,119	27,598.5	82.0	129
1998	1,137,026	8,705	22,121.5	67.0	121
1999	1,161,849	9,395	18,946.0	61.0	105
2000	1,286,807	10,084	20,576.4	63.0	101
2001	1,159,071	10,110	18,850.2	58.0	102
2002	1,058,704	8,915	16,178.7	57.0	98
2003	906,645	7,227	13,100.0	54.0	97
2004	1,159,881	7,561	17,654.0	58.2	103
2005	1,222,521	8,002	18,061.0	63.0	106

Sources: *Guam Visitors Bureau and Guam Hotel and Restaurant Association (2006)*

These factors have had both cultural and social impacts on the local population. Because of the downturn in Guam's economy, the unemployed, underemployed and discouraged workers have been forced to depend more on the traditional close-knit family and other social support systems, which has increased the financial load for those still employed (Osman 2003: 10).

The island also continues to experience the "Brain Drain" where many of Guam's skilled and educated citizens with marketable skills relocate to the mainland United States for better paying opportunities. Guam's tourism industry now faces a number of challenges including taking immediate steps to increase visitor arrivals, reviewing which countries to target in marketing, and determining what strategies to adopt for the long-term viability of the tourism industry.

Table 2 displays figures for Guam's major economic and financial indicators. Unfortunately, the Government of Guam has been unable to provide more recent data due to its financial condition. Note the changes in unemployment rate as the years progressed following the bursting of Japan's bubble economy and the beginning of the Asian financial crisis in 1997. Although Guam is "Where America's Day Begins," its economy is closely tied to that of Japan.

More recently Guam ranked No. 7 among U.S. states and territories visited by overseas travelers, according to the Guam Visitors Bureau, which cited 2005 figures released from the U.S. Office of Travel and Tourism Industries (*Pacific Daily News*, May 19, 2006). The top U.S. destinations on the list are: New York, California, Florida, Hawaii, Nevada, Illinois, Guam, New Jersey, Texas and Massachusetts. Guam currently receives an average of 2,500 to 2,700 overseas visitors per day.

Table 2. Guam's Major Economic and Financial Indicators

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Population	139,371	142,589	145,881	149,249	152,895	156,220	159,827	163,517	154,805	157,158	159,547
Civilian Labor Force	47,500	47,030	47,930	47,890	49,180	49,540	48,060	72,700	70,800	69,560	62,050
Total Employment	69,589	68,420	66,570	65,220	68,440	66,800	64,230	60,340	60,210	56,140	55,750
Unemployment	2,030	2,820	4,500	3,740	4,410	4,660	3,720	10,110	10,060	9,040	7,070
Unemployment Rate (%)	4.2	6.0	7.3	7.8	9.0	9.7	7.7	14.0	15.3	13.0	11.4
Gross Island Product (\$M)	2,902.1	2,916.8	3,013.7	2,998.6	2,992.5	3,079.0	3,020.5	—	—	—	—
Personal Income (\$M)	2,203.2	2,239.9	2,289.7	2,228.4	2,264.0	2,354.5	2,338.1	—	—	—	—
Per Capita GIP (\$)	20,823	20,456	20,659	20,091	19,598	19,709	18,899	—	—	—	—
Per Capita Personal Income (\$)	15,808	15,709	15,896	14,931	14,827	15,072	14,629	—	—	—	—
Gross Business Receipts (\$M)	3,876.8	3,673.2	3,918.7	4,386.8	4,548.3	4,577.2	4,212.3	—	—	—	—
Wholesale	97.8	69.5	69.9	55.0	79.5	80.0	73.6	—	—	—	—
Retail	1,301.7	1,331.3	1,392.3	1,699.9	1,831.5	1,825.0	1,687.9	—	—	—	—
Services	781.5	812.7	877.6	986.1	1,029.3	1,081.1	974.1	—	—	—	—
Contracting (Construction)	934.3	635.4	696.4	681.3	649.4	527.4	543.4	—	—	—	—
Rental Activity	184.2	214.1	271.2	402.1	429.1	444.1	403.0	—	—	—	—
Others	577.3	611.2	611.3	562.4	529.5	619.6	530.3	—	—	—	—
Total Deposits (\$M)	1,444.8	1,391.8	1,355.2	1,305.7	1,522.7	1,627.1	1,472.7	1,519.9	1,654.3	1,537.1	1,584.0
Total Loans (\$M)	1,902.5	2,240.0	2,505.7	2,196.9	2,542.8	2,890.3	3,086.5	3,245.5	3,204.2	2,692.1	2,480.1
Bank Deposits (\$M)	1,260.2	1,201.3	1,226.0	1,441.3	1,348.4	1,458.1	1,352.7	1,320.46	1,381.4	1,372.4	1,462.3
Bank Loans (\$M)	1,295.7	2,065.2	1,941.0	2,357.3	2,239.1	2,575.4	2,932.1	2,997.30	2,782.8	2,538.0	2,352.6
GovGuam Total Revenues (\$000)	675,022.8	551,190.2	504,353.0	524,345.3	530,007.1	515,573.9	503,856.9	469,387.8	480,550.4	446,848.2	342,633.2
GovGuam Total Spending (\$000)	531,375.5	396,463.9	417,414.2	361,431.3	352,764.4	285,139.4	206,130.4	342,249.7	336,589.1	335,639.1	306,937.1
Revenues less Spending	143,647.4	154,726.3	86,938.8	162,914.0	177,242.7	230,434.5	297,526.5	127,138.2	143,961.3	111,209.1	35,696.1
Deficit at beginning of year	41,515.9	(46,127.4)	(125,051.3)	(184,861.8)	(93,599.0)	(73,951.0)	(73,928.7)	(94,360.5)	(108,938.0)	(66,772.9)	(96,580.0)
Deficit at end of year	7,901.5	(125,051.3)	(184,861.8)	(93,599.0)	(73,951.0)	(73,928.7)	(94,360.5)	(108,938.0)	(99,832.4)	(96,580.0)	(117,300.8)
Total Federal Spending (\$000, FY)	—	1,101,862.5	1,091,778.4	838,246.7	855,360.0	907,902.2	1,185,712.3	889,605.6	890,811.9	980,771.0	1,215,759.8
Defense	—	636,562.0	734,916.0	495,285.5	506,886.9	480,086.8	507,086.0	428,820.0	451,019.0	461,318.0	561,656.0
Non-defense	—	368,058.5	326,267.6	314,451.2	322,943.1	366,901.4	460,455.1	404,671.9	390,864.2	446,937.3	552,160.3
Other Federal Assistance	—	97,242.0	30,594.1	23,510.0	25,530.2	60,913.9	218,171.2	56,113.7	48,928.7	72,515.7	101,943.5
Visitor Arrivals (000)	876.7	784.0	1,086.7	1,361.8	1,362.6	1,381.5	1,137.0	1,161.8	1,286.8	1,159.1	1,058.7
Hotel Rooms	6,362	6,038	6,919	7,140	7,928	8,119	8,705	9,395	10,084	10,110	8,915.0
Occupancy Rate (%)	71.0	58.0	71.0	87.0	85.0	82.0	67.0	61.0	63.0	58.0	57.0
Telephones Subscribers	49,507	54,259	69,464	75,595	83,799	82,669	88,974	79,068	70,707	73,557	76,425.0

Sources: Guam Department of Labor's Economic Research Center, Guam Visitors Bureau, Department of Administration and other GovGuam agencies.

It is important to note that Guam and other Pacific Islands, in the overall scheme of international overseas travel, do not receive much attention due to the relatively small scale of international arrivals. The Pacific islands only account for 0.15 percent of world international arrivals (Sasidharan and Thapa 2002: 99). The fact that not much attention is given to these destinations outside of the region should give tourism industry leaders even more of an incentive to be proactive in preparing for the future of the industry. Specifically in the case of Guam, this involves carefully studying the island's main source market of Japan, which helped create the island's fledgling tourism industry in the late 1960's and still continues today to be the major source of revenue for Guam's economy.

Japanese Overseas Travel

A brief discussion of the early years of Japanese overseas travel allows for a more detailed view of the many changes that occur in tourism activities of a nation, as a reflection of changes in society. The history of Japanese overseas travel is relatively short, considering the fact that Japan was, in effect, isolated from the rest of the world for over two centuries due to the government policy called *sakoku*⁵, or national seclusion imposed by the Tokugawa Shogunate from the early 1600's. However, domestic travel did occur on a fairly large scale for religious pilgrimages in the early years, as is the case in many other large nations around this time. (Appendix A shows the historical development of travel in Japan as well as other travel-related developments leading to the beginning of mass tourism for Japanese travelers overseas.)

Prior to the growth of Japanese tourism in the 1960's, Japan was busy rebuilding the economy after the Second World War. During the decades of high-speed growth, we can see how affordable goals for the average Japanese citizen changed by observing what consumer products were heavily advertised during these decades. In the 1950's, it was the "3 S's": *senpuuki*, *sentakuki* and *suihanki*, or electric fan, washing machine and rice cooker. In the 1960's, it was the "3 K's": *kaa*, *kuuraa* and *karaa terebi*, or car, air conditioner and color television. Finally in the 1970's, it was the 3 J's: *juerii*, *jetto* and *juutaku*, or jewelry, jet

⁵ National Seclusion Policy (1639 - 1854) adopted by the Tokugawa Shogunate (1603 - 1867) in an effort to legitimize and strengthen its authority both domestically and in East Asia. The term *Sakoku* (literally "closed country") did not come into use until the early 19th century when it was coined by a Japanese scholar of Western Learning. The term was first used in the title of an essay circulated privately by the Nagasaki Dutch interpreter Shizuki Tadao in 1801. The main elements of the policy were the exclusion of Roman Catholic missionaries and traders, the proscription of Christianity in Japan, and the prohibition of foreign travel by Japanese. The seclusion was not total, because the Dutch, Chinese and Koreans were permitted access to Japan and designated officials and traders from certain domains were allowed to go to the Ryukyus and to Korea, respectively.

airplane tickets for travel and home ownership, otherwise called “my-home” in Japanese (Kelly 1992: 79).

The 1960s was a period of major changes in the Japanese domestic scene concerning travel. Until 1964, Japanese citizens were not even allowed by their government to travel overseas for pleasure. The Tokyo Olympic Games in 1964 brought Japan closer to international society and signaled the end of Japan’s postwar hardships. Government policies had spurred on the economy to unsurpassed levels of growth and shifted from discouragement to active encouragement of its nationals to travel abroad. International travel was to become incorporated into the lifestyle of the modern Japanese individual with the creation of systems to handle the mass marketing of overseas travel and the mass transportation of travelers through package tours organized by air carriers and sold by major travel agencies and wholesalers.

Most of the travelers going overseas from Japan during the initial phase of liberalization were pleasure travelers, with group and package tours being the most popular modes of travel. One of the many restrictions that were removed was the foreign currency quota. On April 1, 1964 the amount of foreign currency allowed out of the country as expense money in addition to the prepaid cost of transportation was set at \$500 per person per year. This was raised to \$700 in 1969. The restriction on the number of trips per year was lifted by the government in 1966 as new international air routes were opened and more airlines began serving Japan. Bulk fares, with as much as 60 percent off the regular economy class fares, were introduced in 1968, and the Boeing 747s came into service in 1970. The number of Japanese traveling overseas during the initial

period of liberalization grew by approximately 400 percent from 1964 to 1969 (Japan Travel Blue Book, 1986).

The period from 1969 saw large numbers of travelers visiting foreign countries, but unfortunately this ended with the first oil crisis in 1973. The amount of foreign currency allowed out of the country was increased to \$1,000 in 1970, and later to \$1,500 (plus 30,000 yen) in 1975. In 1976, this was raised again to \$3,000 (and 100,000 yen), and finally in 1978, all currency limits were abolished. This topic is of extreme importance due to the traditional Japanese system of *sembetsu*, which obligated travelers to repay the farewell gift money presented by friends and relatives on their departure. Repayment could not be made with just any souvenir.⁶ The repayment of the *sembetsu* was expected to conform with several rules: it had to be worth half the yen value of the original gift; it had to be a specialty of the locale visited on the trip—a *meibutsu*; and it had to have a legitimizing mark (*kinen*), for instance the tag or wrapper, proving that it was purchased on-site (Brannen 1992: 223). Hence, the more currency allowed out of the country, the more obligated the travelers felt to shop for and bring back the appropriate souvenir.

Another “mass transit” era (1974-1979) also came to an end with the second oil crisis and the onset of economic recession (Japan Travel Blue Book 1986: 102). In general, however, we can say that one of the highlights of world tourism since the 1970s has been the emergence of Japan as a leading tourist-generating country. In 1981, four million Japanese traveled overseas, with the

⁶In the English language, we have used the term “souvenir” for the item that one brings one from a trip to remember the place of travel or the specific experience. In the case of souvenir, it is simply an item to remember, as the term comes from the French word for “remember,” and acquired its English meaning in the mid-19th century when large numbers of English began visiting Paris (Leiper 1995: 155).

bulk of them visiting U.S. destinations like Hawaii and the West Coast. From 1981 to the events of September 11, 2001, there had been a slow but steady growth in Japanese overseas travel. This period included an effort by the Japanese government to encourage outbound tourism in an effort to contribute to international society and to improve the quality of Japanese people's lives, including the promotion of internationalization at home, and to announce to the rest of the world that Japan had become a "normal" advanced industrialized country (Leheny 2003). Encouraging Japanese overseas travel was also seen as preferable to opening up Japan's domestic markets, widely seen as closed, to foreign competition.

The "Ten Million Program" was introduced to double the annual number of Japanese tourists going abroad, from 5,520,000 in 1986, to over 10 million people in the next five years, or to 10 percent or so of the population (M.I.L.T 1987). However, the goals of the plan were achieved one year earlier than expected, in 1990, when the number of Japanese traveling overseas reached 10.1 million (M.I.L.T 1991). The 2004 figures show that Japan's overseas travelers numbered 16.83 million, a 28.7 percent increase over the previous year, but still 5.5 percent less than in 2000 when travelers numbered 17.82 million (JNTO 2005).

A 2004 issue of the *Weekly Travel Journal* reviewed Japanese overseas travel spanning the previous four decades and gave the following industry-related description for each decade. The 1960's were the Era of the Career-Oriented; the 1970's the Era of the Wholesaler-Oriented; the 1980's, were the Era of Travel Industry Bureaus; the 1990's were the Era of the Consumer-Oriented; and finally, the period from 2001 was described as the Era of the Mature-Oriented (*Weekly*

Travel Journal 2004: 8-16). These descriptions reflect the development of individual careers within the growing industry for services and sales in the 1960's, the growing importance of wholesalers for the mass market in the 1970's, the establishment of travel bureaus in Japan and overseas to provide a better service for Japanese visitors in the 1980's, the focus on individual consumers with the growing use of personal computers in the 1990's, and the attention given to a more mature market with Internet access and time for more leisurely vacations in recent years.

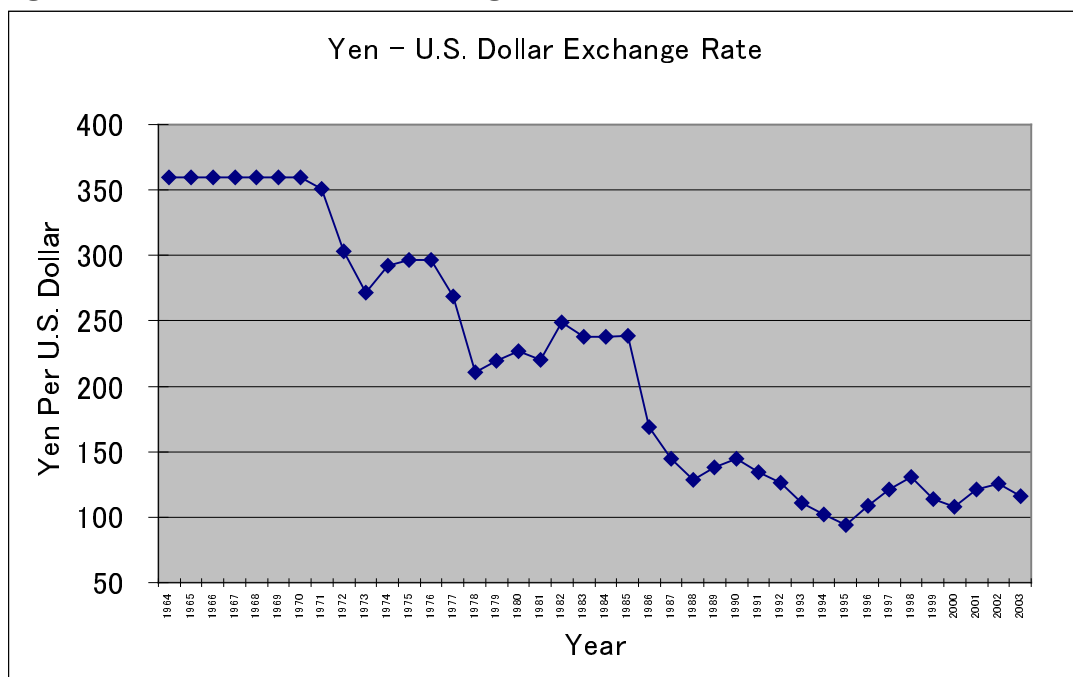
It is important to note the value of the Japanese yen during the early stages of liberalization and in later years as it undeniably has an affect on decisions to travel overseas for pleasure and to spend money on leisure activities overseas. The table and figure below show the wide fluctuations in the yen's value compared to the U.S. Dollar during this period, from a low of 360 yen to one dollar in 1965 to as high as 78 yen to one dollar in April 1995. During the implementation of the Ten Million Program from 1987 to 1991, the value of the yen strengthened from 145 yen to the dollar in 1987 to peak at 128 yen in 1988, and to close at 135 yen in 1991. The rising value of the yen currency has continued to encourage Japanese citizens to travel overseas to take advantage of their buying power to buy many goods and services for brand-name internationally sold items that cost much more on the domestic market.

Table 3. Yen to U.S. Dollar Exchange Rates From 1965 to 2004

Year	Rate	Year	Rate	Year	Rate	Year	Rate
1965	360.00	1975	296.79	1985	238.54	1995	94.06
1966	360.00	1976	296.55	1986	168.52	1996	108.78
1967	360.00	1977	268.51	1987	144.64	1997	120.99
1968	360.00	1978	210.44	1988	128.15	1998	130.91
1969	360.00	1979	219.14	1989	137.96	1999	113.91
1970	360.00	1980	226.74	1990	144.79	2000	107.77
1971	350.68	1981	220.54	1991	134.71	2001	121.53
1972	303.17	1982	249.08	1992	126.65	2002	125.39
1973	271.70	1983	237.51	1993	111.20	2003	115.93
1974	292.08	1984	237.52	1994	102.21	2004	102.68

Sources: IMF, World Bank, OECD (2005)

Figure 4. Yen – U.S. Dollar Exchange Rate



Sources: IMF, World Bank, and OECD (2005)

Trends in Japanese Overseas Travel--Shift from the Early Years

The Japanese overseas traveler today is much more sophisticated compared with the traveler from the early boom years. Japanese tourists are becoming more independent as a result of changes in Japanese culture and want experiences that go far beyond a mere "gaze" (Shono, Fisher and McIntosh, 2006). In the earlier years when travelers ventured overseas for the first time, packaged group tours were the most popular way to travel. This early growth of Japanese

overseas tourism was in large part supported by package tours (Yamamoto and Gill, 1999). This form of travel eliminated the need to speak a foreign language and lessened the need to plan an itinerary in a foreign land. The tendency for Japanese travelers was also to follow a pattern in staying with a familiar itinerary, while visiting expected sites as directed by a guide. However, the old stereotype of a Japanese tourist with a camera around his neck following a flag-bearing guide no longer applies to this market.

Visitors from Japan today have access to literally hundreds of guidebooks for just about every overseas destination, and many adventuresome travelers do not hesitate to explore new territory. They are more demanding when it comes to being allowed options during overseas trips. The lack of foreign language-speaking skills, which was a limiting factor in the past, is becoming less of an issue. More and more Japanese students are studying foreign languages in schools and many individuals can be spotted studying a foreign language with earphones and a book while commuting on the trains. First-time overseas travelers are increasingly becoming a rarity in Japan now as many visitors seek to expand their personal listing of countries visited, while some make repeat visits to familiar destinations.

While many Japanese overseas travelers still travel with tour groups, increasing numbers are designing their own itineraries and making their own inexpensive air travel and accommodation arrangements. Internet bookings in Japan are becoming ever more popular (Milne, Mason, and Guenther, 2002), especially with the convenience of the omnipresent *keitai*, or cell phone. Special interest groups (SIT) are also increasing in numbers to enjoy just about all types of activities, hobbies or educational opportunities in an overseas environment. One

trend that is apparent with all mature markets including Japan is that individuals with special interests they pursue at home now take these interests on holiday. What can be determined is that special interest tourists will want to spend the major part of their holiday involved in a specific activity. It is apparent that many Japanese travelers are no longer content with just going to an overseas destination, taking photos, shopping at the duty free store, and coming home.

It should be noted that television in Japan has had a major impact on the way Japanese travel overseas, including having an influence on destination choices. Iwashita has written about “movie-induced tourism” and “media-related tourism” that involves visits to places renowned for being associated with books, television programs, films and authors (Iwashita 2003:332). A good example of this can be seen through contemporary travel excursions out of Japan that have been strongly influenced by the media. Viewers in Japan who are not satisfied with just seeing regular travel shows are now being offered new programming from TV producers that feature long-stay or home-stay programs. These include “*Sekai Ururun Taizaki* (Home Stay in the World, See the official website at <http://www.ururun.com/>) on MBS and “*Pokapoka Chikyu Kazoku*” (Warm Global Families, See the official website at <http://www.tv-asahi.co.jp/chikyukazoku/>) on ABC (Asamizu 2005: 34). A travel phenomenon recently occurred in Japan with the combination of a couple of events. When Korea and Japan co-hosted the 2002 FIFA World Cup in Soccer, this created an interest in Korea, resulting in a “Korean Boom” called *hanryu* in Japan. With the boom came a number of television programs that were televised in Japan. One of these dramas, *Fuyu no Sonata* (Winter Sonata) became a huge hit. This drama debuted in Korea back in 2002 and was introduced to Japanese audiences by NHK in 2003 (Asamizu 2005:

34-35). The interest in this drama is still attracting large numbers of mainly middle-aged women to visit Korean sites shown in the television program, as is evident still with throngs of older female groups lining up to enter the departure area in Japanese international airports with flights to Korean cities.

Television and movies oftentimes inadvertently provide the marketing for tourism destinations with unexpected results, especially if the program or film proves to be popular in the source market. Most tourism organizations lack the financial backing to finance an advertising campaign that extends well beyond its usual markets. They are frequently constrained by limited budgets and have to rely on pocket brochures. It is hard to dispute that “no pocket brochure can match the wide screen miracle of Technicolor, Dolby, and high profile spokesman” (Hahm 1997: 4).

A good example of how a blockbuster film has the potential to positively impact the image of a destination, as well as generate financial returns, can be seen by reviewing the *Economic Impact Assessment for the filming of The Last Samurai in Taranaki* (2004). *The Last Samurai* was a \$170 million film project from the Warner Brothers studios starring Tom Cruise and Billy Connolly. Approximately 74 percent of the filming was undertaken over a period of several months in Taranaki, which is a New Zealand region rich in natural beauty, but is relatively undeveloped in film infrastructure. This production spent approximately NZ\$85.5 million in New Zealand. Of the total, an estimated NZ\$50 million, or 58 percent, was spent directly in the Taranaki region (Venture Taranaki 2004: 1-2). The actual total is higher when the trickle-down or multiplier effect is taken into consideration.

This film premiered in major cities throughout the world, including Tokyo, and showcased the natural beauty of the New Zealand landscape. However, it was noted that Warner Brothers did not want the movie to look like New Zealand and does not want to promote this fact (Venture Taranaki 2004: 11). This case shows the importance of resolving issues of rights concerning the branding of images beforehand if any destination used in film wants to use aspects of a film for tourism promotional purposes. Destinations like Guam can review the case of Taranaki to make the most of opportunities and avoid the pitfalls in marketing the destination through film. With film's power to impact far-reaching audiences, destinations cannot neglect the power of visual media in the form of television or film to attract visitors in today's linked global community.

Just as the Japanese overseas travelers are being influenced by television dramas and film to visit new destinations, they are beginning to become more selective in pursuing what they personally want to do as well as where they want to go. A shift has taken place and can be attributed to the natural outcome of an expanding repeater market, which means that the security-blanket type mentality necessity of all-inclusive tours has in many cases diminished. There is also the heightened desire to choose one's own activities while on holiday; the increasing adventurous nature of young Japanese; the explosion in travel information available throughout Japan; and the rise in discount air travel.

Efficiency and convenience from technology has had a great influence on some of the latest travel trends. There is a growing importance of the Internet for the people in host destinations to communicate with Japanese tourists (Milne, Mason, and Guenther, 2002). E-ticketing in Japan has caught on as a cheaper and convenient way to book travel reservations. Airline travel in Japan moved from 13

percent e-ticketing in 2004 to 24 percent for the start of 2005. The IATA expected Japan e-ticketing to rise to 40-45 percent by the end of 2005 to help meet the IATA's target of 100 percent e-ticketing by the end of 2007 (Bisignani 2005). The growing opportunity presented by the Internet is also greatly felt in Japan. In 2004 online reservations accounted for just over 11 percent of total hotel sales, and travel retail via the Internet reached more than ¥1,700 billion during the same year (Euromonitor 2005). Just as consumers have found in other countries, online booking in Japan served as the most convenient way for consumers to seek out the best deals in the travel and tourism industry. Reservations and payments via the Internet and I-mode technology mobile units in Japan also began in 2004. The mobile phone technology in Japan now allows for a very convenient method of "smart card" electronic ticketing.

One can also not neglect what is happening in Japan's domestic travel market. As young Japanese travel abroad and become acquainted with the wider world, many are becoming more curious about their own culture. They are satisfying this curiosity by becoming more familiar with their own culture and by taking more trips to learn experience the real Japan. An increasing number of domestic travelers are visiting *onsens* and rural Japanese vacation spots (Creighton, 1997), which are gaining attention as a result of rural revitalization movements (Knight, 1994). Although domestic travel in Japan was sluggish for the four-year period following 1998 due to the prolonged economic recession (contributing to fewer business-related overnight trips) and low personal consumption, the domestic travel market is still significant.

The total amount of domestic tourism consumption in 2000 was 22.6 trillion yen (approximately 180 billion US dollars at an exchange rate of

1USD=125Yen), which was estimated to generate direct employment of 1.97 million, which is 2.9% of total employment (OECD 2002: 1). The contribution of the tourism industry to the overall Japanese economy is equal to the leading and typical industries such as automobile and electric machinery. The share of tourism industry in total GDP was 2.2% in 2000, whereas the automobile industry was 2.3%, telecommunication 2.0%, electricity 1.9%, and agriculture 1.5% respectively, with 93.8 percent of tourism consumption coming from domestic travelers (OECD 2002: 1). This market has matured substantially and changed over the four decades following the beginning of travel liberalization in 1964.

The Link Between Trends in Society and Travel

Substantial change has also occurred within Japanese society during the period following travel liberalization. As Japanese society continues to change, we are seeing a reflection of these changes in the profiles, activity preferences, and consumption patterns of these visitors on overseas trips. In the introductory chapter, this topic was briefly touched upon with argument that societal changes in Japan have coincided with tourists who are less passive but who are still bound up in cultural obligations. How, specifically, are changes in society related to tourism practices?

It is a general assumption that tourism provides a form of escape from the familiar home environment, based on the contrast between the ordinary and everyday life (the familiar) and the faraway and extraordinary (Urry 1990). Tourism allows for a break from the everyday monotony of modern living, including a break from obligations from various responsibilities. Some tourists are in search of new or different experiences from those they encounter in daily routines, while others may seek to include aspects of their everyday life in their

holiday experiences. Tourism allows people to remove themselves physically and socially from their native social system and the cultural difference or contrast that they encounter provides a sense of pleasure and curiosity. One can also argue that through tourism, people can feel they are closer to experiences that they only dreamed of in their ordinary life. Because the everyday life of the tourist plays such a key role in determining tourist activities and choices, we can say that it is people's everyday lives and society that largely shape the travel desires and motivations of tourists. Let us review a few examples these influencing aspects in Japanese society.

Iwashita makes the above points very clear as she links social construction of tourism practices to tourism motivations in her work on media construction (Iwashita 2003: 334-335). In *Media Construction of Britain as a Destination for Japanese Tourists*, Iwashita (2003) reviews non-touristic-directed information sources that could play an important part in the reason for travel (such as popular culture and news reports). Consumption, in the form of purchasing products and services (including those related to tourism) is another everyday life activity influenced by society. One of the interesting aspects of modern Japanese society is the acceptance among observers that it is a culture that valorizes conformity in the sense of membership in a valued in-group. Consumption appears to play a major role in the way individual Japanese create their own identities within their in-groups. Although self-cultivation in the form of the traditional mode of character formation is still occurring, it is pursued increasingly through practices of consumption: fashion, commercialized sports, diet and hobbies (Clammer 2000: 215). Choices that are made for travel destination, tour activities, lodging, etc. can

be heavily influenced by the ways in which society at that time identifies with, or brands, those products, activities, or services.⁷

The young female Japanese tourist has captured the interest of researchers in destinations since the late 1980's as a market segment with high disposable income (Iverson, 1997; Hashimoto, 2000). With the young Japanese females, materialism and longing for a higher social class have had an effect on not only their souvenir shopping patterns, but also on their perception of sexuality and human relationships. These perceptions are the result of how the young females are viewed in contemporary society. As a way to respond to these perceptions, the young female Japanese are becoming more and more selective about tourism products and prefer to personalize their travel purchases (Hashimoto, 2000).

For another example of how changes in society and consumption affect Japanese overseas tourism, let us look at the neighborhood *sakaya*, or liquor store. These stores had traditionally offered rice, *sake*, whisky, beer, *shochu* (distilled alcoholic beverage) and a limited amount of other household items to citizens in the neighborhood, and the heavy merchandise was customarily delivered to each home. With deregulation and the opening up of discount liquor stores and supermarkets, *sakaya* have dwindled in numbers over the past twenty years. In some towns, they have all but disappeared. The price of imported liquor has come down drastically, so when Japanese travel overseas, many are not as interested as the earlier visitors to purchase the three tax-free bottles of liquor to take home either as gifts or for personal consumption.

In the past, buying foreign-made liquor while abroad paralleled the Japanese practice of purchasing regional brands of *sake* as souvenirs in Japan. As

⁷ For information on Country as a brand, see Kotler and Gertner, 2004.

a result of the deregulation of imported liquor in Japan, retail stores in many overseas destinations (like Guam) have had to make an adjustment in the way they market liquor to Japanese consumers. Retailers of liquor selling to Japanese overseas travelers are now more apt to sell wines and other types of liquor instead of the high-priced, high gross-margin items like Cognac⁸. This example shows how a seemingly insignificant change in Japan in the overall scheme of things, such as deregulation in the liquor business, can affect an overseas destination in the way they provide desirable products to their visitors and the resultant revenue generation for the destination's economy.

An examination of these changes is important for destinations that want to remain competitive in attracting the Japanese overseas traveler. It is not possible to predict what will happen with Japanese overseas tourism in the future. However, in terms of types of travel from any of the world markets, it is expected that tourists will prefer to stay longer in a particular destination and focus on experiential travel as opposed to simple observation. Tourists from mature markets like Japan will pursue more individual interactions with local residents. As a result, we should see (as Yoo and Sohn have written) that the main focus of promoting overseas tourism should be seeking strategies that will bring more positive and closer interactions between the local residents and overseas visitors (Yoo and Sohn 2003: 67).

In addition, it is important to note that by world standards the Japanese economy will most likely remain relatively strong in the coming decades. One statement that can be made about the future of Japanese tourism, as Hall has done

⁸A bottle of Johnny Walker Black Label used to be a 10,000 yen gift, but sales declined when importers lowered the price. When it no longer cost 10,000 yen, it lost much of its validity as a gift item (Creighton 2000:47).

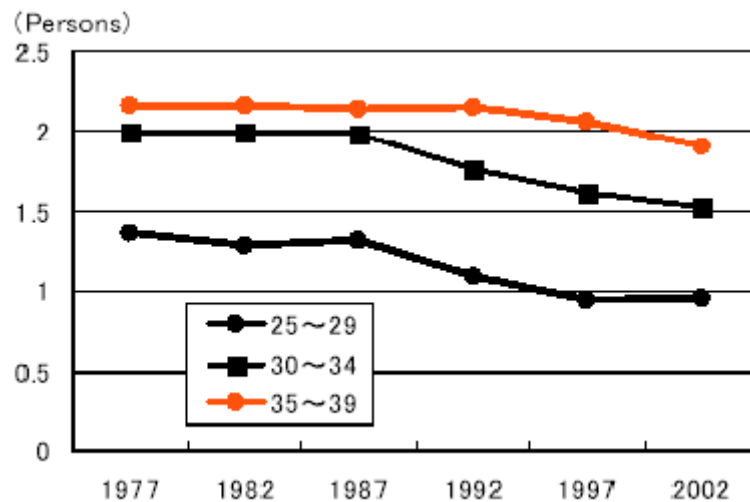
in *Tourism in the Pacific Rim*, is that it depends more on the availability of leisure time for continued outbound growth rather than on the level of disposable income (Hall 1997: 35-38). A strong Japanese economy allows for the growth and maintenance of leisure time for its citizens.

Stakeholders making key decisions in a destination's marketing policies must be constantly updated on Japan's trends in an ever-changing society such as availability of leisure time and what it is being used for, especially if Japan is to remain as Guam's primary source market. Knowledge about these trends can better prepare tourism industry stakeholders to identify specific market segments within the Japanese population, and to improve their tourism products and services.

Changing Demographics

One of the most significant changes occurring in Japan is probably the one that is often overlooked by overseas destinations. Japan is experiencing major demographic changes which are affecting the pattern of outbound tourism growth and likely future consumption of products and services. The latest statistics show that Japan's life expectancy is the world's highest at 85.23 for women and 78.32 for men. By the end of 2003, a record 24.8 million Japanese, or almost one in five, had reached their 65th birthday (Statistics Bureau, Ministry of Internal Affairs 2004). Add to that a record low birth rate of 1.28 per woman in 2004, well under the replacement level, and we have a society with demographics showing a skewed proportion of elderly versus the younger population. Figure 5 charts the decline in the average number of children by age group from 1977 through 2002.

Figure 5. Average Number of Children Born to Married Women by Age



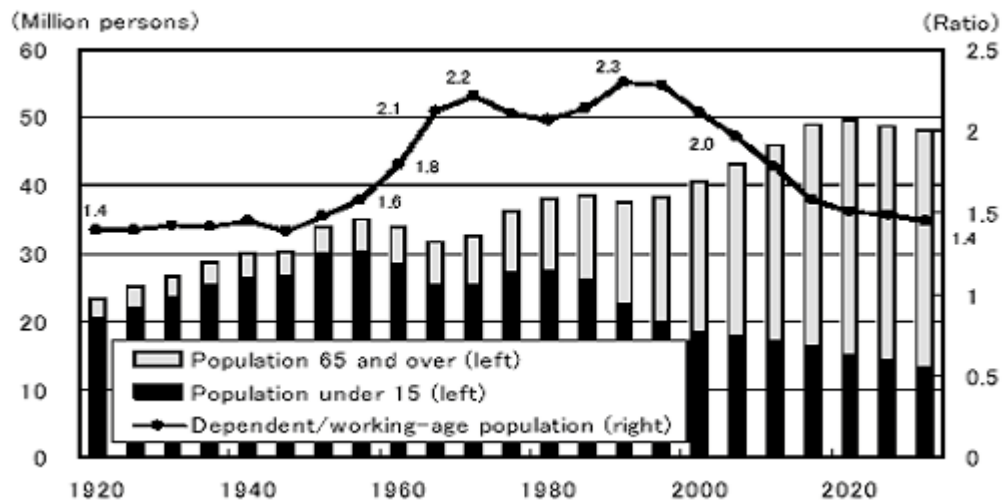
Source: Japan National Institute of Population and Social Security Research, Basic Survey of Birth Trends (2002)

On Japan's Children's Day (May 5) in 2005, newspapers in Japan reported that the number of children under 15 years old has fallen for the 24th year in a row to an estimated 17.65 million (Kyodo 2005). This number was down 150,000 from the previous year, and constitutes a record-low 13.8 percent of the total population, according to the Ministry of Internal Affairs and Communications. Falling by 0.1 percentage points from the previous year, the proportion of children under 15 relative to the total population has continued to decline since 1975. Japan, along with Italy at 14.2 percent, is among countries with the narrowest bases in the population pyramids. This compares with other industrialized countries such as the United States at 20.7 percent, South Korea at 20.3 percent, and Britain at 18.3 percent. Compared with the previous years, the rate fell in all of Japan's prefectures, with the exception of Tokyo and Osaka where the figures remained the same. Tokyo had the lowest proportion of children relative to its total population at 12 percent (Kyodo 2005).

As a result of these changes in demographics, the number of working-age persons supporting each dependent person (children and the elderly) is projected

to decrease from 2.3 persons in 1990 to 1.4 persons in 2030. This can be seen in Figure 6, which displays the composition of dependent population and the population dependency ratio. While the same population dependency ratio existed in 1950, the major difference is that the population compositions of the elderly and children have reversed positions (Doteuchi 2004: 2).

Figure 6. Composition of Dependent Population, and the Population Dependency Ratio



Source: Japan National Institute of Population and Social Security Research, *Population Projections for Japan: 2001-2050* (January 2002)

In *Toward a Prosperous Society with a Declining Birthrate—Enhancing the Social Environment for Childcare Support*, Doteuchi writes that according to a study of social security benefit costs by the National Institute of Population and Social Security Research, the total cost of social security benefits in fiscal 2001 was approximately 81.4 trillion yen. Of this, benefits for the elderly comprised almost 70 percent or 56 trillion yen, while benefits for children and their families (child allowance, dependent children allowance, child welfare services, childcare leave benefits, etc.) amounted to only 3 trillion yen, or 3.7 percent of the total (Doteuchi 2004: 10). In his work, Doteuchi raises the concern of how little investment is going into the developing a social environment for the next generations.

This situation, of course, leads to serious questions as to how Japan will cope with the social implications of such a demographic make-up. However, how to address the growing concerns of elder care, need for more health facilities, breakdown of traditional family units, declining pensions funds, etc. are beyond the scope of this study. These issues are currently being debated by politicians and it will take a number of years before any firm plans are in place to address these important subjects that will surely affect the life of every Japanese citizen.

By the year 2007, the bulge in the Japanese population making up the Baby Boomers, born from 1947 to 1949, will begin to reach retirement age. In *The Best Decade for the Baby Boomers Awaits*, writer Taichi Sakaiya says the generation that carried Japan's economic boom has the potential to create a new type of wealth. Sakaiya, who wrote a book titled *Dankai no Sedai* (Clumped Generation), gives the following as characteristics of the members of this age group: (1) They have known neither war nor material shortage; (2) they have never questioned economic growth; (3) they have lived within a system of lifetime employment and seniority-based promotion; and (4) they can adapt to any environment.

Sakaiya mentions that this is a generation made up of mostly salaried workers with a diligent temperament and that they will be able to do work that they enjoy for at least 10 years after they begin receiving their national pension at the age of 60. (Sakaiya appears to be neglecting the female population when referring to this generation.) He argues that these boomers will set trends and create new demand, transforming the impression the Japanese hold of people over 60 as being elderly, but the boomers must make a choice between two alternatives. One is a scenario "the whispering of angels," which refers to creating

a welfare state, and the other "the scolding of devils," which would involve major privatization of welfare and would ease the strain on public finances. Sakaiya claims that if the former is chosen, citizens will have to bear a heavy tax burden, corporations will shift their investments overseas, talented workers will leave, and society will lose its vitality. However, that latter choice would allow people in their sixties to continue working and would create a large market for them (Kyodo News 2005). If Sakaiya's claims are accurate, the choice that Japan makes between these two scenarios will have a tremendous impact not only on the future of leisure-time pursuits of the Japanese population, but also on the economy as a whole.

Table 4 provides a snapshot view of statistics for Japan's population and how they changed from 2002 to 2003.

Table 4. Composition of Population (as of October 1, 2003)

	(Thousand Persons, %)			
	Population	Percentage distribution	Number of change over the year	Rate
Total	127,619	100.0	184	0.14
Male	62,304	48.8	52	0.08
Female	65,315	51.2	132	0.20
0 to 14 years old	17,905	14.0	-197	-1.09
15 to 64 years old	85,404	66.9	-302	-0.35
65 years old and over	24,311	19.0	683	2.89

Source: Japan Ministry of Internal Affairs and Communication (2003)

A more recent and detailed breakdown of the elderly population in Japan in Table 5 below shows that the percentage over the age of 65 has grown to 19.5 percent of the total population and that females by far exceed the number of males in this age group. This table displays these figures as well as those for the over-75 age group.

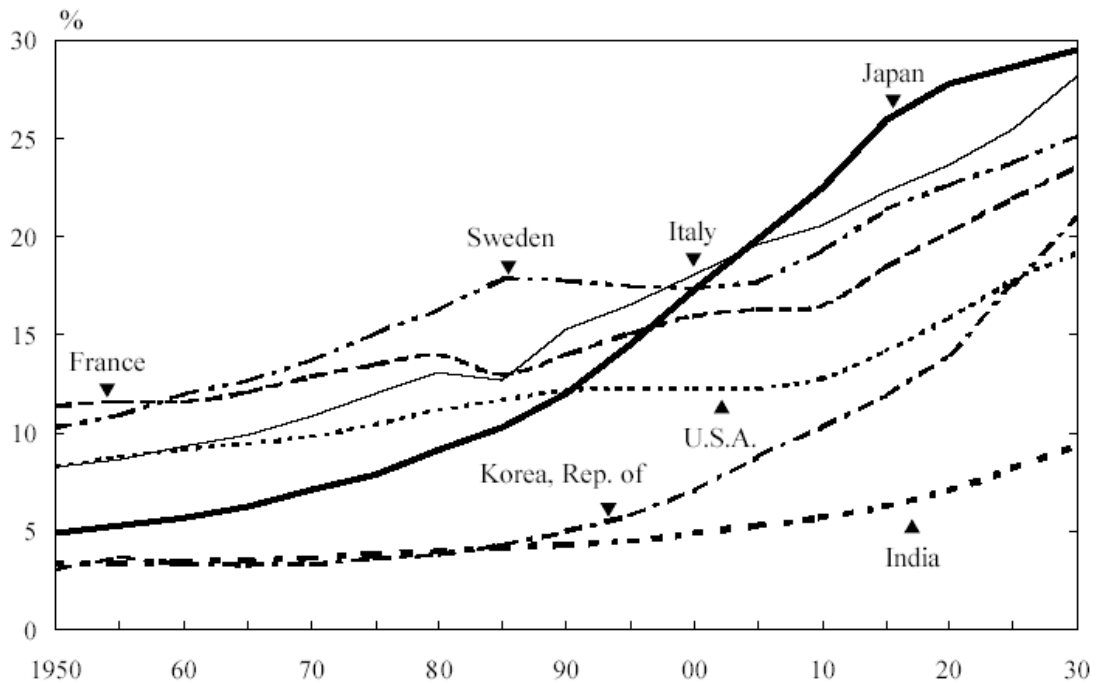
Table 5. Elderly Population (as of September 15, 2004) (in millions)

Item		Total population	65 and over	65 - 74	75 and over
Population (millions)	Both sexes	127.61	24.84	13.79	11.05
	Male	62.25	10.49	6.43	4.06
	Female	65.35	14.35	7.36	6.99
Percentage of population (%)	Both sexes	100.0	19.5	10.8	8.7
	Male	100.0	16.9	10.3	6.5
	Female	100.0	22.0	11.3	10.7

Source: *Japan Ministry of Internal Affairs and Communication (2004)*

Other countries around the world, such as Italy and Sweden, are also facing a situation similar to Japan's with their higher ratio of elderly population. The world is aging at unprecedented rates due to decreases in both birth and death rates. In 2000, the world's median age was 26.5, and it is expected to climb to 36.2 by 2050. In more developed regions, the 2000 median age of 37.4 years is expected to grow to 46.4 years by 2050; in less developed countries, median age will increase from 24.3 to 35 years. In 2000, Japan, Italy, Switzerland, Germany, and Sweden had median ages of 40 or more (Population Resource Center 2004). What is different for Japan's case is with the projection proportion of the elderly for the future, starting in the year 2010. Figure 7 displays how Japan currently compares with other countries in terms of percentage of elderly (aged 65 years and over) and what the projections are through the year 2030. Note the large gap between Japan and other nations between the years 2015 and 2025.

Figure 7. Proportion of Elderly Population by Country (Aged 65 years and over)



Source: United Nations; Statistics Bureau, MPHPT; Ministry of Health, Labour and Welfare.

The number of elderly households has steadily increased in Japan as well, adding to the changing make-up of the traditional Japanese household. Elderly households (defined as households consisting of individuals aged 65 years or older, with or without unmarried dependents below the age of 18) numbered 1.09 million in 1975, representing 3.3 percent of the household total for that year. By comparison, there were 7.25 million elderly households in 2003, accounting for a sharply increased share of 15.8 percent. The number of one-person elderly households increased more than fivefold between 1975 and 2003: from 610,000 to 3.41 million. In 2003, four out of five one-person elderly households were of women, a staggering statistic resulting from the longer life expectancy of Japanese women. The number of households consisting only of wife and husband aged 65

years or older reached 3.59 million in 2003, a more than eightfold increase over the figure in 1975. This trend is clearly evident in Table 6.

Table 6. Increase of Elderly Households

Type of Households	(Thousands)							
	1975	1980	1985	1990	1995*	2000	2002	2003
All Households	32,877	35,338	37,226	40,273	40,770	45,545	46,005	45,800
Elderly Households	1,089	1,684	2,192	3,113	4,390	6,261	7,182	7,250
(Percentage)	3.3	4.8	5.9	7.7	10.8	13.7	15.6	15.8
1-Person Households	611	910	1,131	1,613	2,199	3,079	3,405	3,411
Males	138	192	218	295	449	682	755	776
Females	473	718	913	1,318	1,751	2,398	2,650	2,635
Elderly Couples	443	722	996	1,400	2,050	2,982	3,563	3,594
Other Elderly Households	36	52	65	100	141	199	214	225

*Excluding Hyogo Prefecture where the survey was canceled because of the earthquakes.

Source: Japan Ministry of Internal Affairs and Communication (2004)

So what do these figures mean for tourism? How does the future of Japanese overseas tourism look with such statistics? Japan's changing demographics now raise concern that overseas travel from Japan may slow dramatically in the future, despite the maturation of the Japanese travel market. The population age structure is growing older at a faster rate than all other industrialized nations in the world, and by 2006 Japan's population is expected to reach its peak and begin to slowly decline (JILPT 2004).

In 2007, Japan's economy and society will be at an important crossroads, which is known as the Year 2007 Issue, or the *Nisen-nana Nen Mondai*. The problems that will occur in 2007 are of many different sorts. The first is the issue of population decrease. In 2007, it is estimated that the population of Japan will start declining for the first time ever, and some experts predict that the decline will start even before 2007. There is growing concern about the negative impact on Japan's economic growth and the severe financial problems caused by the aging of the population. Also by 2007, the number of university applicants will have already started to decline to the numbers the universities were designed to accept,

bringing about a new era where everyone who takes an entrance examination can get in. While this will moderate the traditional "exam wars," there are also fears that universities could go bankrupt. These problems all derive from the "baby bust" problem, reflected in the current low birthrate in Japan. Another Year 2007 issue is the retirement of the baby boomers as mentioned earlier the on the topic of *Dankai no Sedai*.

Fewer people naturally equates to a smaller pool of visitors to draw from for travel destinations. A shrinking work force, from the decline in numbers of young people of working age, will most likely result in slower economic growth. Japan's work force has already peaked in 1998 and has been slowly declining since then (SRTI 2004). While slower economic growth will not stop Japanese citizens from traveling overseas, it will certainly not be a condition that will encourage demand. This means that capturing travel by repeaters from Japan will become even more of a priority for overseas destinations relying on this market. Although there has been an overall increase in the number of overseas trips that Japanese take in a year, this trend will have to be monitored more closely as Japan's population ages.

Mak, Carlisle and Dai, who have studied the impact of population aging on the impact of travel, have written that the propensity to travel tends to decline with age, and that in Japan's case, the highest travel propensity is seen among the population in the 25-29 age group. Thereafter, the propensity to travel declines with age and, among adults, those in the 65 and over age group have the lowest propensity to travel abroad (Mak, et al.2004: 6). Table 7 shows a forecast of Japan's population through the year 2025, with highlights showing that the largest numbers for each of the age groups will come in staggered years.

Mak also points out the fact that Japan's overall travel propensity overseas reached a historical peak in 2000 at 14.04 percent compared to 0.64 percent in 1970, 3.34 percent in 1980 and 8.90 percent in 1990 (Mak 2004: 198-199). The aging population in Japan may have a significant effect in slowing down the overall rate of growth in Japanese overseas travel in the coming years.

Table 7. Forecasts of Japanese Population

Unit: 1,000

Year	0-19	20-29	30-39	40-49	50-59	60+	Total
2000*	26,101	18,521	16,926	16,736	19,199	29,552	127,034
2005	24,453	16,168	18,731	15,841	19,086	33,636	127,914
2010	23,433	14,186	18,571	16,822	16,328	38,658	127,998
2015	22,616	12,719	16,241	18,632	15,510	41,506	127,224
2020	21,396	12,242	14,276	18,489	16,512	42,702	125,617
2025	20,266	12,080	12,821	16,191	18,325	43,762	123,444

*Actual

Source: *World Population Prospects: The 2002 Revision, United Nations*

By 2025, the population of Japan is projected to decrease by some 3.59 million people, but the population for people over the age of 60 is projected to increase by over 14 million as compared to 2005. This is shown in Table 8, along with some highlighted figures for significant changes in age groups.

Table 8. Changes in Japanese Population from 2000

Unit: 1,000

Year	0-19	20-29	30-39	40-49	50-59	60+	Total
2005	-1,648	-2,353	1,805	-895	-112	4,084	880
2010	-2,668	-4,335	1,645	86	-2,871	9,106	964
2015	-3,485	-5,802	-685	1,896	-3,689	11,954	190
2020	-4,705	-6,279	-2,650	1,753	-2,687	13,150	-1,417
2025	-5,835	-6,441	-4,105	-545	-874	14,210	-3,590
-17,800							

Source: *World Population Prospects: The 2002 Revision, United Nations*

However, age is not the only demographic variable that affects the Japanese propensity to travel overseas as one must consider both the age and cohort effects. After accounting for other factors, Sakai, Brown and Mak have

shown that the Japanese population from different birth cohorts have different propensities to travel overseas (Sakai, Mak and Brown 2000). In other words, today's teens may travel more when they are their grandparents' age because they will have experienced more travel and may want to continue traveling more when they are much older. Therefore, the effects of age and birth cohorts should not be neglected when studying propensity to travel among age groups. This point must be kept in mind by tourism industry stakeholders who are involved in marketing strategies towards visitors.

The tables below list the observed and forecasted travel propensities, as well as percentage distribution of trips for males and females from 1970 through 2025. The propensity estimates were made based on an estimation model developed by Mak, Carlile and Dai, which regresses travel propensity for each age group against the average monthly real wage rate for travelers from each age group, the labor force participation rate, the nominal yen-dollar exchange rate, the age group of travelers, and the birth cohort of the travelers from the age group.

Table 9. Japanese Male Travel Propensity (%)*

	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+
Observed											
1970	0.108	0.746	1.729	1.688	2.163	1.689	2.072	1.589	1.245	1.405	0.794
1975	0.434	3.322	5.502	5.223	7.240	5.941	6.008	4.409	4.129	3.770	1.972
1980	0.728	4.497	7.714	6.907	10.290	8.684	8.028	6.291	6.593	6.985	3.134
1985	1.086	4.870	10.532	8.838	9.239	8.893	8.793	7.408	6.391	6.594	3.293
1990	3.053	10.873	20.440	19.594	16.802	19.013	17.048	15.454	12.353	10.252	5.409
1995	4.964	12.257	21.552	23.762	21.463	19.585	21.252	18.496	16.411	13.630	7.027
2000	6.661	12.413	20.008	23.786	25.183	24.027	20.992	22.348	18.414	16.605	8.180
Forecasted											
2005	10.711	12.581	18.358	21.713	23.655	24.593	25.648	20.911	20.716	15.927	8.784
2010	11.437	17.706	18.919	20.673	24.302	25.156	26.423	26.232	21.198	20.612	9.289
2015	13.366	18.040	23.369	21.246	23.394	25.863	27.015	27.004	26.480	21.407	11.694
2020	13.619	20.086	23.869	25.825	24.083	25.041	27.798	27.663	27.233	26.793	11.676
2025	15.580	20.461	26.083	26.458	28.784	25.822	27.057	28.516	27.871	27.641	16.247

*Ratio of overseas trips to population

Source: Mak, Carlile, and Dai (2004)

Table 10. Distribution of Japanese Overseas Trips (%) Males

	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+	Total
Observed												
1970	0.97	7.78	15.32	13.85	17.49	12.15	10.89	6.72	4.99	4.84	5.02	100.00
1975	0.96	8.29	16.33	13.21	16.68	13.40	12.01	6.31	4.68	3.99	4.14	100.00
1980	1.12	6.46	12.72	13.58	17.15	13.10	11.74	8.09	6.00	4.93	5.11	100.00
1985	1.58	6.40	13.12	12.71	15.74	12.78	11.36	9.18	6.88	4.95	5.30	100.00
1990	2.40	7.45	12.77	11.78	11.65	15.58	11.71	9.46	7.16	5.08	4.96	100.00
1995	2.68	7.61	11.82	12.04	10.43	10.92	13.95	10.08	7.90	6.06	6.50	100.00
2000	2.81	5.89	10.94	11.62	11.36	10.38	10.33	12.82	8.70	6.85	8.30	100.00
Forecasted												
2005	3.85	5.18	8.65	11.71	11.24	10.74	10.66	9.84	11.24	6.98	9.93	100.00
2010	3.51	5.95	7.28	9.08	12.19	11.08	10.66	10.00	9.05	10.01	11.19	100.00
2015	3.90	5.23	7.41	7.69	9.64	12.13	11.08	10.08	9.25	8.26	15.34	100.00
2020	3.70	5.71	6.73	7.95	8.43	9.95	12.53	10.85	9.63	8.76	15.76	100.00
2025	3.71	5.18	6.89	6.93	8.20	8.34	9.88	11.74	9.91	8.75	20.48	100.00

Source: Mak, Carlile and Dai (2004)

The above figures suggest that for males, higher wages that have traditionally come with age lead to a higher propensity to travel up to around the age of 40. This appears to be different in females suggesting that this may be due to the fact that Japanese women depend more on family resources and personal savings and not necessarily in current personal earning. Another factor would be that about half of the Japanese women retire from the work force at the time of marriage and begin childbearing. The housewife and mother will not easily find time to work and travel abroad again until after she reaches around the age of 50, due to the roughly two decades that she will spend on tasks associated with maintaining a household and raising and educating her children (Mason and Ogawa 2001:48-74).

In observing the female statistics for travel propensity, it is evident that in the future, the young office ladies, or *O.L.s*, will no longer be the dominant group of overseas travelers as they used to be. By 2025, women in the 25 to 29 age group are expected to account for only 5 percent of total Japanese overseas travel, compared to 9 percent in 2000. The tables below show travel propensity for Japanese females and the distribution of Japanese overseas trips for females.

Table 11. Japanese Female Travel Propensity (%)*

	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+
Observed											
1970	0.102	0.576	0.653	0.298	0.276	0.255	0.302	0.297	0.347	0.385	0.182
1975	0.539	3.135	2.552	1.061	1.052	1.044	1.190	1.123	1.435	1.309	0.602
1980	0.984	6.186	5.177	1.798	1.886	1.630	1.729	2.074	2.565	2.664	1.075
1985	1.484	9.341	9.340	2.891	2.191	1.920	2.171	2.670	3.175	3.106	1.276
1990	4.435	20.046	21.680	9.124	5.484	5.718	5.965	6.515	6.484	5.919	2.309
1995	7.593	27.033	31.090	16.837	9.977	8.010	9.539	10.504	10.346	9.183	3.503
2000	10.276	27.354	31.463	21.261	14.240	10.925	10.687	13.612	13.396	12.528	4.821
Forecasted											
2005	11.544	24.099	33.974	22.243	18.845	12.602	13.911	10.919	11.648	10.088	4.270
2010	11.319	25.560	34.272	25.888	19.587	19.924	14.439	15.812	12.554	11.987	4.557
2015	14.051	25.311	35.937	26.356	22.595	20.044	21.109	16.038	17.330	13.850	3.957
2020	13.824	28.009	36.055	28.355	22.770	22.980	21.242	22.785	17.736	20.069	3.535
2025	16.545	27.746	39.119	28.806	24.475	23.082	24.190	22.994	24.663	21.918	7.467

**Ratio of overseas trips to population*

Source: Mak, Carlile and Dai (2004)

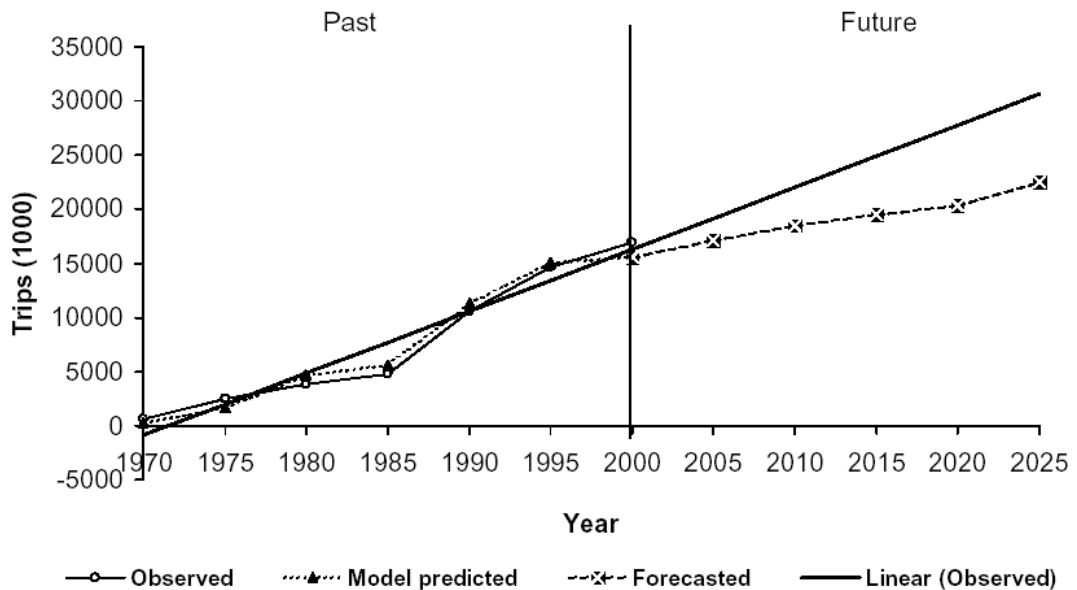
Table 12. Distribution of Japanese Overseas Trips (%) Females

	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+	Total
Observed												
1970	3.30	22.12	21.45	8.98	8.11	6.73	6.93	5.65	5.94	5.44	5.35	100.00
1975	3.44	23.03	22.33	7.99	7.22	6.98	7.19	5.79	6.09	5.01	4.93	100.00
1980	3.55	21.39	20.74	8.57	7.74	6.07	6.25	6.75	7.09	5.98	5.89	100.00
1985	3.97	23.02	22.10	7.94	7.14	5.37	5.49	6.53	6.96	5.74	5.74	100.00
1990	5.34	21.40	21.33	8.68	6.05	7.48	6.67	6.57	6.30	5.12	5.07	100.00
1995	4.85	20.11	20.66	10.35	5.93	5.50	7.73	7.24	6.42	5.44	5.77	100.00
2000	4.79	14.36	19.37	11.78	7.30	5.40	6.07	9.09	7.60	6.37	7.86	100.00
Forecasted												
2005	4.75	11.42	18.39	13.95	10.53	6.49	6.88	6.20	7.75	5.65	8.00	100.00
2010	3.94	9.78	15.05	12.96	11.33	10.25	6.83	7.17	6.51	7.23	8.94	100.00
2015	4.73	8.52	13.26	11.13	10.85	11.10	10.38	7.24	7.47	6.78	8.54	100.00
2020	4.26	9.05	11.65	10.02	9.18	10.51	11.19	10.63	7.57	8.13	7.80	100.00
2025	4.23	7.56	11.15	8.19	7.58	8.15	9.67	10.56	10.00	8.09	14.82	100.00

Source: Mak, Carlile and Dai (2004)

The inevitable slowdown of outbound travel from Japan is a reality that must be faced by destinations relying on Japanese overseas travelers. This projected slowdown is displayed in Figure 8 for Japanese outbound travel through the year 2025.

Figure 8. Japanese Outbound Travel: Past and Future
(Age 15 and over)



Source: Mak, Carlile and Dai (2004)

Senior Citizens: The Silver Market

The situation with Japan's aging population is not something that was not anticipated. In the 1970's, when Japan achieved an initial degree of affluence, the Ministry of Foreign Affairs began a program of encouraging the resettlement of elderly people overseas. There was a push, especially in the third world countries, with the rationale that retired Japanese should be able to live there comfortably with their pensions due to the differences in the cost of living. This program was criticized from its inception on the grounds that the Japanese government was trying to rid itself of its welfare burden by exporting economically useless and medically costly elder citizens (Befu 2000: 27).

While the statistics on Japan's aging population may not seem to lead to a bright future for destinations competing for Japanese travelers, there are some advantages to those who take proactive measures to plan for the future. What the growing elderly population in Japan does create are opportunities for destinations

and businesses that provide the many goods and services that they desire. Of course, it is important to know who the elderly are and what it is that they seek when making decisions on overseas trips.

When discussing the elderly, what age group does this include? Social convention defines the elderly as those aged 65 and older. Although the perception of what makes one elderly has changed over the years, current demographic data still rely on that arbitrary number. Bernice Neugarten, a highly respected gerontologist, called the age of 65 “irrelevant.” She was ahead of her time and argued that chronological age was becoming a poorer and poorer indicator of the way people live. Ruys and Wei write in *Senior Tourism*, that the term “third age” is sometimes used to describe the older age group without specifying a number of years. This classification relates to the view that the human life span is divided into three distinct ages, the first devoted to learning, the second to intense employment and the third to progressive withdrawal from employment (Ruys and Wei 2001: 408). For our purposes, we can refer to the people in the third age as those making up the Silver or Senior Market.

Overseas travel is one form of leisure activity that many elderly Japanese are enjoying in greater numbers. In fact, the 2003 JTB Report states that there is a continued decrease in overseas travelers among men and women in their 20's, but solid growth of travelers over 60 (Japan Travel Bureau 2003: 11). This age group typically represents Japanese citizens in the “third age” who are pursuing their leisure activities after fulfilling their duties at work or in the home during the high-paced expansion of the Japanese economy in the post-war decades. These Japanese citizens were unable to freely enjoy time for travel during their younger

years and are now making up for it. This growth in the number of senior travelers is expected to increase sharply in the coming years.

According to Mak, Carlile and Dai, the number of overseas trips taken by those over the age of 15 is expected to increase from nearly 17 million to 22.5 million between 2000 and 2025. Additionally, by 2025 Japanese over the age of 60 will likely account for 26 percent of all Japanese overseas travel (compared to less than 15 percent in 2000). This group of senior citizens will account for 60 percent of the nearly 5.6 million increase in outbound trips. By 2025, the seniors will have displaced travelers in their 20's as the largest group of overseas travelers (Mak, et al. 2004: 17).

The older senior citizens or “Silver Market” travelers have a number of advantages over the younger group of travelers. For one, they are not limited to certain holidays such as Golden Week, summer vacation, *Obon* (holiday in honor of deceased family members), or New Year. The Silver Market can travel at any time, and can fill empty hotel rooms during non-peak and shoulder seasons. Another advantage for the Silver Market is their economic strength. The Silver Market travelers have a variety of interests related to their daily hobbies, and have the funds to spend pursuing these hobbies on overseas travel. The financial power of those over the age of fifty is apparent as shown in Table 13. The savings and income levels minus liabilities for household heads over the age of fifty are quite substantial. As indicated in the table, the relatively small amount of financial liabilities poses no threat to erode the average household savings. The elderly Japanese are an excellent market to target for overseas travel destinations that are prepared to welcome these visitors.

Table 13. Amount and Composition of Savings and Liabilities by Age Group of Household Head (Workers' households) (2003)*

Item	Average	Under 29	30-39	40-49	50-59	60-69	70 and over
Yearly income.....	7.21	4.59	6.07	7.66	8.47	6.65	6.45
Savings total.....	12.92	3.16	7.38	11.18	16.72	23.08	28.57
Financial institutions.....	12.33	2.96	6.75	10.63	15.90	22.84	28.46
Demand deposits.....	2.00	1.22	1.46	1.55	2.34	3.58	4.91
Time deposits.....	5.48	1.13	2.73	4.37	7.20	11.19	14.77
Life Insurance.....	3.83	0.54	2.17	4.09	4.92	5.58	4.87
Securities.....	1.02	0.07	0.39	0.61	1.44	2.49	3.90
Non-financial institutions.....	0.59	0.20	0.64	0.54	0.81	0.24	0.11
Liabilities total.....	6.05	2.29	7.01	8.64	5.28	1.76	0.33
Housing- and land-related debt.....	5.54	1.93	6.64	8.06	4.64	1.42	0.30
Debt related other than housing and land....	0.32	0.15	0.21	0.37	0.46	0.21	0.01
Monthly and yearly installments.....	0.18	0.22	0.17	0.21	0.18	0.13	0.01

*In millions (Japanese Yen)

Source: Statistics Bureau, Japan Ministry of Internal Affairs & Communications

The Japan Association of Travel Agents (JATA) conducted a survey on "Travel by Next-Generation Senior Citizens," by gathering data and opinions from travel agent staff in charge of product planning. This survey investigated the significant features of travel for the age group 50 to 59, most of who are from the baby-boomer generation, and the survey examines what sort of travel they would like to undertake after they become senior citizens. The results indicated that the five factors listed below will be vital to success in the travel business when dealing with the "Next-Generation Senior Citizens", or the "New Seniors" (JATA 2002):

- (1) "Next-Generation Senior Citizens" will make trips more frequently than they have done up to the present, and will certainly become more important customers for travel agents.
- (2) Their styles, budgets and chosen travel products will vary in accordance with the purpose of the travel they are undertaking.
- (3) They are experienced travelers, so they will have lots of requirements in terms of travel companions, conditions, and products.

(4) They will spend a great deal of money on "Special Interest Tours," but tend to economize on normal travel.

(5) Travel agents need to plan new types of travel products for "Next-Generation Senior Citizens." However, it would be better not to use such words as "for senior citizens" in sales messages.

A recent article in the Daily Yomiuri (May 16, 2005) indicates that a growing number of senior citizens in Japan are now making the effort to learn English so that they can communicate with local people when traveling abroad. The article further states that seniors are not content with moving around sightseeing on a package tour. About one-fifth of the 4,000 members who visit the *Library for Study Abroad* in Tokyo are over 50 years old. They are the generation who could not study abroad while their children have been able to do so, but now they are making their own dreams come true by learning a new language to enable them to travel more freely without depending on others, including their children who may be living abroad. English textbooks aimed at seniors have been already published. They use large print and lots of space and cover simple English phrases with guides to pronunciation. Seminars for seniors are being held at the English book publishers' office in Tokyo, titled "Let's Speak English in Overseas Travel" (The Daily Yomiuri, May 16, 2005).

Business people in Japan are attuned to the changing demographics of Japan and are proactively making adjustments to their way of doing business. Yoshikazu Yaji, a real estate developer and landlord living in the suburban town of Nerimatakanodai approximately 75 minutes away from central Tokyo, has been successful over the last two decades with the building and leasing of apartments and guesthouses for foreign residents. Unlike other landlords, he does not require

residents to pay the usually substantial (1 to 2 months) security deposits and *reikin*,⁹ which can be up to two months' rent that most others charge. This can easily add up to five months' rent required to just sign a lease for a new apartment. Another key to his success has been the elimination of a personal guarantor, which most other landlords require and is not easy for newly arrived foreign nationals to acquire. This niche market that Yaji had developed over the years has proved to be extremely lucrative, especially with the increasing number of foreign residents in Japan. However, Yaji has decided to tear down a number of his apartment buildings and guesthouses. He plans to build new senior citizen centers instead in the Nerima-ku area because "this part of Tokyo has a very large percentage of senior citizens over 65, much higher than the national average of 20 percent. Plus the government will provide assistance with these projects. It really is the thing to do to prepare for the future."¹⁰

We can clearly see how much more important the senior market will become in the coming years and how the requirements for this market are not necessarily the same as they were for the same age group from a different birth cohort. For this reason, it is important for tourism stakeholders in destinations to clearly understand what it is that they can do to meet the satisfaction levels of contemporary cohort groups, and not depend on old data from prior cohort groups. Just as there are differences between cohort groups of seniors, there are also varying interest groups within each cohort groups. Tourism-related businesses and tourism industry stakeholders in destinations should not neglect this aspect of varying interests. In order to reach a group as heterogeneous as the seniors market,

⁹ Non-refundable "thank you money" that is customarily paid to landlords in Japan when a new tenant moves in.

¹⁰ Personal interview in Tokyo, March 4, 2006.

a business should match its offerings with the needs of the subgroups in that market.

Based on the current pattern of demand for travel destinations by Japanese overseas traveler age groups, beach resort destinations, like Guam, Saipan and Hawaii, can expect to see their markets shrink. It is of great importance for tourism industry stakeholders in these destinations to develop new tourism products to attract an older group of travelers if they wish to maintain a flow of visitor arrivals from Japan.

Demographics and Consumption

Of course, the future of Japanese overseas travel is not only about the Silver Market, although it is an important market segment to keep in mind for all destinations welcoming Japanese visitors. Table 14, compiled by Mak, Carlisle and Dai, shows that different age groups will experience different bursts of overseas travel at different times, up through the year 2025. As seen in the table, the 35-39 age group should see a jump in outbound travel between 2000 and 2010, the 40-49 age group between 2000 and 2020, and the 50-64 age groups between 2015-2025. The cohort groups made up of baby-boomers will ride the relatively large wave of outbound travel through the various age groups in the coming decades, culminating with over 4 million outbound Japanese travelers over the age of 65 in 2025.

Table 14. Observed and Forecasted Japanese Overseas Trips, Total (Both Sexes)

	Unit: 1,000											
	15-19	20-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65+	Total
Observed¹												
1970	10	70	108	83	100	71	65	42	34	32	33	649
1975	39	293	436	291	349	288	264	151	123	104	106	2,443
1980	71	418	584	471	560	430	394	299	245	203	207	3,883
1985	115	580	778	533	616	493	450	398	332	251	262	4,808
1990	374	1358	1704	1125	1009	1325	1038	887	725	541	531	10,617
1995	535	1932	2310	1655	1235	1247	1639	1292	1061	848	905	14,659
2000	632	1663	2516	1982	1607	1369	1416	1880	1388	1124	1373	16,950
Forecasted²												
2005	730	1374	2242	2183	1872	1511	1534	1404	1656	1093	1553	17,151
2010	686	1424	2003	2007	2182	1980	1648	1610	1459	1617	1880	18,496
2015	834	1311	1963	1804	1988	2278	2102	1717	1649	1483	2395	19,522
2020	804	1468	1823	1806	1782	2074	2421	2183	1765	1721	2465	20,312
2025	891	1418	2003	1694	1782	1859	2205	2522	2243	1903	4017	22,537

¹ Japan Travel Blue Book (annual)

² Based on forecasting exchange rate=110 yen; 1% real wage increases each year; and Japanese government forecasts of future labor force participation rates.

Source: Impact of Population Aging on Japanese International Travel to 2025 (2004)

While Japan has been struggling with a lagging economy, it still ranks in the top four in travel expenditures by country. The 2000 ranking in Japan's Tourism White Paper shows the United States as the leader at \$65.04 billion, followed by Germany at \$47.79 billion, Great Britain at \$36.27 billion, and Japan at \$31.89 billion. After Japan, the next country, France, drops significantly with \$17.17 billion followed by Italy at \$15.69 billion (*Kankou Hakusho* 2003: 38). Some may view Japan as a fast-fading market, but the relatively large number of Japanese overseas travelers and their propensity to spend on their trips have continued to contribute to this ranking and further reinforces the importance of this market to destinations like Guam. The spending usually takes place after some information is gathered from popular sources. The consumption of souvenirs, gifts and other foreign products by Japanese tourists overseas is aided and guided by a parallel consumption of knowledge provided by books and magazines (Nitta 1992: 209). Bookstores throughout the country have relatively

large sections of the retail space devoted to books and magazines related to overseas travel.

To capitalize on this market, one must not only be aware of the latest trends, but also study the market closely to forecast future trends. An example of an important trend currently taking place in the Japanese travel market related to demographics and spending is that of mother and daughter vacations. These vacations now account for 8.3 percent of travel agencies' female customers. Usually, it is the veteran traveler daughter in her 30's who tags along with her mother on holiday as the mother covers the costs. There is even a growing market for "three-generation" vacations where the daughter also brings her children along, and we see a number of travel industry businesses focusing on deals for this market (Tsuiki 2004: 40). While daughter and mother travel together, their interests during the holiday may not be the same, creating opportunities for diverse products and services. As for preferred activities of Japanese visitors in general, preferences differ by age group and gender.

According to Japan Travel Bureau's latest survey, the younger travelers under age 60 prefer activities such as shopping and gourmet sampling, while the elderly prefer visiting historic and cultural attractions, visits to art galleries and museums, and going to natural and scenic attractions (Japan Travel Bureau 2001: 30). Additionally, figures show that tour content is important to women and elderly travelers, and reliability is a prime concern for middle-aged women and the elderly. Eighty percent of elderly use full package tours, a percentage high above the average Japanese utilization rate of 53.5 percent (Japan Travel Bureau 2001: 47).

Weddings

The recent growing trend in overseas wedding is one that should not be overlooked. In Japan, weddings could cost more than \$40,000 with the renting of a grand hotel or wedding hall, presentation of expensive gifts to guests, and for some brides changing into four different and very expensive outfits during the reception. The average wedding still costs \$39,000 in the Honshu (main island) region and this can go as high as \$66,000 if all other items such as honeymoon, furniture, and incidentals are included. In many rural areas, such weddings are still the norm, but many are looking to wed overseas where the costs are much lower and where couples can escape from the all the trappings of a Japanese wedding. Wedding chapels are being built in many overseas resort hotels to capture this very lucrative market. (Religion is not an issue in most cases, but the romantic “movie star” experience of wedding in a chapel is what attracts most couples.)

The trend is in moving away from the conspicuous consumption of domestic weddings. A government survey showed that the average Japanese couple spent \$23,000 on their wedding in 2002. This is about \$1,900 less than in 1996 (Joyce 2004). Overseas weddings continue to attract couples and family members wanting a different experience at a lower cost. This fact has not been overlooked by wedding companies and facilities, especially hotels that host wedding events and receptions.

In order to attract Japanese visitors to utilize their overseas facilities for overnight stays and other activities like weddings, fierce competition is currently taking place in Tokyo. It has been called the Tokyo *Hoteru Sensou* (Hotel War), due to the extremely competitive nature of the hotel businesses to rush into the building and renovating of luxury hotel rooms. While the Japanese media has

covered this as a competition to upgrade guestrooms to enable guests to stay in 50,000 yen-plus rooms, the foreign media are reporting it from a different angle. Not only are the international luxury-hotel operators attracted to the high disposable income of the Japanese and a growing pool of retirees with savings to spend, but they also want to manage their brands directly and lure locals when they travel to their hotels abroad.

A recent Bloomberg news article, entitled, *Luxury hotels flocking to Tokyo*, reported on this phenomenon. "Japan is a big market in which very few of the major brands are represented as managers," said Roger Griffin, senior vice president at Sonnenblick-Goldman Co., a real estate investment bank. "Most franchises would like to establish in the mind of the Japanese consumer that if they go and stay overseas they do so at one branded hotel" (Cole 2003). A number of the established domestic-brand hotels in Tokyo, such as the Okura and the New Otani, are undergoing renovations to compete for luxury rooms, while the financially strapped Prince Hotel group opened their most luxurious hotel property next to Tokyo Tower in April 2005. The international hotel brands will most likely benefit with business from hotel stays and weddings at overseas properties, once their brands and reputations have been established in Tokyo. Most of these hotels will open in 2007, coincidentally at the same time as the Year 2007 Issue, when they will all face a challenge in finding skilled manpower for the properties.¹¹

¹¹Interviews with various Hotel General Managers and Operations Directors, Finance Directors, Food and Beverage Directors, and Human Resources Directors in the Tokyo area confirmed information on the branding strategy of international hotels and reiterated the issue of the challenges in finding human resources, which had already started by 2005. Personal interviews were conducted from August 2004 through November 2005 in Tokyo with Hiromi Kaneyuki (HR Director, Grand Hyatt), Keiichi Nakaya (HR Director, Park Hyatt, Jan Monkedieck (GM, Conrad Hotel), Shiro Shinozaki (Finance & Admin. Director, Solare Hotels Group) and Amy Hanashiro (Operations Director, Pan Pacific Hotel).

The wedding business in overseas destinations is substantial, especially in Hawaii and Guam. Watabe Wedding Corp., the largest organizer of overseas weddings for Japanese, has been booking about 10,000 Hawaii weddings a year (in 2004), short of the 15,000 it had in 2000. However, the overall Japanese wedding market in Hawaii was expected to grow about 14 percent to about 24,000 weddings by 2004, according to Donald Amemiya, manager of Watabe's control department (Arakawa 2004). This expected growth was the result of other wedding companies putting more emphasis into building ocean-view wedding venues, including chapels at well-known luxury hotels. The wedding chapels built on hotel properties in resort destinations are generally placed in a picturesque setting and have an arrangement with a local Christian priest to conduct the ceremony. (In Japan, the introduction of hotel chapels offer Shinto as well as Christian services, although the choice is usually made based on style rather than on religious preference.) In Guam, there were 11,000 Japanese weddings in 2004, and the market share of the total Japanese wedding market overseas is 24 percent (Betros 2005). Hotel brands that are known in Japan will capitalize overseas on this wedding market, keeping the chapels and banquet facilities busy with the wedding couples, their families and their friends.

Listed in the table below are some of the projected domestic and international hotels that are scheduled to open by the end of 2007.

Table 15. Projected Luxury Hotel Openings in Tokyo

Hotel Name	Location	Rooms	Actual Opening & Projected Opening
Tokyo Prince Hotel Park Tower	Shiba Koen	673	Apr-05
Conrad Tokyo	Shiodome	290	Jul-05
Mandarin Oriental Tokyo	Nihombashi	182	Nov-05
The Peninsula Tokyo	Hibiya	315	2007
The Ritz-Carlton Tokyo	Roppongi	250	2007
Tokyo Bayside Resort	Ariake	500	2007
Raffles Tokyo	Marunouchi	180	2007

Source: Nihon Keizai Shimbun

Although most of these are international hotels being established domestically on Japanese soil, they will play a significant role in the way that they establish their brand to Japanese consumers in order to capture shares of future business overseas. In other words, the international luxury hotels are opening in Japan to capture opportunities that may not exist now, but will come to fruition in the future. This is an excellent example of capturing “opportunity share,” which will be covered in detail near the conclusion of this chapter.

Free Independent Travelers

Research also shows the growing trend of increasing numbers of Japanese overseas FIT (Free Independent Travelers) and Repeaters. Unlike the early years when Japanese travelers relied on tours and tour guides, many are making arrangements to travel on their own via the Internet, telephone, or through convenience store kiosks. Travelers are more sophisticated in the sense that they have more confidence in the ability to communicate, and even if they do not have

the ability, they are more confident to attempt to communicate in a foreign language. In the early stages of Japanese outbound tourism, travel provided increased status for the traveler, even though many Japanese had little knowledge about traveling overseas, and did not know whether they had to be able to speak foreign languages (Yasumatsu, 2000). This uncertainty has been minimized to an extent by the proliferation of guidebooks written in the Japanese language.

As mentioned earlier, there is an abundance of travel books and periodicals that educate Japanese travelers that are now available. Additionally, Japanese travelers are more financially able to make individual decisions about their preferences in accommodation and services. The 2003 JTB report shows that when asked how they made their travel reservations, 40.1 percent mentioned “visiting travel firms,” and 21.1 percent used “the mail order / telephone” route.” Although these two methods have been the most popular, the combined percentage of 61.2 percent is more than five percentage points lower than the previous year, while “the Internet” jumped to 8.3 percent from 4.9 percent. In addition, the percentage of those making reservations directly with “Airline Company” has also increased from 2.9 percent to 4.4 percent (Japan Travel Bureau 2003: 41). Frequent overseas travelers with over ten trips showed a drop in “visiting travel firms” and increases in usage of “Internet” and “Airline Company” for reservations.

The perception of cost is an important consideration for many visitors, especially for those that were affected by *risutora*, or the restructuring of organizations following the bursting of the Bubble economy. Even those that were not directly affected have tightened their purse strings due to the uncertainty brought about by new economic realities. As a sign of the economically

challenging times, it has been reported that even the Yamaguchi-gumi (one of Japan's large *Yakuza*, or mob organizations) has been trying to save money. In order to adjust to the troubled times, licensing or franchising fees had been lowered and membership had been decreased intentionally. They have been doing this by holding simpler, less expensive ceremonies, and the boss, Watanabe, is even said to be speaking about "honorable poverty" as a new motto (Herbert 2000: 155).

There are other indicators of changing Japanese attitudes towards spending. In the year 2003, two volumes of books titled *Nenshu 300-man En Jidai wo Ikiniku Keizaigaku* (Economics for Surviving an Era of 3-million-yen Annual Income) became national best-sellers. In the books, the author Takuro Morinaga warns that most people will eventually earn no more than 3 million-yen a year. The average annual household income is now approximately 6.8 million, according to a 2004 government survey. The books advise people to change their values and risk happier lives while living through economic difficulty (Ushida 2004). While this may seem to be the opinion of an alarmist with an extremely pessimistic outlook on the economic future of Japan, the reality is that many people in Japan are at the very least bracing for the possibility of a bleak situation for Japan. These people have created national bestsellers of Ushida's books. Popular television shows with themes such as, *How to Live on Less Than 10,000-yen a Month* and *10,000-yen a Month Food Budget Contest*, are now being broadcast on major networks.

For the regular salaried workers in Japan, the introduction of relatively new concepts concerning future compensation, such as "pay for performance" versus the traditional step-up system that determined pay more heavily on the

factor of longevity have added to uncertainty about the future. Regular reports in the *Nihon Keizai Shimbun* indicate that his new compensation concept is generally being introduced first in the larger corporations in Japan, usually with employees numbering in the thousands, such as Toyota, Hitachi, and JT (Japan Tobacco), to name a few. Even though this erosion of the traditional pay system has not yet affected all workers, especially the ones in smaller organizations, many employees still see the writing on the wall and are bracing for the change.

One relatively small (390 employees), progressive Japanese non-profit organization that has implemented a pay for performance program after 77 years of seniority-based pay is the Tokyo American Club, located in the Azabu district of Tokyo near Tokyo Tower. It is a service organization that provides cultural exchange and recreational activities, network-building opportunities, as well as food and beverage outlets for its Japanese and international members. Over 80 percent of the organization is comprised of Japanese employees.

The performance management program implemented by the organization eliminated the guarantee of unlimited higher wages resulting from seniority. At the same time, employees were informed through informational meetings that management was substantially increasing payroll budgets to allow for greater pay increments resulting from performance. The organization still experienced a number of challenges implementing what obviously appeared to be a fair and advantageous system for both the employees and the organization. The bulk of these challenges originated from long-term Japanese employees who felt somewhat betrayed and/or expressed great anxiety over the elimination of

uncapped income growth¹². Similar challenges are being met as more and more Japanese organizations gradually move towards a more realistic wage structure that takes into account the market forces. The gradual elimination of uncapped wage scales based on seniority will certainly contribute to income uncertainty for many, and management must be prepared to handle the workplace affected by these changes.

Executive firms are becoming aware of this need and have started to offer services to help managers coach their employees effectively. For example, Hudson Japan, a firm that is known primarily for executive recruitment in Japan, has just started looking into rolling out new services to meet this changing trend of chipping away at the old seniority system. In 2005, the firm was preparing to launch a new division to offer consulting services in compensation management, coaching, training, and performance management to “meet the increasing needs of Japanese executives” as well as a way to differentiate the firm from the many other recruiting firms.¹³ With more seniority pay systems being altered out of necessity for the survival of organizations, the effect on Japanese workers cannot be disregarded. The resulting effect of income uncertainty on leisure choices will be covered in more detail in the section on workplace issues in Japan.

While not all Japanese overseas travelers make decisions on travel destinations based on cost, it is a factor that should be kept in mind by all tourism industry leaders in travel destinations that wish to remain competitive in the tourism industry. What is most important is the perception of value for price as seen from the eyes of the visitor. This is better understood by knowing how the

¹² Personal interviews with Shuji Hirakawa, Director of Human Resources, and employees of the Tokyo American Club, during the period of July 2004 through April 2006, in Tokyo.

¹³ Personal correspondence with Hudson Country Manager, Stephen J. Romaine, August 3, 2005.

prices for goods and services in the source market compare with those in other areas.

Although prices throughout Japan have generally come down in recent years due to deflationary trends, it is clear that prices are still relatively high for most goods and services in Japan when compared with other countries. This is the case, despite the fact that the general index of consumer prices on the national average stood at 98.1 in 2003 (2000 as base year=100), registering a falloff 0.3 from the previous year, and has been dropping for a number of years. The continuing drop in prices of consumer durable good and industrial products has contributed to this trend, marking the fifth year of a consecutive drop of the index in 2003 (Statistical Bureau 2004: 163). As an overall comparison, there is a 24 percent difference in the cost of goods and services between Tokyo and New York. At the high end of the comparison, the cost of using a sports facility is a 146 percent higher in Tokyo than in New York, contributing to the 56 percent higher cost of consumer services in Tokyo as compared with New York. Table 16 illustrates how prices for goods and services in Tokyo compare with prices in other major cities in the world.

**Table 16. Price Level of Tokyo Compared with Other World Major Cities
(FY2002)**

Item	New York	London	Paris	Frankfurt	Singapore
	=100	=100	=100	=100	=100
All Items	124	106	113	113	174
Consumer Goods	121	117	115	108	169
Cameras/electrical appliances	106	82	79	79	111
Automobiles, etc.	87	72	77	79	52
Textile products	123	93	125	135	207
Other goods	100	95	99	103	125
Cosmetics	104	102	110	106	129
Household sundries	92	70	78	90	125
Personal goods	103	116	120	119	123
Stationary	84	136	120	133	148
Sporting goods	125	95	93	81	118
Energy	133	149	139	113	205
Publications/software	132	125	98	107	186
Consumer Service	156	105	116	122	214
Entrance/admission fees	135	101	162	207	490
Sport facility use fee	246	179	121	125	168
Tuitions	166	104	123	105	179
Other	97	47	72	92	142

Source: Japan Ministry of Economy, Trade and Industry

Research data also reveals that Japanese overseas travelers are returning to destinations that they found to their liking either due to convenience, cost or other factors. An analysis by previous travel experience shows that 5.3 percent of travelers were taking their first trip in 2002, while 14.4 percent reported that it was their second or third trip, 13.6 percent said it was their fourth or fifth trip, 18.2 percent noted that it was their sixth to ninth trip, and 46.3 percent indicated that it was their tenth or greater trip (Japan Travel Bureau 2003: 41). Destinations will surely benefit from researching repeat travel data out of Japan and reasons for the decision for returning to the destination. Repeat visits are a critical factor in measuring the success of any destination, and with the tendency of Japanese overseas travelers to spend more than most other travelers, repeat business by Japanese visitors weigh heavily on Guam's revenue stream.

It was mentioned earlier that senior citizens currently make up the fastest growing group of traveler out of Japan, but the young travelers are still large in number and have become more noticeable in destinations like Guam. Jon Woronoff makes an interesting observation about a trend that can be contributing to the large number of younger overseas travelers and repeaters out of Japan. Guam traditionally has been a Mecca for young Japanese traveler, making this observation relevant for Guam's tourism industry stakeholders. Woronoff's observation relates to the freedom of younger Japanese to travel overseas as one pleases by not being tied down to a "lifetime" job:

"As of the 1970's, a new category of worker arose which preferred temporary jobs or *arubaito* (from the German word for work). This attracted many workers could not assume or find a full-time job but also a growing number of youngsters, fresh from college, who wanted to move from job to job, earning what they needed and then taking a break. By the 1980's, these people were known as "*freeters*" or *furita* (from the English word "free" and the German word "arbeiten.") While relinquishing job security, employee benefits and better pay, they found compensations. Unhampered by company employment regulations and labor contracts they can consult directly with their employers about their working hours and quit whenever they want. They do not have to dress up for work, and they do not have to grovel before their superiors" (Woronoff 1997: 34).

Workers in Japan over the age of thirty are generally well-entrenched as full-time, regular employees on some design of a career path. Among the younger generation, on the other hand, estimates are that as many as one in five are rejecting the traditional path of being full-time regular employees (*seishain*) and choosing life as a *furita* (free worker), doing temporary or part-time jobs, mainly in sales or the service sector. For some, this is not a matter of necessity, but a matter of choice. As Janet Ashby notes in *New Life Patterns for a New Age*, a rising number of newly hired graduates in Japan are also quitting jobs as *seishain* after relatively short periods of time (Ashby 2004).

A growing number of Japanese workers are likely to abandon Japan, given the slow pace with which Japanese society is reforming its social structure to accommodate women, individualists and margined populations, according to noted scholar Harumi Befu. Befu adds that an interesting and even ironic consequence with this situation is that these individuals who leave Japan for reasons of discontentment end up contributing to Japan's economic growth in one way or another. This is done directly or indirectly as local employees for Japanese multinationals, or by running their own agencies linking Japan with the countries where they live (Befu 2000: 39). This scenario is quite common in the overseas travel industry where Japanese visitors have established a presence.

It seems clear that many young people want a more flexible and balanced working life than that of their parents. However it is less clear that being a free worker is the answer. In her work, Ashby mentions the calculated cost of this decision; free workers are unwittingly buying freedom at the cost of a loss of lifetime earnings of 200 million yen, compared with the average lifetime earnings of regular employees.

In think-tank analyst Shun Maruyama's recent book "*Frita Bōkoku Ron* (Free Workers and the Ruin of the Nation)," he states that Japan is moving to a new dual structure of low-paid and insecure free worker vs. well-paid and secure *seishain*. If the situation continues unchanged, there is a danger of a division into poor free-worker grasshoppers enjoying life, and prosperous but overworked *seishain* ants. Another damaging aspect of being a *freeter* is that it is difficult to obtain a regular job without the opportunity to develop job skills. Once one becomes a *freeter*, there appears to be no easy way out. A wider income inequality and a delay in wealth accumulation among young people may be damaging not

only to those directly involved, but also to the Japanese economy as a whole. Maruyama is particularly concerned about the future costs for both *freeters* as individuals and Japanese society as a whole. In the short term, *freeters* can help company balance sheets, but in the long term they will be a drag on the economy as their low incomes mean less consumer spending, tax revenues, payments into health insurance and pension programs, and savings. Less income and savings could be detrimental to economic potential. It is also feared that this development will cause additional damage to Japan's social security system, which is already fragile. According to Maruyama's estimates, lost income from *freeters*' failure to get regular jobs amounts to 12 trillion yen, or 4.4 percent of total employee compensation in 2002 (Maruyama 2003: 2).

Maruyama also points out that becoming a *freeteer* is not always a matter of personal choice; the "lost decade" from 1992-2002 for Japanese business after the collapse of the bubble was also a lost chance at regular employment for the new graduates of those years, as companies cut back on hiring new employees rather than laying off older ones (who under Japan's system stood little chance of finding a job elsewhere). Although *freeters* are often criticized as being lazy or self-indulgent, the role of companies in exploiting them as a source of cheap and disposable labor tends to be overlooked. Due to economic pressures, companies in Japan have relied on the growth of this temporary source of labor, to maintain their operations. Tourism industry officials who depend on Japan as a major source of visitors, cannot rely on seeing the more free-spending *seishain* workers who enjoy benefits and the stability relegated to regular workers. Large numbers of *freeters* are already visible in the tourist precincts of Guam and Saipan, where

industry officials refer to them as “Cup Noodle Tourists,” as they are often seen shunning the restaurants and eating noodles just outside of convenience stores.

In addition to *freeters*, Japan is facing a different category of youth that is causing concern. There is a growing trend among youths in Japan to avoid working altogether, called NEET youths, or youths Not in Education, Employment or Training. According to the Ministry of Health, Labour and Welfare, the number of registered NEET youths exceeded 500,000 in Japan by 2004. This is an increase of nearly 10 percent from 2003. NEET youths are generally classified into four categories, (1) youths who withdraw from society, (2) youths who spend time with friends after graduating or dropping out of school, (3) university graduates who cannot decide on a career path, and (4) youths who previously had a full-time job, but left their job due to a lack of confidence. Additionally, since Japanese parents tend to be very protective of their children, most NEET youths are financially supported by their parents, so the NEETs have little need to find a job or become independent (Pacific Bridge 2004).

A major concern of the government is the strain that these unemployed youths put on the country's current and future economies, since NEET youths do not pay taxes, contribute to the national social security system, or have benefits or retirement plans. The Nomura Research Institute, Ltd. carried out an Internet questionnaire regarding NEET issue from October 18 to 20, 2004. The results showed that although the degree of recognition of the term "NEET" is currently not very high (16.9 percent), almost 87 percent believe NEET will increase in Japan, and that over 92 percent think that the increase will significantly influence the society. As a cause of the increase in NEET, more respondents cited "economic circumstances such as recession" (64.9 percent) than those who cited

"home" as the cause (55.5 percent). In regard to the influence the increase of NEET will have on the society, the group citing "collapse of the social security system" was largest (71.6 percent), reflecting a tendency to identify NEET in relation to the economic environment, employment and pension issues, among others (Nomura Research Institute 2004).

Freeters and NEET will find it difficult financially to marry and support a household, much less care for aging parents. They will obviously be less likely to spend money regularly on overseas trips that constitute a luxury, perhaps even for short-haul destinations like Guam. More and more young Japanese are identifying themselves as *freeters* and NEET and they are visible in destinations like Guam, staying in the lower-priced hotels and purchasing their meals at fast-food restaurants and shopping mall food courts. Other than the Silver Market, it seems the Japanese overseas traveler is either time rich and money poor, or vice versa. Is Guam destined to become a *freeter* and NEET destination, or can other segments of the Japan market be targeted more effectively? In studying the Japanese overseas traveler to determine this, it is important to take the time to examine employment and family support systems in Japan to better understand travel behavior.

The Japanese Workplace and Income Uncertainty

Having a reliable source of income is certainly a necessity for people who are planning to travel for leisure. Consumption expenditure and income streams are closely related. Nagatani (1972), in *Life Cycle Saving: Theory and Fact*, has introduced a model based on the future uncertainty of income. By adjusting expected future income for risk, a "typical" consumer will buy less than he would in a riskless environment with the same expected income stream. However, being

the typical consumer, he realizes his expected income, and he successively revises his consumption plan upward since his realized income exceeds his risk adjusted forecast (Heckman, 1974). Thus, it is not necessarily the actual income that determines consumer behavior, but an expected future income that has been adjusted for risk.

In Japan, particularly from the early years of overseas travel, workers had been feeling relatively secure about continued employment with their current employer. Although the concept of “lifetime employment” applied mainly to those relatively few elite workers who were in established positions with large Japanese corporations, regular Japanese workers in smaller companies had less to worry about their work status in the strong growth period of the Japanese economy. After the bursting of the bubble in the early 1990’s, Japanese workers have more been either directly or indirectly affected by the *risutora* that has occurred in many organizations. The reality of income uncertainty has crept into the minds of Japanese workers who must now be better prepared to address the issue of being downsized, should it happen to them.

Japan boasted unemployment rates at 1 percent and 2 percent levels for decades. The official unemployment rate for Japan averaged 1.1 percent in the late 1960’s. Even after the challenge of the OPEC oil embargo in 1973, which halved Japan's economic growth rate and brought about drastic structural changes, the unemployment rate was rarely above 2.5 percent. More recently the unemployment rate in Japan peaked at 5.4 percent in 2002, and had reached 4.4 percent as of August 2005. Statistically, this number is relatively low compared with other industrialized nations, however, Japan is less equipped than other countries like the United States to encourage worker mobility, help match job-

hunters with openings and offer job-training. This is mainly because Japan did not expect to experience more than a doubling of its unemployment rate in such a short period. Placing laid-off, veteran workers into new jobs is still a major challenge in the Japanese work environment that still generally favors the hiring of younger workers (under 35) as is apparent in age limits listed on want ads.

Finding work in desirable industries has become a challenge for many of Japan's younger citizens too, who are searching for regular, full-time work. In recent years, prospective employees have been turning away from manufacturing companies, especially in smokestack industries, and instead are giving preference to financial and other service-oriented companies. Work in these industries is regarded as more comfortable or fashionable by the younger generation today. Within industry, they particularly avoid the so-called "three K" jobs, those that are *kitanai*, *kiken* and *kitsui*, or dirty, dangerous and demanding. Instead, they seek jobs that are more appealing and provide three other Ks: *kankyo* (pleasant environment), *kaiteki* (comfortable conditions) and *kyuka* (plenty of vacations). There is one other thing that they want, indicated by many surveys and an abundance of magazines comparing company salaries. That other thing is *kane* or money, a fourth K (Woronoff 1997: 34). Money affords the security to prepare for uncertainties that may come up in the future in today's Japanese work environment.

Wako Watanabe has conducted a unique survey on precautionary saving behavior of Japanese households and has demonstrated that income uncertainty does have some positive influence on the wealth target for accumulating precautionary wealth to buffer against diminished or lost income. The positive influence of income uncertainty on the target vanishes when older households

with a head aged 51 or older are included in the sample. These findings suggest that Japanese households save against income uncertainty until around the time when their household head is aged 50 and then save against other risks such as the longevity risk (Watanabe 2005: 21).

According to Watanabe, we are exposed to various sources of risks in our economic life. Among them, income uncertainty is the risk that most affects an individual's welfare through its influence on consumption, including leisure activities, like overseas vacations. For an average Japanese family, the labor incomes of employed family members are the largest part of the household income as returns on financial assets and other non-labor incomes such as earnings from rented lands and homes are negligible. Hence, unexpected adverse shocks to labor incomes of working family members can have devastating impacts on the household's ability to manage day-to-day finances.

How do households in Japan cope with labor income risks? Apart from partial coverage of unemployment risks by public unemployment benefits, insurances, public or private, they do not generally protect households from such labor income risks of salaried workers, such as pay and bonus cuts. Insurances aimed at volatile sales of the self-employed are almost nonexistent. There is one alternative to preparing for the uncertain future and many working citizens in Japan have taken this course of action. An individual (or a household) may self-insure against unanticipated adverse events in the future by accumulating their savings. Watanabe writes that buffering motives for savings against future uncertainties are summarized as a precautionary motive for saving and are distinguished from savings for specified expenditures at various life stages such as purchasing durable goods, funding her children's schooling, a down payment for a

home purchase, and the individual's living expenses after her retirement (Watanabe 2005: 2). This is what we are more likely to see among Japanese workers in the coming years—more savings against future uncertainties and less cash budgeted for leisure activities.

Globalization and the Myth of Efficiency

High efficiency and “just in time” manufacturing are usually attributed to Japan's mode of operation by Japan-watchers when it comes to production. In the 1990's stories on the front pages of the New York Times, the Wall Street Journal, and the Economist were all about how the Japanese manufacturing industries through trade were driving U.S. manufacturing industries into the ground and virtually wiping them out. Surely, this did happen in consumer electronics and the U.S. basically took an exit from the consumer electronics business. Although not all companies in the industries were in bad shape, the steel industry and the automobile industry came very close to being bankrupt during this time in the U.S. But the industries themselves as a whole were in very bad shape because of, in large part, competition from Japan, which was able to deliver high quality products at lower costs-- yet the GDP per capita numbers at purchasing power parity exchange rates show that GDP per capita in Japan was roughly 30 percent below the U.S. So how could this be? The only way to truly understand that is to look at the productivity of individual industries in Japan.

According to William Lewis, director emeritus of the McKinsey Global Institute and author of *The Power of Productivity: Wealth, Poverty and the Threat to Global Stability*, productivity is the best single measure of what leads to differences in economic performance. Through this research, Lewis and his colleagues examined some of the conditions that have led to the disparity between

rich and poor countries. His findings about why some countries experience robust growth, while others remain stagnant are surprising and insightful, and were shared in an interview with Nick Schulz (Schulz 2005).

What Lewis found is that Japan has a dual economy. It is true that Japan does have some selected manufacturing industries that have high productivity, much higher than the corresponding U.S. industries and in fact they have the highest productivity in their industries of any country in the world. And yet, the traded part of an economy is always a tiny fraction of the total GDP, roughly at most 15 percent of the GDP, according to Lewis' estimates.

What this says is that the standard of living is determined because the productivity of the country is determined by what happens outside these traded goods. Productivity of a country in total -- the average productivity -- is the average productivity of every single worker; therefore, every worker is equally important. If there is low productivity in the non traded parts of manufacturing and in the huge domestic service industry—such as retailing and housing construction etc.—there is going to be low average productivity even though there may be a handful of industries like automotive and machine tools and steel where Japan has the highest productivity in the world.

In his interview Lewis stated that in his research he found that Japan had the highest productivity in the traded goods manufacturing sectors, but in the rest, the productivity was actually very low. Lewis estimates that while the highest productivity in the traded goods was at 100 percent efficiency, in retailing, he estimated 50 percent of the U.S.; in food processing about a third of the U.S. Lewis also adds, “And food processing, although it's a manufacturing industry and

it's not heavily traded, it has more employment than steel, automotive, computers, and machine tools added together. So it's much more important” (Schulz 2005).

The reason for such a disparity between Japan and the U.S. in industry like retailing is due to the differences in rate of evolution. Approximately 60 years ago, retailing was pretty much the same throughout most of the rich countries, with the usual small family operations. However, what has happened over the last 60 years is that innovations have occurred in retailing and new formats of much higher productivity than these former formats have developed. A good example is the big-box type of retail store like Wal-Mart. Lewis states in his interview, that in the U.S., the fraction of mom and pop general store-like operations that are left is under 20 percent of all employment. In Japan it is still over 50 percent. (Schulz, 2005).

There are a number of reasons for the different rates of evolution in industries like retailing in Japan, but suffice it to say that just about all industries are becoming more and more involved as players in the same world economy. With globalization and the bringing down of trade barriers, efficiency will be a necessity for survival. In Japanese industries where productivity is low, more layoffs and demands for new skills will be required as the country goes through a period of shakeout of firms that cannot adapt to the increasingly competitive environment. The long-held compensation system consisting of salary increments based on age or seniority, as well as the payment of substantial guaranteed bonuses, is gradually being altered. As described earlier, Nagatani’s model (1972) based on the future uncertainty of income, points to a shift in spending due to a perceived increased risk in expected income. Among many Japanese workers, this

will equate to increased anxiety for income uncertainty and there will be a resultant effect on consumption and leisure, including overseas travel.

This chapter presented background information to the Thesis including the topics of Island Tourism, Guam as a Destination Market, and Japanese Overseas Travel. The background information has been reviewed in this research for Japan and Japanese tourism, including many of the changes occurring in society that can affect the activity level of Japanese overseas travel, is important in considering how Guam as a destination will prepare for tourists from Japan. The areas examined were: Trends in Japanese Overseas Travel, The Link Between Trends in Society and Travel, Changing Demographics, Senior Citizens, Demographics and Consumption, Weddings, Free Independent Travelers, The Japanese Workplace, and Globalization and the Myth of Efficiency.

How can Guam's tourism stakeholders apply this knowledge to their industry, which relies so heavily on the Japanese outbound market? This involves adopting new approaches to the strategy of managing the tourism business, particularly for a destination like Guam that has a single major market. These strategies and other concepts concerning collaborative research will be reviewed in the next chapter.

Chapter 3. Review of Literature

Public and private collaboration in tourism literature has been discussed by tourism scholars in various forms, now that the concept of sustainability in tourism is widely accepted (Bramwell and Lane, 2000). Researchers as well as theorists continue to strive for answers to such questions as, how do you balance the strategic objectives of all stakeholders and the sustainability of local resources (Buhalis, 2000)? What role does the public sector play in the tourism industry (Richter, 1985; Leiper, 1995)? What is the importance of involving diverse stakeholders in tourism planning (Bramwell and Lane, 2000)? Are objectives of different stakeholders clearly understood by each other (Vaughn, 1994)? Through a review of selected literature, this chapter will attempt to answer these questions by establishing the relevance of public and private sector collaboration/partnership in the tourism industry for small islands, and particularly for Guam, which relies on a single source market of Japan for a majority of its visitors. Because effective destination planning is not accomplished without some form of collaboration, this topic will be covered together with collaboration and partnership.

Collaborative arrangements are usually concerned with issues or policies that go beyond the tourism questions, and as such, this review covers the broader environmental, cultural, political and economic dimensions. Collaborative arrangements in tourism planning are also considered to contribute to the objectives of sustainable tourism (Bramwell and Lane, 2000: 3). This chapter will first review the general concepts of collaboration then briefly discuss the concepts of sustainability in the context of sustainable tourism and sustainable development. The discussion will be divided into four sub-sections – the Environmental, Cultural, Political and Economic Dimensions of collaboration in

the tourism industry with emphasis on their relevance to small island environments. At the end of the chapter, a conclusion as to which authors are most useful for the construction of models of private and public sector collaboration on Guam to prepare for the future of the island's tourism industry will be made. The conclusion will also address major gaps in research and areas or issues pertinent to future study.

Public and Private Sector Collaboration in the Tourism Industry

This section will briefly review the general topics of partnerships and collaboration. It will include a definition of collaboration (Wood and Gray, 1991) and stakeholder collaboration (Jamal and Getz, 1995), and will list some of the advantages of effective stakeholder collaboration as well as the negative aspects and challenges to the development of stakeholder collaboration. First, what is collaboration and how does it apply to the tourism industry? While there are many definitions of stakeholders and collaboration, the definition commonly referred to by tourism scholars (e.g. Hall 1999: 274; Parker, 2000: 78, Selin 2000: 131) for collaboration is the following,

“Collaboration occurs when a group of autonomous stakeholders of a problem domain engage in an interactive process, using shared rules, norms and structures, to act or decide on issues related to that domain” (Wood and Gray 1991:146).

Jamal and Getz (1995) build further upon the definition of collaboration mentioned above, and define stakeholder collaboration as:

“A process of joint decision making among autonomous, key stakeholders of an inter-organizational, community tourism domain to resolve planning problems of the domain and/or manage issues related to the planning and development of the domain.” (Jamal and Getz 1995: 188).

Because the Wood and Gray (1991) definition encompasses various types of partnership forms that are found in practice, it is viewed as a useful definition (Bramwell and Lane, 2000). The definition is preferred due to the fact that it makes no assumptions about which stakeholders will participate, how much power they have, how representative they may be, or about the total number of stakeholders that are involved. It also allows for variations between different partnerships in their duration, although collaborative processes may be based on stakeholders meeting on several occasions (Bramwell and Lane, 2000: 5-6). For the purpose of this study, this definition is used in referring to the collaborative process involving Guam's tourism stakeholders.

There are a number of advantages to effective stakeholder collaboration and reaching a consensus within the tourism development, but there are also some negative aspects and challenges to the development of stakeholder collaboration (Aas et al. 2005). The following discussion identifies a number of the advantages.

The involvement of stakeholders can lead to cost effective solutions by the pooling of resources (Bramwell and Lane 1999; Bramwell and Sharman 1999). In the long term, collaboration can minimize or avoid conflict (Yuksel et al. 1999). The collaboration process is also a more equitable approach giving a voice not only to experts but also to all stakeholders (Bramwell and Lane 1999; Bramwell and Sharman 1999; Hall, 2000). Further, collaboration "adds value" by building on the store of knowledge, insights, and capabilities of stakeholders in the destination (Bramwell and Broom 1989) and it makes use of local knowledge to make sure that decisions are well-informed and appropriate (Yuksel et al. 1999).

The negative aspects and challenges to the development of stakeholder collaboration should also be mentioned. Some of these include the additional cost

to tourism planning and development (Swarbooke, 1999) the difficulty in identifying legitimate stakeholders (Bramwell and Sharman 1999; Reed 2000; Tosun 2000) and the capacity of the stakeholders to participate (Reed 1997; Medeiros de Araujo and Bramwell 1999). In addition the dissemination of power may not be equitable due to the established local elite¹⁴, and as a result the minority of the less vocal stakeholders may not receive an adequate voice (Hall 1999; Tosun 2000). To ensure a strong likelihood of economic, political and social benefits of tourism accruing to host communities, there needs to be full participation (Timothy, 1998; Bramwell and Sharman, 1999; Tosun, 2000). Full participation is said to occur where communities supply the majority of goods and services to tourists, have considerable input into planning decisions, and collectively manage common resources (Timothy 1998; Tosun 1999, 2000). The following sections will address some of these and other notable aspects of collaboration.

The Concept of Sustainability

Stakeholders in destinations around the world are now at a minimum aware of the importance of maintaining an attractive environment and thinking long term for the sustainability of the industry. Like ecotourism (which will be defined later in this chapter), sustainable tourism has become popular but it remains an ambiguous term. There have been a variety of definitions written about sustainability, and one writer, John Pezzey (1989) has found over sixty definitions. Sustainability has become a catchphrase that has gained widespread

¹⁴ According to Tosun (2000: 620) tourism and the bodies responsible for authorization of tourism investment and incentives are not accessible for the majority of indigenous people in local tourist destinations. They are accessible for the rich and educated elites, indicating there is a big communication gap between communities and decision-makers

support and interest, partly due to its imprecision, and again, due to its imprecision, it has received criticism from its detractors (Wall 1997: 34). Sustainability has attracted the interest of tourism researchers and of those involved in the tourism industry.

Sustainability, or sustainable development, is defined by the United Nations Brundtland Report, *Our Common Future*, as “Development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (Drumm and Moore 2002: 96).

Butler (1993:29), who is viewed as one of the most articulate critics of sustainable tourism, has defined sustainable tourism as “tourism which is in a form which can maintain its viability in an area for an indefinite period of time” (Wall 1997: 44). Butler contrasts the above mentioned definition and defines sustainable development in the context of tourism as:

“Tourism which is developed and maintained in an area (community, environment) in such a manner and at such a scale that it remains viable over an indefinite period and does not degrade or alter the environment (human and physical) in which it exists to such a degree that it prohibits the successful development and well-being of other activities and processes.” (Butler 1993: 29)

According to Gössling (2003), most scholars involved in island development agree to this sustainable development definition as most appropriate for sustainable tourism (and the very fact that development should be sustainable).

But is there a difference between sustainable tourism and sustainable development? Wall (1997) argues that there is a critical distinction between sustainable tourism and sustainable development, and it has not been grasped by many advocates of sustainable tourism (p.44). Wall explains that it is essentially a distinction between a single-sector and a multiple-sector approach to development. The definition of sustainable tourism is more of a tourism-centric

point of view that places emphasis on the perpetuation of tourism to the neglect of other potential uses of scarce resources. On the other hand, the definition of sustainable development acknowledges that tourism is unlikely to be the sole user of resources and that a balance must be found between tourism and other existing and potential activities in the interests of sustainable development. For the purpose of this thesis, Butler's definition of sustainable development will be used interchangeably with sustainable tourism as it allows for trade-offs between sectors, which makes it most appropriate for small island destinations that should consider multiple sector approaches.

One of the most important challenges arising from the goal of sustainable tourism development, using the definition above, is destination planning and management. Conventional tourism development regards culture and environment as a free resource to exploit and deplete (e.g. Robinson, 2000; Jamieson, 1998). Tourism is generally an industry that is encouraged by short-term results, as in visitor arrivals this season versus arrivals in the last comparable period. The industry also survives by growth, so marketing, usually seeking to increase visitors without much regard to environmental responsibility, is seen as the key to solving many problems concerning arrivals. Research results into the impacts of tourism are increasingly pointing to the fact that the traditional market-driven approach to tourism planning does not always provide the most appropriate focus (Dredge 1997: 362). Therefore, tourism industry stakeholders especially in island resort destinations like Guam must keep in mind that some form of intervention is necessary to protect the environmental assets on which tourism is based. There needs to be a balance of minimizing negative social and cultural impacts, while maximizing the economic benefits that tourism can bring to the community.

The question of how to achieve “sustainable development”—a term implying social, environmental, economic and political dimensions as well as continuous change—remains an object of debate. Although the latest development approaches seem to encompass all dimensions of sustainability, they may in reality still primarily be economic and ecological in character, with some attention given to cultural and social aspects (Gössling 2003: 16). Some of the problems that have been recognized in the realm of sustainable development include marginalization of people, government ineffectiveness, socio-economic inequality, large-scale planning, and dependency, among many others. In this research, the Environmental, Political, Cultural, and Economic dimensions will be examined as they relate to sustainable development and tourism collaboration in small island tourism environments. The first dimension to be covered in the next section is the Environmental, and will include literature that applies to the small islands` perspective.

The Environmental Dimension

Collaboration plays an important role in maintaining the sustainability of a tourist destination (Jamal and Getz, 1995; Lane 1994). From a small island perspective, sustainability in the environmental context takes on an even greater significance due to the limited resources associated with small island destinations. Tourism is one of the major factors contributing to environmental change, often competing with traditional activities for scarce natural resources, such as land, fresh water, timber or marine edible species (Gössling 2003: 7). It is generally accepted among tourism scholars that maintaining tourism activities in destinations, particularly resort areas, do not have to lead to destruction, but through collaboration policy-makers and planners can promote sustainability (e.g.

Jamal and Getz, 1995 and 1996; Lane, 1994). Plog (1972) expressed concern about what appears to be an inevitable sequence of decline of resort areas:

“Destination areas carry with them potential seeds of their own destruction, as they allow themselves to become more commercialized and lose their qualities which originally attracted tourists” (Plog 1972: 4).

This decline is not inevitable if there is sound planning and management to hold the downturn in check. This, of course, is not an easy task but is attainable in a changing world. In *Sustainable Tourism in a Changing World*, Pigram and Wahib (1997) emphasize the theme of change that is constant on the tourism scene and discusses change in the context of Global Geopolitics, Socioeconomic Fluctuations, Technological Innovations, and Environmental Change. The authors stress the importance of industry leaders to cope and even embrace change; however, they point out that environmental considerations may ultimately prove to be the most persistent and demanding through time (1997: 29). Because the changes brought on by human intervention in small island environments are often sharp and harsh, these are likely to result in a negative response from the community. This is an important consideration, as the authors state that more and more, community and public industry sector support for tourism development is likely to be conditional on the industry entering into partnership to pursue ecologically sustainable forms of tourism (Pigram and Wahib 1997:27).

This section reviews literature on the environmental dimension of collaboration with a focus on small island tourism destinations. Ample literature is available on various topics of island tourism, but the emphasis is usually on larger nation states and territories with large populations. Although tourism-related research has been conducted in small island environments (e.g. Beller, 1990; Briguglio et al., 1996; Hampton, 2005; Henderson, 2001; Gössling 2003;

McElroy, 2006), the depth of resources available on small island tourism is still limited, with the focus primarily on sustainability and developmental issues.

What classifies a place as a small island is subject to interpretation, as we see a variety of definitions given to this designation. Arbitrary definitions have given, usually based on factors such as geographic size, population, or national income. The term “small island state” has been described as a state covering generally less than 1000 square kilometers and with a population under one million (Bass and Dalal-Clayton 1995:9). Others studying Caribbean tourism have defined small islands as those that have populations of fewer than 500,000 (De Albuquerque and McElroy 1992). For the purposes of this paper, “small islands” will refer to the useful definition set at the “Inter-oceanic Workshop on Sustainable Development and Environmental Management of Small Islands”, Puerto Rico, November 1986, that sets these islands apart from micro-states within continental land masses. Small islands can be defined as having a small land area (10,000 square kilometers, or 6,210 square miles or less), and a population of 500,000 people or less (Beller 1990).

Ecotourism and Collaboration

As mentioned in the introduction of this thesis competition in the tourism industry is fierce and destinations are no longer in a seller’s market (Buhalis 2000). This is true even for well-known destinations like Hawaii, where tourism officials must also compete with other destinations for market share. When discussing environment and sustainability, many residents of island nations and territories will point to Hawaii and use Honolulu as an example of over-development. With Hawaii’s focus on a single industry system, tourism is viewed as taking the same path as the other single industry of sugar in the past, and many

residents both in Hawaii and Guam have voiced their opinions about the need for other industries. When market share of overseas visitors starts to dip, the effect is felt by all residents no matter whether they are directly or indirectly tied to the tourism industry. Slipping down in market share is often viewed as a need to work oneself and the environment even harder to make the same amount of money (Lane 2001: 4). This of course can lead to destroying the environment that is what is attracting the visitors in the first place.

The problems that Hawaii's environment is facing can be related to the *Tragedy of the Commons* (Hardin, 1968). Even if an activity is supposedly good for the environment, like ecotourism, if an excessive number of people participate in it, it will have a detrimental affect on the environment. What exactly is ecotourism? Ecotourism is a relatively new concept and has had a variety of definitions, leading to an often misunderstood or even misused concept. It was first heard in the 1980's and because ecotourism has grown in experience and awareness, its definition required a new comprehensive one that would be accepted by organizations around the world. The definition by the World Conservation Union (IUCN) adopted the following definition in 1996:

“Environmentally responsible travel and visitations to natural areas, in order to enjoy and appreciate nature (and any accompanying cultural features, both past and present) that promote conservation, have a low visitor impact and provide for beneficially active socio-economic involvement of local peoples.” (Drumm and Moore 2002: 3)

In addition, the following elements are crucial to the ultimate success of any Ecotourism efforts. Ecotourism must:

- have a low impact upon a protected area's natural resources; involve stakeholders (individuals, communities, ecotourists, tour operators and

government institutions) in planning, development, implementation and monitoring phases;

- respect local cultures and traditions; generate sustainable and equitable income for local communities and for as many other stakeholders as possible, including private tour operators;
- generate income for protected area conservation; and educate all stakeholders about their role in conservation (Drumm and Moore 2002: 3).

At the same time, care must be taken not to give the impression to residents that ecotourism is only burdening the community. In Hawaii, there is this perception among many of the residents. Crandell, et al. (1997) argue that “Hawaii’s so-called ecotourism industry has only led to unbalanced economic development and grossly inflated housing and living costs. The state’s booming tourism industry now creates mostly low-paying jobs servicing tourism, while burdening many local residents with low wages, expensive housing and cost of living 38 percent higher than on the mainland” (Crandall et al., 1997)¹⁵.

The authors suggest that new forms of tourism must be found for Hawaii, and that these new forms of tourism must be decentralized and small, in order to minimize its impact on the natural and human environment. This is consistent with their belief that Hawaii is a perfect place to initiate this new form of genuine eco-tourism that can attract environmentally sensitive, learning-oriented travelers. Other recommendations include education of tourists to make them aware of the dangers their human activity causes, and finally small group management where

¹⁵ Although not linked to ecotourism, Guam had also experienced a meteoric rise in housing costs in the late 1980’s. However, this was only until Japan’s bubble economy burst, further illustrating how closely tied Guam is to the economy of Japan.

the number of tourists visiting certain areas can be monitored (Crandell et al. 1997).

Ogata (2004) has written extensively about the factors necessary for the mechanism of ecotourism and points out that true Ecotours are managed within the carrying capacity, while “False Ecotours” are operated over carrying capacity and fit in the designation of mass tourism instead of ecotourism (Ogata 2004: 23). Guam and other destinations may have a number of tours being touted as Ecotours, but the guidelines for that designation are either vague or non-existent in so many destinations that it one cannot know why the tours are categorized as Ecotours.

Despite all that has been presented about the downside of what is commonly referred to as ecotourism, it should be noted that sustainable tourism could include ecotourism. While ecotourism concentrates on people looking at nature and natural landscapes and traditional societies, the concept of sustainable tourism also includes ways in which to handle mass tourism. Unfortunately, the socio-cultural and environmental effects of tourism are not always understood or are poorly recognized by individuals in government and national tourism organizations. This is because the primary responsibility is promotion rather than protection for many of the stakeholders working in these organizations in many destinations, including Guam. Lane (2001) sums it up best when he writes, “Sustainable tourism is a concept designed not to stop tourism but to manage it in the interests of all three parties involved—the host habitats and communities, the tourists and the industry itself. It seeks a balance between development and conservation. It seeks to find the best form of tourism for an area taking into account its ecology and its culture. It may mean limits to growth, or in some cases,

no growth at all. It seeks not just to plan for tourism, but also to integrate tourism into a balanced relationship with broader economic development and with conservation goals. A well thought out long-term vision is essential. That vision should be “thought out with the people, not just for the people” (Lane 2001: 3).

Accidental or Unplanned Growth?

Stakeholders on Guam will benefit from reviewing case studies involving “the accidental growth of places like Acapulco and Puerto Vallarta, growing without any planning and any looking at the future” as described by John McCarthy, chief of Mexico’s National Tourism Development Fund under President Fox (Weiner 2001). For the past 30 years the number of visitors from overseas has been growing fast in Mexico, at 7 percent a year since 1994. The industry generates an estimated \$9 billion in foreign revenues to Mexico this year, rivaling oil as a source of national income. Just as in the case of Guam, the importance of the tourism industry to the economy cannot be denied. However, in the case of Mexico, development at times has been undertaken without license and occasionally facilitated by bribery. This has resulted in destruction to the environment with little regard to regulations imposed by law. The significance of this study is that it examines aspects of development that are not only unique to Mexico, but also have the potential to occur in a number of other resort destinations. This must be kept in check by Guam stakeholders to avoid the obvious environmental problems and, as a result, having tourism labeled as the privileged industry that ignores balanced development programs that are in place for other economic activities.

The case study of environmental issues on Boracay Island in the Philippines suggest that understanding contextual factors such as effects of

history, markets, culture, legislation and politics is essential to planning for sustainable tourism development (Trousdale 1999: 1) In the case of Boracay, the small and fragile ecosystem is put through a lot through the tourism-area life cycle, with all the sewage, smoke from burning plastic bags and plastic water bottles, construction debris, illegal dynamite and cyanide fishing, and others. However, as a resort destination, the island must be beautiful as the tourists expect it to be. Boracay has been resilient despite the above factors but a downturn in arrivals from 1997 indicates that some of the tourists are looking to other destinations. In this study, Trousdale states that “many of the locals are willing to push resiliency to the limit, as many are more concerned with outside ‘experts’ telling them their home is dirty than the fact that it is” (Trousdale 1999:12).

Many locals in Boracay have been continuing to have a strong attitude of denial even after a major June 1997 water contamination crisis. Trousdale states that because tourist arrivals are still strong, it seems possible for the locals to continue to ignore the fact that their island destination is experiencing a number of major environmental problems related to overcrowding. The attitude among local leaders in Boracay that may be mirrored in other small island destinations is one that suggests that unless a major calamity scares the tourists away, as in an epidemic, it will continue to be business as usual. The attitude is that if the profits are still good, it would be best not to admit there is a problem that may hurt the image, which would lead to hurting the economy. Is this attitude prevalent with Guam’s tourism industry stakeholders? How do Guam’s tourism industry stakeholders view environmental issues? Trousdale’s (1999) study provides a perspective to consider how the situation may be on Guam.

Collaborating for Conservation

What is the relationship between tourism and biodiversity? Vaughn (1994) demonstrates the need for collaboration with tourism industry leaders for sustainable funding. Conservation increasingly requires financing outside of the traditional channels of public sector and voluntary contributions. A viable and logical source of funding can be nature tourism, due to the growth on the industry and the industry's links to ecological diversity. Conservationists have hesitated to see nature tourism as a natural partner due to their own defining principles and requirements. If conservation and tourism are to work more closely together, there is a need that each understand the other's objectives (Vaughn, 1994). Both tourism and conservation have common points of interest, but different priorities, making this partnership a challenge. To engage with the tourism business, Vaughn suggests that conservationists need to understand more about how business operates, without necessarily becoming businesspeople themselves (1994: 297). However, is there not a need for businesses to have people educated on conservation issues for sustainability of the tourism industry? The author fails to mention the education of the business sector on conservation issues, ignoring an important facet of a workable partnership.

Forsyth (1997), in *Environmental Responsibility and Business Regulation*, writes on environmental regulation of business activities, and discusses the adoption of voluntary practices of environmental responsibility as a form of environmental regulation. The author applies this to tourism using a survey of 69 companies and institutions in the UK outgoing tourist industry. Findings of this research indicate that because ultimate responsibility for change lies with host governments via legislation, the practices adopted by business tend to be weak

regulatory instruments. Forsyth contends that environmental protection may enhance business performance if voluntary practices could differentiate the mass-market travel packages and allow companies to compete on factors other than just pricing. The significance of this study is that it shows that environmental practices may lead to commercial advantage, if adopted proactively. The study indicates a need for further study on common ground between regulators and business, a better form of collaboration where there is shared responsibility for “free-rider” companies. These free riders are companies not willing to adopt practices due to the belief that they may be able to operate at lower costs and gain competitive advantage in the marketplace. This results in the apparent paradox of industry representatives calling on the government to pass legislation to enforce compliance to voluntary regulation measures.

A proactive approach to sustainable tourism may allow the redefinition of tourism away from stereotypical images which are not helpful to development—market-led demands for ecotourism or ethnic tourism may reinforce such unhelpful images, but also be considered “environmental” by misinformed companies and consumers (Forsyth 1997: 279). Therefore, the achievement of sustainable tourism may depend in discourse of both campaigners and industry in order to identify common ground more easily, and to communicate this more effectively in the marketplace.

Summary

This section reviewed the environmental dimension of partnerships and collaboration, divided into the areas of Ecotourism and Collaboration, Accidental or Unplanned Growth, and Collaborating for Conservation, all in the context of the tourism industry with a focus on small island destinations.

In the introduction to this section, Pigram and Wahib (1997) examine the need for better working partnerships, with the community and public sector working closely with industry personnel, in the changing world of tourism to maintain ecologically sustainable forms of tourism. The definition for small islands as it applies to this thesis was also presented in this section.

In Ecotourism and collaboration, the IUCN definition for Ecotourism was reviewed prior to an examination by Crandell et al.'s (1997) view of the form of Ecotourism being offered in the state of Hawaii. Lane's (2001) views on the importance of ecology and culture in sustainable tourism add to a well-rounded view of how genuine Ecotourism should be as opposed to the "false Ecotours" described by Ogata (2004) in his research on Ecotourism.

Accidental or Unplanned Growth examines examples of destinations where collaboration among appropriate stakeholders was less than ideal. Weiner (2001) presents what consequences await destinations that go about development without thorough planning as in the Mexican resorts of Acapulco and Puerto Vallarta. Trousdale (1995) examines the Pacific island of Boracay, located in the Philippines, illustrating how economic realities can have a strong influence on local leaders to either recognize or deny environmental issues.

The section for Collaboration and Conservation reviewed literature on ways to improve conservation measures through collaboration. Vaughn (1994) argues that the traditional sources of funding for conservation efforts are not enough and that the natural partner for conservationists is the tourism industry, and as such a stronger partnership through understanding should be pursued, calling for better collaboration between conservationists and businesses. In his examination of voluntary practices of environmental responsibility as a form of

environmental regulation, Forsyth (1997) calls for stronger business and government partnership, and argues the need to move away from the stereotypical images encouraged by market-led tourism for the achievement of sustainable tourism.

The Cultural Dimension

Collaboration in the tourism industry must not neglect the discussion of cultural considerations, not only for the benefit of tourists desiring a cultural experience in a destination, but also for local residents. Because of the sensitive and irreplaceable nature of cultural (and heritage) resources, there is a need to balance the satisfying of tourists' interest and enjoyment, spurring the economic and social development, and enhancing cultural values (Jamieson 1998: 65). This section will review collaboration in the context of the cultural dimension and will identify work most relevant to this research.

Culture and Collaboration

One point that must be mentioned on the topic of culture is that it also travels, just like people do. We cannot expect culture to remain unchanged over time and to be totally unique. Urry argues "cultures do not exist in a pure state, hermetically sealed from each other, and possessing a clear and distinct essence" (1999: 6). Especially in the case of post-colonial cultures, we see the effects of mobility. These cultures are impure resulting from the colonizers who made their way through that particular society and the influence they had on the indigenous peoples that were the subjects of the colonizers. Urry adds that such cultures are impure and hybrid resulting partly from mobility (travel); and as such they do not possess a culture that is much different from the kinds of culture that tourists

consume. These cultures are produced and reproduced by virtue of their apparently different mobility (Urry 1999: 6). Tourists may recognize aspects of a destination that are very similar to theirs due to this mobility of cultures. Stakeholders in destinations must recognize this--that outside influence on an indigenous culture is inevitable, and be realistic in establishing strategies for maintaining certain aspects of traditional culture for the benefit of both residents and visitors.

Keeping Urry's point about the mobility of cultures in mind, are cultural views being adequately addressed in the topic of sustainable tourism? Robinson (1999) argues that the discourse of sustainable tourism has yet to significantly address the cultural basis that frames our perspectives on the environment-economy relationship. Robinson also argues that in attempting to address the cultural dimension of sustainable tourism, collaboration is not only a useful mechanism for problem solving, it is also a legitimate and important policy goal of sustainable development. Finally, Robinson adds, in recognition of a current lack of intragenerational equity and justice, collaboration is unlikely to be on equal terms, but it nevertheless requires the underpinning of cultural consent if it is to conform to the meaning and spirit of sustainable development (2000: 380). Robinson points to these views that make collaborative discussions cultural groups a challenge and as a result lead to little attention to culture in articulations of sustainable development: Culture is just another tradable commodity; the cultural dimension is problematic to measure; and Culture is difficult to articulate in policy terms.

In small island destinations, there is a need to assess if the views of the indigenous people concerning the environment being considered to shape tourism

development. Robinson's view that because of the way tourism commodifies and utilizes environment and culture, its pervasiveness, and its power to influence global environmental and sociocultural change, it needs to be guided by the sustainable development paradigm more than any other sector of industrial activity (2000: 392-393). His views on collaboration through gaining the consent of cultural groups and granting them the right to define a tourism which meets cultural, as well as economic and environmental needs, are valid for small island destinations that rely on culture as part of the tourism product.

The impacts of colonialism on Pacific island life varied across time and territory, with some indigenous inhabitants paying a dreadful price for colonial expansion, while elsewhere, populations and cultures were more resilient or had less aggressive invaders (Harrison 2004: 3). In *Cultural Heritage and Tourism Planning*, Jamieson (1998) reviews the urgent need for coordinated effort among various entities for preservation. This issue in the context of small islands warrants examination, as vestiges of culture are fast-disappearing from unique island cultures, like in the small islands of Yap (Kuwahara, 2001). Jamieson examines cultural heritage tourism, defined as travel concerned with experiencing the visual and performing arts, heritage buildings, areas, landscapes, and special lifestyles, values, traditions and events (1998: 65). Managing cultural and heritage resources as tourism attractions involves a number of different perspectives, and Jamieson names a number of these, but the perspective of "enlightened community involvement and an understanding of partnership approaches" (1998:65) is an important one relating to this thesis.

Jamieson sees the recognition of the potential of cultural resources for economic development as an encouraging sign. However, he warns that improper

treatment of cultural resources, especially if there are seen only as a tool for economic development, can lead to their destruction and even threaten the economic well being of a community. Most importantly, heritage should be seen as a cultural resource rather than as a commodity (Jamieson 1998: 66).

Although Jamieson does not directly call for a stronger public role in tourism planning and development, he does state the need for better coordination to preserve the assets that are in place today that make up the elements of cultural heritage tourism. If preservation for future generations is to be realized, conservation communities and tourism interests should have a long-term view in planning and heritage resources protection (Jamieson 1998). The message from Jamieson's paper holds significance in that many of Guam's valuable cultural assets are currently unavailable to the public, requiring coordination and planning between all stakeholders to preserve and showcase these assets for future generations.

A review of culture and tourism in Yap (Kuwahara 1999) provides an example of how important balance is in small island communities, where residents are struggling for economic self-sufficiency and working to minimize potentially negative social factors associated with tourism, while trying not to lose traditions tied to culture. Yap is located in the Western Pacific stretching from 6 to 10 degrees North Latitude and 137 to 148 degrees West Longitude in the Western Caroline Islands. Yap is one of the four States that make up the Federated States of Micronesia and is approximately 720 kilometers southwest of Guam and 580 kilometers northeast of Palau. Yap State consists of 134 islands and atolls of which 22 are populated. The main island of Yap is made up of four high volcanic islands and accounts for 62 of Yap's total 78 square kilometers of land area.

Colonia, the State's Capital and commercial center, is located on the main island. Most of the outer islands stretching nearly 960 kilometers east of Yap Island are coral atolls and are sparsely populated by people different from the Yapese in culture and language.

Tourist arrivals are currently at around 10,000 per year and according to *Asian Development Outlook 2005* published by the Asian Development Bank, Dive tourism is a consistent draw for visitors, with the three main dive hotels reporting occupancy rates of more than 80 percent. However, other tourism activity has been weak and occupancy rates at other hotels are typically less than 40 percent. Just as is the case in many small island destinations in the Pacific, the high cost of airfares relative to other regional destinations remains a major constraint on tourism (Asian Development Outlook 2005: 201).

In his case of Yap, Kuwahara (1999) reports that a variety of changes have been occurring in village life as compared to that of a few decades ago. Yap has experienced population decrease in rural areas, and as a result, political and religious privileges as well as lands have passed into the hands of the small number of remaining people through various paths of inheritance. This is of critical importance because basic unit of life in Yap society is an estate called a *tabinaw*¹⁶, which is a piece of land with a central stone foundation known as a *dayif*¹⁷. In Yap, land is equated to power and every estate is ranked accordingly. The rank of each estate and the Yap seniority system help to determine how high a

¹⁶ Yapese term for landed estate. It is also used for the traditional Yapese family unit that is a patrilineal group (not matrilineal as in most other parts of Micronesia). The family unit ideally consists of an older couple, their children and sometimes their married sons' children. Married daughters ordinarily leave to take up residence on their husband's land (Micronesian Seminar 1998).

¹⁷ Raised stone platform used for a home or a central stone foundation.

political and religious status can be established for an individual. In addition, a *tabinaw* is an independent unit of food resources with each *dayif* providing a set of natural resources, such as taro patches, yam gardens, coconut trees, fishing sites, as well as land for housing.

In his case study, Kuwahara mentions the following changes that have occurred in recent years in the Rang village in Fanif municipality:

- “1) Every villager is now wearing clothes.
- 2) The number of younger people is again increasing in rural areas.
- 3) Young people prefer to eat rice rather than taro. Instant noodles and canned foods are increasingly popular among them, and food life has here been changing steadily. People are buying fresh fish more often than before. In the old days, children used to eat together with their mothers until they grew up, but not with their fathers. However, today, children are eating together with their father, too. Also, there was a rule in eating a fish. Every individual part of a fish ‘belonged’ to grandparents, parents, or children respectively. Today, there is no such rule, and anybody can eat any part of the fish. Furthermore, the garden plots which were once divided into men’s plots and women’s plots, now no longer are.
- 4) People used to walk in a row on the road, and they used to hold some leaves or a small tree branch in their hands when they went out alone. Also when children walked in front of the elders, they used to bend their bodies forward respectfully, and they had to be quiet in the village. Today, however, none of these customs are kept up anymore.
- 5) People think that life today has become very convenient, comfortable and easy, much better than before. Especially, road transport is very convenient. However, people also think that the old life was really better for some because all could live without money. Today, life is very hard without money.
- 6) People used to show respects toward elders and other people’s property. They did not enter onto other people’s land without permission. Today, because of ‘democracy’, there is less respect towards others.
- 7) Jobs in town, such as for day laborers or hotel boys, have increased, and more people are becoming employees.

8) Most young people have TVs, and almost all households have a telephone. The number of those who own a car has also increased greatly.

9) The number of children who study abroad or join the military is increasing. People are having more opportunities to use money sent by their children.”

(Kuwahara 1999: 15-16)

Kuwahara describes the many changes that can be seen in Yapese life, but village life is still basically the same. It is mostly self-sufficient, and the main “unit of life” is still the *tabinaw*, with the land system still playing a key role in village life. What Yap faces is pressure to change the way of life that was self-sufficient based on the traditional customs and family units. With the availability of globally acceptable currency, small village communities in Yap are seeing changes as described above. Yap is best known for its stone money, but recently the sport of diving is becoming Yap’s main attraction. It is quite interesting to note that modern-day money is partly the cause for the loss of some of Yap’s traditions that were tied so closely to trade between the islands.

Yap is well known for its giant Manta Rays that divers can observe and swim with in the waters. It is very difficult to meet with Mantas as frequently and as closely in most dive sites in the world. The Yap environment allows for encounters with large Mantas easily, often more than a dozen at a time. Yap’s waters are a popular destination for Japanese divers, and as a result of this popularity, a number of hotels with dive shops have opened.

A variety of tours are available for tourists, including village tours and other cultural tours. However, most Japanese tourists travel to Yap for diving and there are few Japanese visiting Yap only for the purpose of cultural tourism. While in some destinations, tourism has encouraged a rebirth of cultural tradition,

in the case of Yap culture still plays a minor role in the tourism sector. Cultural tours make up just a small option for most of the divers who spend almost all their time on diving. Tourism promotion in Yap is not viewed in a very positive light, except in small villages where income generating opportunities are available from activities like stick dancing. Unfortunately for Yap's tourism industry, there are a number of community leaders who try to deny the value of tourism and appeal for control of tourists coming in. These leaders are concerned about the disintegration of Yap culture through tourism and stress the need for control of tourism in order to avoid negative influences, such as the influx of drug problems (Kuwahara 1999:22).

Unfortunately, Kuwahara does not include in his paper the degree of involvement of local Yapese residents in the tourism planning and visioning process, a critical component for buy-in (Ritchie 1993). An overview of planning and decision-making processes that have resulted in the situation confronting the Yapese would have enriched the findings in the Yapese study, but perhaps can be reviewed in a future study.

As tourist destinations, Yap and Guam are quite different in a various ways. One of the most obvious is that Guam receives approximately fifteen times the number of tourists that Yap receives per year. However, Guam's tourism industry stakeholders can examine the case study of Yap and learn about the complexities in minimizing negative social factors and balancing traditional customs and culture, while working towards economic self-sufficiency.

Authenticity and Collaboration

The economic value of cultural and ethnic resources remains a strong argument for governments of both developing and developed nations seeking to

develop tourism. In developing economies that have little or no natural resource base, the only recourse may be to utilize a community's ethnocultural resources to stimulate the economy via tourism. However, although culture and economy are clearly interrelated, culture should not be dealt with in conventional economic terms. When culture is viewed in this way, it "endorses the view that living culture is 'just another commodity'; tradable, substitutable and separate from the natural environment" (Robinson 1999: 383). This section will examine literature on commodification and authenticity of culture, as they relate to collaboration in the tourism industry.

For a look at cultural tourism and how, what is often referred to as "traditional culture" is often developed by outsiders, Yamashita and Eades' (2003) *Bali and Beyond* provide a concise view of the important relationship between culture and tourism. The central part of the book presents a detailed case study of the island of Bali in Indonesia and traces the development of tourism there during the colonial period. The book also reviews the ways in which "Balinese traditional culture" was developed first by western artists and scholars during the colonial period, and more recently by Balinese government officials in the guise of "cultural tourism." The general theme of the "presentation of tradition" is also discussed in relation to Toraja funerals in the Indonesian province of Sulawesi, western visitors to the Sepik River in Papua-New-Guinea, and the small city of Tono in northern Japan, which has become a center for the study of folklore. The authors suggest that tourism leads not to the destruction of local cultures, as many critics have implied, but rather to the emergence of new cultural forms. Have new cultural forms emerged on Guam since large numbers of tourists began arriving in the 1970's? If so, is this considered "authentic"?

Picard (1990), in his study on cultural tourism of Bali, writes about the dilemma of how to use culture to promote tourism without debasing culture in the process. Picard argues that the Balinese have adjusted to the tourist invasion of their island just as in the past—taking advantage of the appeal of their cultural traditions to foreign visitors without sacrificing their own values on the altar of monetary profit (1990: 37). Picard argues that Bali is not merely a victim, being hit by the external forces of international tourism, but it is more involved in a process transforming Balinese society from inside and that tourism has become an integral part of Bali's culture. The Balinese authorities decided to merge their cultural and tourist policies, and this decision led them to assimilate their respective objectives (1990: 73). Being that Guam has been a hub not only for international tourists, but also for other island residents, Guam's tourism industry stakeholders may benefit from reviewing Bali's example as presented by Picard.

Discussions about product development for destinations often include the presentation of ethnic or cultural representations to tourists, encouraging the view of commodification of culture (e.g. Robinson, 2000; Jamieson, 1998). Surprisingly, the viewpoints of residents on this matter have not been gathered on Guam. Guam's local newspaper, the Pacific Daily News, presented an interesting view of Guam's tourism product from an influential Guam resident. Former Delegate to the U.S. House of Representatives, Robert Underwood, was recently in Okinawa as a guest of the Japanese Government to participate in a conference on sustainable development in tourism for Okinawa. He wrote an opinion piece entitled *Product Development Takes Soul-Searching* in the Guam newspaper about the issue of product development in Hawaii, Okinawa and Guam, and one of the ways in which Guam can improve its product. He wrote,

“In a curious way, the three island entities have followed a similar path in economic development. All three have military activity as a major part of the economy, and all three have to engage in "product development," highlighting the best features of their respective islands. All three have indigenous cultures, which they want to highlight, but there is concern about the authenticity of representing such cultures in mass tourism. How we present our best attributes to visitors and how we develop the product is a major concern when competing for the tourist dollar, yen or yuan. In the course of the discussion, one government official asked how Okinawa can compete with Hawaii when the weather is so much better in Hawaii, and for guidance on representing the local culture. I responded by saying, "You can't be what you aren't." (Underwood 2004)

Underwood went on to mention that Hawaii had been so successful with their model for marketing, that Guam has tried to copy exactly what Hawaii has used, and that is not a desirable thing to do—being something that you are not. Underwood used the example of an in-flight video used for passengers flying into Guam, which showed mostly hotels, nightlife, massages and the Pleasure Island district. He concluded his commentary by presenting some very valid points—you cannot be something that you are not, it is extremely difficult to beat someone who is established at their game (gambling, conventions, etc.) and research is important in finding out if a marketing concept is going to work. Underwood’s points support the need to have a clear vision for Guam’s tourism industry in guiding all stakeholders to understand what Guam is and what it is not as a destination. It also points to a need to study residents’ perceptions of Guam’s representation of culture in the tourism industry.

Visitors’ perception of Guam as a destination has had some attention, especially from organizations like the Guam Visitors Bureau and Market Research & Development that conduct visitor exit surveys and some results of these surveys are presented in this thesis. An insightful 2003 study conducted by Tourism Association of Guam (TAG) comprised of University of Guam tourism students

examined how Guam was viewed as a destination by Japanese travel industry personnel. The group attended the 2003 JATA World Tourism Congress and Travel Fair. Upon returning to Guam, the TAG representatives took an inventory of Guam's tourism products so that a thorough comparison could be made between Guam's identity and the image being projected at the Travel Fair and via Guam's official website. This effort was also being made for an accurate evaluation of Guam's branding strategy.

As part of this project, Bali, Hawaii, and the Philippines were selected for review. These destinations were selected based on a public opinion poll presented in a September 2003 issue of Guam's newspaper, the Pacific Daily News. This poll showed that the people of Guam saw these three destinations as the top three threats to Guam's tourism industry. Close attention was paid to these destinations at the Travel Fair and the group reviewed each of their websites. An evaluation of their strengths was made so that they could be considered in making suggestions for improving Guam's strategies.

The TAG group found that the vast majority of what Guam has to offer are an array of man-made and natural attractions, none of which makes Guam unique (Pangelinan, et al. 2003:10). Of Guam's cultural and historical attractions, only 16 percent are relevant to what makes Guam unique. Of that 16 percent of those Chamorro attractions that make Guam unique, the majority is not easily accessible and very few travelers, if any, ever visit them. Examples include Pagat Cave and the Merizo massacre sites. Two other Chamorro attractions include the Chamorro Village and Two Lover's Point, both of which are more commercial than cultural. Village fiestas do not happen often enough for many travelers to experience them. The only Chamorro attraction that really gives travelers a true Chamorro

experience is Gef Pago, a Chamorro-style cultural village located in the southern portion of the island.

This study revealed that although there are some establishments that are making efforts to integrate Guam's culture by featuring Chamorro cuisine and Chamorro dances rather than Polynesian, these establishments are in the minority. Considering all of this, it appears that Guam is not prepared to cater to travelers who are looking for unique experiences. Guam is no different from its competitors, considering that it offers the same type of tourism products. Many tourists view Guam as having an American culture instead of a unique Chamorro culture and it is widely known that the feature that really makes Guam attractive to tourists from Japan is its location. Knowing that they only have a few days of vacation time helps travelers decide to go to the nearest resort destination. Thus, Guam's proximity provides an advantage over competing destinations without the need to invoke culture to establish uniqueness (Pangelinan, et al. 2003:10). The place of culture in the visioning process is one that must not be neglected if the Island wishes to establish Guam's uniqueness as a destination irrespective of location.

Students making up the TAG group present the following recommendations, all valid points to be considered when both public and private sector stakeholders collaborate to establish the all-important vision, or guidelines for the future of Guam's tourism industry:

1. We need to discover who we really are and be aware of our uniqueness. We need to celebrate that uniqueness rather than sell ourselves short.

2. We need to make up our minds on who we want to be. Are we still developing attractions just because they make money? Is that not why we are such a generic destination? We need to understand

that what makes us unique is actually an advantage that we should use.

3. We need to take pride in our unique culture and heritage. We should not separate culture and heritage from other areas of the industry. We should integrate them. We need to let every experience a tourist has remind them that they can only experience that on Guam.

4. We also need to show that we have our priorities straight and can take care of ourselves. We need to take care of our water system, the Ordot landfill issues, education, and health care services. There are jokes all the time about corruption, how bad our roads are, how bad our power and water systems are, and so on. It is sad, but it is true ... and it is in the media. If we cannot provide good services and infrastructure for ourselves, how can our travelers expect us to provide it for them? What impression do we leave visitors with when they see the streets and sidewalks of Pleasure Island fill with up to a foot of water when we are hit with heavy rains? What impression do we leave them when they walk into our public restrooms? We will not go in them, ourselves, yet we expect our visitors to enjoy their experience here? Why is our workforce not at world-class quality? What are we doing to elevate us to world-class status?

5. We need to focus more on long-term sustainable growth rather than on immediate returns. Where is our plan for long-term sustainable growth? Are we still only concerned with how to make more money in the short-term? Perhaps, for the time being, we should hold off on considering attractions that have nothing to do with our identity and, thus, make us more generic. Are such attractions appropriate for the type of destination we want to be? Do we even know what we want to be?

6. We need to be realistic about what we can expect and focus on developing a unique, high quality destination that knows its limits, has a purpose for being, and can stand the test of time.

7. Finally, we need to remember that we are part of a regional community and can benefit from combined efforts. Competing alone against the world may not be as beneficial to us as joining forces with our neighbors to compete against the world. We have talked about it before, but is pride keeping us, and our neighbors, from committing any real effort to the Magnificent Micronesia concept?"

(Pangelinan, et al. 2003:12)

The recommendations presented above mirror concerns made by other authors mentioned earlier. These include the need to represent the unique culture

and heritage that is representative of Guam (Underwood 2004), the importance of public and private sectors working together to provide basic services for residents and tourists (Timothy1998; Tosun 1999, 2000), the need to focus more on long-term sustainable growth (Gössling, 2003; Jamal and Getz, 1995; Lane 1994); and the opportunities for collaboration in regionalized promotions of the destination (Timothy 1998).

Summary

This section began with Urry's (1990) claim that culture travels, just like people do, and therefore, is constantly changing. In that context, literature was examined on how collaborative efforts can result in a more balanced representation of culture. Robinson (1999) addresses the importance of indigenous peoples' views in shaping the environmental, economic, and cultural aspects in the tourism industry. Jamieson (1998) examines cultural heritage tourism and the importance of coordinated efforts from various perspectives to have a successful long-term strategy for the preservation of heritage and culture in destinations.

Kuwahara's (1999) case study shows how tourism has affected culture on one of Yap's islands, illustrating the importance of local involvement and buy-in into tourism planning matters. Yamashita and Eades (2003) and Picard (1990) present the case of Bali and the way tourism has helped shape culture not only from external influence, but also through internal development of new cultural forms. In literature specifically addressing the topic of culture in Guam's tourism industry, Underwood (2004) argues the importance of knowing what to represent in the cultural sense as a destination marketing to tourists. Pangelinan et al. (2003) also share this argument and make further recommendations for Guam's tourism industry to grow in a sustainable manner.

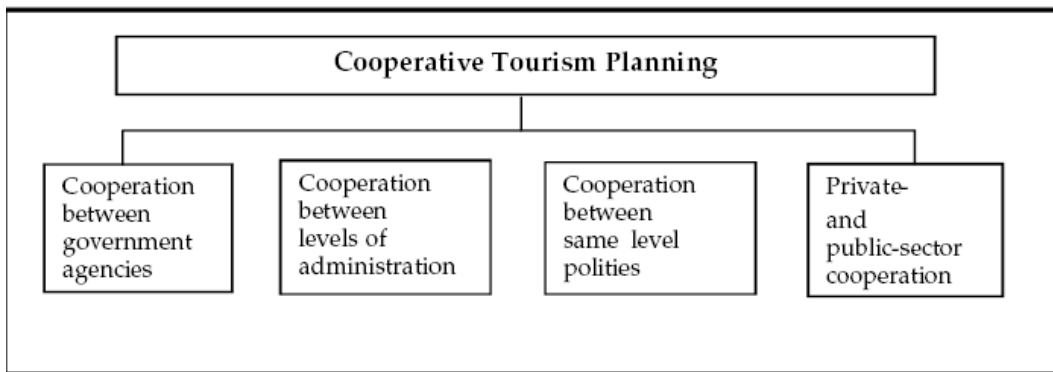
The Political Dimension

The political dimensions of collaboration in the tourism industry are of great importance due to the fact that it is not just faceless entities that require cooperation, but human interactions that can affect the outcome of integration efforts. It is now generally accepted by tourism scholars that unless local residents are empowered to participate in decision-making and ownership, tourism development will not reflect community values and will be less likely to be sustainable (Milne 1998; Timothy 2002). This sub-section will review collaboration in the context of social dimensions and will identify work most relevant to this research.

Before reviewing literature on the political dimensions of collaboration in the tourism industry, let us first examine the different types of cooperation as presented by Timothy (1998). At least four types of cooperation need to exist in order for successful integrative tourism development to occur as shown in the figure below (Timothy 1998: 54). These include cooperation between government agencies, cooperation between levels of administration, cooperation between same-level polities (governmental organizations), and private-and public- sector cooperation.

Timothy (1998), in *Cooperative Tourism Planning in a Developing Destination*, acknowledges the importance of not singling out tourism alone for development. Instead, it should be planned in conjunction with a region's broader development goals and tourism should be one element of broader regional development planning.

Figure 9. The Four Types of Cooperation Necessary for the Development of Successful Integrative Tourism



Source: Timothy, Dallen J. (1998) Journal of Sustainable Tourism

In areas where tourism resources are shared by one or more autonomous polities, including forms of government at any administrative level (e.g. national, provincial, or county), planning and cooperation can lead to successful tourism integration. We are now seeing more cross-border tourism planning in some parts of the world with neighboring international destinations working together to take advantage in the sharing of regional resources, as seen in the Greater Mekong SubRegion of South East Asia. (Sofield, 2006). Some destinations are beginning to promote day visits to areas in neighboring locales, and this is being done on a large scale within alliances like the European Union. Timothy informs us that this is also occurring on the sub-national level as in the Northeastern United States where the New England states (i.e. Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, and Connecticut) have begun a unique cooperative effort to market themselves together as a tourism region (Timothy 1998: 55).

In Timothy's research, he presents how the cooperative planning principles of cooperation between government agencies, between various administrative levels of government, between same-level autonomous polities, and between the public and private sectors, are not part of the planning practices in place in the context of Yogyakarta, Indonesia. In this work resulting from data collected via

interviews with stakeholders, it was found that sociopolitical factors are considered the most important reasons for the lack of cooperative tourism planning. Timothy states in this work that the Western version of cooperative planning principles does not always work in developing countries. Although it focuses on tourism in a large developing nation, this work provides an important view of how human environmental conditions could have a strong impact on the use of cooperative planning principles in small islands. As the author states, the model presented in this work might fit appropriately in some destination areas in both developed and developing countries and inappropriately in others. Additional research would be useful in refining this prescriptive model and in adapting it to other situations where complete cooperation might or might not be feasible (Timothy 1998:66).

Because of the high degree of interdependence, sustainable practices in the tourism industry can be more effective with involvement of the full range of appropriate stakeholders. Collaboration can allow stakeholders to develop a common approach to tourism policy-making and planning. A majority of tourism partnerships described in the sustainable development literature are cross-sector initiatives that often involve representatives from industry, government, and the voluntary sectors (Jamal and Getz, 1995; Lane 1994). Selin (1999) illustrates in his work that by better understanding the diversity of forms partnerships take in response to societal pressures, tourism managers can begin to design partnerships that provide the appropriate response to resolving intractable problems or taking advantage of significant opportunities. From primarily within a United States context, Selin (1999) discusses how partnerships are contributing to sustainable tourism development in his work and develops a preliminary typology of

sustainable tourism partnerships being convened or currently operating in the United States. Tourism scholars may find this a valuable resource to examine how these forms of partnerships may vary from other destinations, such as small islands. Selin, in his conclusion, tell us that emerging tourism partnerships must be monitored closely to ensure that their outcomes are truly sustainable and equitable in their distribution of benefits and costs (Selin 1999:271). No mention is made of how this can be done, but the study is beneficial in the sense that industry managers can learn from the experience of partnerships described in the study. This may help avoid some of the mistakes that often appear the early stages of partnership development.

A Need for Regulation?

For the existence of an industry like tourism, a large number of facilities and services are required for the benefit of tourists. Many of these, particularly in small island destinations like Guam, are owned and operated by individuals or private corporations. Unfortunately, governments of most islands follow strategies intended to spur continued, and often unlimited, growth in order to maximize the income from tourism (Gössling, 2003: 5).

However, tourism needs to be regulated, promoted, and developed, which are generally responsibilities that in most areas fall under government control (Hall 1994, 1999; Leiper 1994). Thus, cooperation between the private and public sectors is vital and even more so on small islands. This form of mutually beneficial relationship between the two sectors exists in most destinations, including Guam. The public sector depends on private investors to provide services and to finance the construction of tourist facilities. At the same time, private investors require approval and support from the government for most

projects. In some destinations, there may be a form of competition between the two sectors stemming from less-than-ideal relations. In developing countries, we tend to see governments take a more leading role in tourism development than in developed countries. In developed countries and territories, the tourism industry is usually shaped and is largely controlled by the private sector that tends to be attracted to the more stable environments that minimize financial risk. This appears to be the case for Guam where the stability and laws afforded to a U.S. territory are attractive to private businesses.

One of the more significant works that critiques current network concepts in collaboration is *Rethinking Collaboration and Partnership* (Hall 2000). Hall reviews the relationship between tourism industry and government, giving a clear argument on how “corporatist notions of collaboration and partnership in network structures may serve to undermine the development of the social capital required for sustainable development” (2000: 274). Hall reviews the classic clash between public interest and sustainability versus narrow, sectoral interests. In the age of privatization for efficiency, government roles are shifting more and more to the private sector, but Hall questions if this is good for tourism and society. This leads scholars and practitioners to ponder how the role of government in tourism can be based on the political and economic climate of the time. Although this study reviews this issue under the context of Western society and Australia in particular, its relevance is clear to small island nations like Guam where the private sector tends to take more of an ownership role in the tourism industry.

Although not specifically on collaboration, another important study reviews the role of government in tourism development. In *State Sponsored Tourism*, Richter (1985) examines state-level tourism director offices and their

functions and presents her findings gathered from lengthy questionnaires sent to directors of tourism in the fifty U.S. states, District of Columbia, and the five U.S. territories. (The results for Guam are not found in this study and Guam is not listed on the Comparative Analysis of State Tourism Budgets.) Richter claims that public administrators have not been sensitive to social and political issues that tourism may stimulate. (This does not necessarily hold true for small island tourism environments due to the nature of dependency on this industry in many destinations.) However, Richter's contention that monitoring tourism's impact has become an issue in only a few areas where major segments of the public have been aroused to question tourism's costs and benefits is worth noting (Richter 1985: 835). The social implications of greater involvement and/or collaboration of public sector tourism development are substantial in small island destinations where, in many cases, government currently plays a minimal role. The potential of tourism to contribute to heightened public pride, to better education, enhanced cultural facilities, and economic well-being is immense, Richter claims, and the public sector has a vital role to play in seeing that tourism's potential is realized (Richter 1985: 838). While Richter sees public administrators not taking tourism seriously, she also argues that there is potential to train more public administrators in tourism management. At the same time, Richter admits there is a lack of tourism education in universities and where it is offered, none appear to coordinate it with public administration. How can this gap be addressed, and what steps can be taken to educate people on the benefits of tourism management education? Further research is required in these areas to develop strategies to address these deficiencies in education.

Collaboration Amidst Change

Collaboration amidst change is quite often required in island settings like Guam, where events like super typhoons, regional disease outbreaks, etc. can disrupt well-laid plans. Knowledge of adaptive management and planning can be of great value in such situations. In fact, planning systems are meant to be able to adapt and change; they learn how to be effective in terms of the most appropriate set of goals, objectives, actions, indicators, institutional arrangements, and practices (Hall and Page 2000: 256).

Adaptive planning requires collaboration of interest groups and identification of shared values. Reed's paper, *Collaborative Tourism Planning as Adaptive Experiments in Emergent Tourism Settings*, provides a critical assessment of adaptive management to determine its merits relative to improving the practice of collaboration for emergent tourism settings (Reed 2000). Reed uses a case study of a collaborative tourism planning process in Squamish, British Columbia to illustrate the framework and identify opportunities for, and constraints of, applying an adaptive approach.

According to Jamal and Getz (1995:196) emergent tourism settings are characterized by "the presence of numerous organizations and lack a well-defined inter-organizational process." In such situations, interests are not collectively organized and there is a lack of institutions to support tourism, making these setting complex and ripe for conflict. Analysts of tourism planning have argued that collaboration or shared decision-making in such an environment an important element of contemporary local decision-making (e.g. Jamal and Getz, 1995; Hunter, 1997). In Reed's study, the framework for adaptive management has not been properly tested, which would involve the explanation of the model to include

an active learning component requiring specialized knowledge by at least some participants. Another requirement would be an ongoing commitment even in the face of political or economic mistakes. Reed's findings are inconclusive, but they serve to spark consideration and debate. The study illustrates the complexity of tourism planning where there is on-going and frequent change. Power relations are also an integral element to understanding the characteristics and consequences of community-based planning. However, her message that we must recognize and deal with change, complexity, uncertainty and conflict to develop tourism within community settings, and to appraise its effectiveness on initiatives is not lost and is relevant to island communities (Reed 2000: 268). There appears to be a need to design management strategies that address power relations affecting planning and implementation in using adaptive management principles, pointing to further focused research.

Change, complexity, uncertainty, and conflict may all be part of a natural life cycle in tourism partnerships. Caffyn (2000) uses a biological metaphor to describe tourism partnerships in her article entitled, *Is There a Tourism Partnership Life Cycle?* This is an important work that examines how individual tourism partnerships change over time and whether or not they have commonalties in the way they operate and evolve. Previous studies have considered the various dimensions of collaboration and hence how collaboration can be sustained over time (Huxham, 1996), but little attention has been given to dynamics of partnerships over time. Huxham and Vangen (1994) give more emphasis to the difficulties of sustaining inter-organizational relationships long term, but they do not cover the dynamics over the entire range of a life cycle.

Caffyn's assessment of life cycle models, as well as the case study on North Pennines Tourism Partnerships, provides valuable insight on sustainability of the collaborative process. Results of the partnership study were gathered via interviews with partners and project managers about how the partnership progressed over time. The interviews revealed much consensus among partners and project managers, but as with many real-world partnerships, results showed high and low points. Low points were the result of reduced funding and change in project managers. These situations are likely to appear in tourism partnerships in any location. Unfortunately, the author does not make clear how the conclusion is made about the level of consensus making among partners and project managers. The reader is left to wonder how the coding of responses from the interviews with partners and project managers were developed. Additionally, in this particular study's field research, only three past project managers and six representative of a sample of partners were interviewed. The author claims that the sample was chosen both to gather views from each type of organization or sector involved and to give a geographical spread across the area (Caffyn 2000: 209). However, the reader may not be convinced that they are accurate due to the claim that "respondents were confident that the trends and phases were accurately identified (Caffyn 2000: 210).

Caffyn demonstrates how partnerships, which have difficulties dealing with the process of collaboration, can be overcome by inertia and frustration leading to "collaborative fatigue" and probably the end of the partnership. Alternatively if the partners overcome most problems the partnership can develop into 'collaborative maturity' and be sustained for longer (Caffyn 2000). This is highly relevant to small island destinations where industry stakeholders are a part

of close-knit communities from interacting with the same individuals in different partnership groups can exacerbate the collaborative fatigue described by Caffyn. Further study on this topic, as well as the effects of inconsistent funding and management change in tourism partnerships contributing the low-points mentioned in this study, will be of great value in tourism collaboration research.

There is a further complication to the issue of involving stakeholders in the tourism development process that is the extent to which the stakeholders involved can represent the local community. In *Stakeholder Assessment and Collaborative Planning*, Medeiros de Araujo and Bramwell (2000) review approaches to identifying stakeholders who are affected by a particular project and who might participate in collaborative planning. The case study used two approaches to identify under-representation of certain partners or stakeholder groups could, in turn, be used for “stakeholder targeting” in order to broaden stakeholder representation in planning meetings. The first approach used by the authors is to examine whether the stakeholders who become involved in collaborative planning arrangements for a project adequately represent the affected stakeholders. The second approach the authors use is asking stakeholders affected by the tourism issue or project to identify other stakeholders who could be of interest to the researcher. In this second approach stakeholders can also be asked for their opinions on which stakeholders affected by a tourism project ought to be involved in its planning. Stakeholders’ opinions can be collected using such methods as focus group discussions, interviews or questionnaires. The stakeholders who are identified by other stakeholders as relevant to a tourism project will reflect the value judgements of the stakeholders themselves.

The case study was also intended to illustrate some aspects of stakeholder assessments that have potential value in the general field of tourism planning. The two approaches used by the authors in the case study to examine whether the ranges of stakeholders participating in the project planning was representative of the stakeholders affected by the project make this valuable resource for scholars using these approaches to assess stakeholder collaboration. An inadequate involvement of the affected parties provides less potential to meet the equity requirements of sustainable development and can also heighten the potential for conflict. Similar assessments conducted in small island environments with tourism industry stakeholders may help ensure proper representation rather than merely individuals with business and government, i.e. political, interests.

One question that remains unanswered in this research is, how does one know whether or not the range of stakeholders involved in the planning process is representative of the stakeholders affected by a project? However, the authors do ask some broader questions that are highly relevant to most destinations—how does one decide what is an appropriate balance between stakeholders with interests focused at national, regional and local geographic scales, particularly in the broader concept of sustainable development? (Yuksel et al. 1999), and similarly, what is an appropriate balance between stakeholders whose concerns are focused on economic and environmental issues? (Medeiros de Araujo and Bramwell 2000: 292). These are key questions that require further study.

Collaboration and Power

Jamal and Getz, in *Community Roundtables for Tourism-related Conflicts* (2000), demonstrate in an interpretive study that meaning construction and outcomes are influenced in the collaborative arena where power and legitimization interrelate with the process structures and activities. In other words, a “consensus” process is no guarantee that the voices and words of a participant will necessarily be heard or incorporated into the decision-making (Jamal and Getz, 2000). The authors argue that the domain of tourism planning and development is a political one, where the needs, demands and values of a diverse number of stakeholders impact on the ecological, economic, and sociocultural resources of tourism destinations (Jamal and Getz 2000:159). The interdependence and interrelationships among stakeholders complicate even more the already complicated settings. While acknowledging that these power and political struggles are not desirable, they are in many cases unavoidable.

The authors researched a community-based round table process for developing a growth-management strategy to address conflict over tourism-related development in a rapidly growing mountain town. Research was conducted in the community of Canmore, Alberta (Canada). The data gathered and analyzed in Jamal and Getz’s study involved in-depth interviews, attendance of public meetings related to the process, and examination of documents related to the initiative. In the findings, the authors emphasized the importance of early influence in shaping consensus, through the enactment of rules and process structures, as well as the interactions among the facilitators and the participating stakeholders. The early action of the local government to stay at a distance, helped reassure participants that they “owned” the process. Mintzberg (1994) in his work

on planning and visioning argues that it is the organizational leaders that do the developing of the strategic visioning, while planners provide technical support and implement the strategy. The government planners attended the meetings and provided technical information and acted as a liaison to government representatives, but they did not participate in the decision-making. This research provides insight into the rhetorical, ideological and power-based aspects of partnerships and collaborations, areas that have had little discussion. It also highlights the importance for initiators and convenors of “setting the stage” early on when initiating multi-party consensus-based processes. These are important considerations in small island settings where established decision-makers in tight, small-knit communities may need to step back to allow other participants to have a voice in the decision-making process.

Partnerships depend on motivations and personalities as much as they do on their formal structure and defined aims and objectives. Roberts and Simpson (2000) present an analysis of two case studies that identifies a number of elements, common to both cases that illustrate the need to focus on the evaluation of partnership working on long-term processes rather than short-term, more measurable outcomes. The authors show that being unable to measure some of the factors has led to a lack of previous attention to them, however their analysis shows that they are critical to the overall sustainability of collaborative processes. Consequently the analysis of partnerships must make a shift from a preoccupation with traditional measures of success, in order to take account of the less measurable, but more fundamental, factors critical to sustainability (Roberts and Simpson 2000:244). With partnerships depending as much on the motivations, personalities and perceived roles of the participating stakeholders as they do on

the formal structures and defined aims and objectives on which they are established, this aspect of collaboration is extremely significant. However, recommended methods to shift focus on immeasurable, long-term processes, especially in partnerships involving business interests are not mentioned in this study. Also, with the fast-changing and complex nature of tourism, what guidelines can be used to maintain focus on the long-term processes? The authors examined two rural regions of Bulgaria and Romania for this study, countries that have been unable to match the performance of their Central and Eastern Europe counterparts where tourism development is concerned. Thus, the findings may be more specific to these locations and less so to destinations with dissimilar political environments and economies.

For a look at perceptions on tourism development between different groups of stakeholders in a small community, a case study in Florida provides a view of data gleaned from interviews and observation. Kim and Pennington-Gray (2003) examine the perceptions of the present level of tourism and future tourism development held by three groups of residents (government officers, residents, and entrepreneurs) in Micanopy, a small town in Florida. Data was collected with in depth interviews from each group member as well as by using participant observation techniques. The results indicated that each of the three groups (government officials, residents and entrepreneurs) had different perceptions about the current level of tourism development. In addition, all three groups had different opinions about future tourism development (Kim and Pennington-Gray 2003:174-175). Most importantly, residents tended to have a negative attitude regarding tourism development in Micanopy. The results of this study illustrate how the goals and strategies of tourism development must reflect or incorporate

host's views to ensure community consensus on development policies and programs, especially in small communities.

As indicated in the case of Micanopy, Florida, if residents' perceptions and preferences do not support tourism development policies and programs, then programs are likely to fail or be ineffective after their implementation. If government employees and decision-makers are in disagreement with the public and business community regarding the type and extent of tourism development, then it is unlikely that politicians will be reelected. Therefore, it is in the interest of all parties involved in tourism development policies and programs to be aware of perceptions and preferences and to openly communicate about the direction that the industry is to follow. When this is done, even if parties are not in total agreement with each other, communication can facilitate stakeholders to commit to buy-in for support during implementation of programs.

In *Cooperative Coastal Tourism Planning*, Hadley (2003) focuses on coastal tourism planning and aims to present a community-based process for addressing resource management challenges and improve the well-being of coastal communities through cooperative and integrated tourism planning. In this work, Hadley provides a number of very practical steps that communities should take in planning, such as identifying locals that have a deep knowledge of the site and then asking to provide additional details that are used to increase understanding of the site. Hadley adds that an essential component of this phase is the formal integration of community values, perspectives, goals and desires into the developing tourism concept. The second stage involves a community stakeholder meeting so planners can ascertain the expectations of the local people. A significant point that Hadley does not fail to mention in her work is that

marketing presents a significant planning challenge and is frequently omitted or overlooked in the planning stages. Understanding the market and being able to generate ample business to make community tourism profitable and attractive for the local community and business people working with the community is essential, a point that Hadley makes for coastal communities but rings true for island nations and territories like Guam.

In the Caribbean tourism context, Milne and Ewing (2004) in their book chapter on *Community Participation in Caribbean Tourism*, the authors focus on local community participation in the planning, development and ownership of tourism. There has been a move toward inclusion of community in recent Caribbean-wide tourism plans and policies, whereas local communities were viewed as passive actors in past tourism development. The authors also examine regional growth in interest in public participation initiatives and development of tourism products that actively integrate community into the visitor experience. Of particular interest are the case studies from Cuba, Bonaire and Jamaica, which show the variety of challenges attempting to increase participation in the tourism development process.

There is the paternalistic style of government in Cuba, that the authors found leads to a passive attitude about involvement in local issues (because of little influence on decision-making). In Bonaire, the authors show that changes in the business environment can threaten alliances and frameworks already in place, making it a necessity to monitor power differentials. An interesting method of public participation that may be useful in the small Pacific islands is examined in the case study of Jamaica. This involves the use of information and communication technologies to offer opportunities to establish new channels to

connect residents, tourism operators, planners and other stakeholders, and to facilitate a shared understanding of how different stakeholders view planning and development issues (Milne and Mason 2001).

Milne and Ewing (2004) review participation but fail to provide information about outcomes. The authors claim that regardless of political situation, evolving stakeholder relationships, and increasing access to information, success in the form of sustainable outcomes is up to the will and the interest of the participants. What steps can be taken to establish and maintain the will and interest of participants to pursue sustainable outcomes? Research in this area can provide clues for sustainable collaborative participation.

Leadership and Strategies

Planning and collaboration, viewed as key components for sustainable tourism development (e.g. Evans et al. 2003, Kotler, et al. 1993), are reviewed by Gunn and Var in *Planning* (2002). The book presents plans and examples that show a balance between development and environmental protection and describes the difficulties as well as successes of planning processes. It is directed to public and private planners and developers, as well as students seeking an understanding of the topic of planning tourism development, and can assist small island tourism practitioners to understand key concepts.

Most relevant to this study is Chapter Four on Policy, which reviews Public Policy, as well as Private Sector Policy, and provides clear, well-defined conclusions. Additionally, case studies reviewing planning cases from various parts of the globe that involve public private cooperative ventures are presented. The authors in this work reinforce the complexity and multidimensional aspect of tourism, and conclude the single factor that reigns supreme in all areas discussed

in the book is leadership. They claim that long after the concepts and principle presented in the book have begun to fade, it will still be leadership that will be in strong demand (Gunn and Var 2005: 428). Leadership in this case does not necessarily imply it will be from a titled individual, like the Director of a Visitors' Bureau, but can emerge from public, private or even from a non-profit sector. Although the book, *Tourism Planning*, covers a variety of topics in planning in its 442 pages, it fails to cover the key topic of leadership in tourism planning, that the authors claim is "the tourism planning factor that reigns supreme" (Gunn and Var 2005: 428).

In significant public decisions that are of interest to a diverse set of stakeholders, there are usually tradeoffs between economic and environmental objectives. Gregory and Keeney (1994) focus on articulating stakeholder values and using them as the basis for creating an improved set of policy alternatives in their article, *Creating Policy Alternatives Using Stakeholder Values*. The authors present and illustrate an approach to guide social tradeoff decisions that use a logically sound methodological framework, which complements and builds on common sense. They use three interdependent steps to structure a decision with stakeholders: 1. Setting the decision in context, 2. Specifying the objectives to be achieved, and, 3. Identifying alternatives to achieve these objectives (Gregory and Keeney 1994: 1036). The proposed approach defuses the "us versus them" that is often encouraged by the media and litigation processes to imply that stakeholder groups hold very different and incompatible objectives. Naturally, substantial disagreements may arise between stakeholders. However, the authors proposed method systematically addresses these "in the context of a structured discussion that permits the stakeholder groups to realize that, despite their years of battle and

accumulated misunderstandings, much of what each wants also is desired by everyone else (Gregory and Keeney 1994: 1037).

In their paper, the Gregory and Keene discuss the implementation of their approach in Sabah, Malaysia, to examine whether to permit development of a coalmine within an isolated pristine tropical rain forest. In doing so, the authors provide a clear, methodological framework that illustrates how the approach works. One of the most enlightening exercises proposed by the authors involves putting alternatives together with stakeholder values to yield a matrix that characterizes the decisions faced by Sabah officials and provides direction to make sound decisions. Their subsequent analyses then addresses two important issues. The first is a factual issue that would describe each alternative in terms of each consequence with respect to each objective. The second is a value issue that involves evaluating the relative importance of the various consequences and combining them to develop an indication of the overall desirability of each objective.

The significance of the study is that the method used opens up the policy planning process considerably by involving representatives of all the key interested parties. The identification of objectives and alternatives would be a reflection of representatives from all major groups, ensuring that the values of a broad range of stakeholders will be reflected in the decision-making process. This paper clearly maps out the approach to implement a constructive mechanism for people with different viewpoints to participate in resolving issues, making this a valuable resource for scholars and practitioners with an interest in tourism collaboration.

The approach to being more inclusive in the resolving of issues in tourism is shared by Lane (1994). Lane sees tourism within destination areas as a triangular relationship between host areas and their habitats and peoples, holidaymakers, and the tourism industry. In the past, the tourism industry dominated the triangle (Lane 1994: 12). Sustainable tourism aims to reconcile the tensions between the three partners in the triangle, and keep the equilibrium in the long term. Sustainable tourism aims to minimize environmental and cultural damage, optimize visitor satisfaction, and maximize long-term economic growth for the region. It is way of obtaining a balance between the growth potential of tourism and the conservation needs of the environment (Bramwell & Lane, 1993). However, Lane states that the very concept of sustainability is fraught with ambiguity and that implementation is equally problematic: it involves numerous interested parties, with diverse aims and beliefs. He proposes the creation of “Sustainable Management and Development Strategies” and discusses reasons for writing these strategies, their main features, and how they can best be produced in *Sustainable Rural Tourism Strategies* (Lane, 1994). Lane’s case study of Berwick introduces a proposed strategy, which can be used as a guide for others reviewing cases for rural tourism development. A theme that appears often is the time-consuming nature of developing strategy, as well as for obtaining funding. Organic change, reconciling tensions between conflicting motives, needs time. However, Lane’s suggestion is to reflect upon the relativity of this time versus the time it took to develop the history of such a location and then, to pause. With the fast-track developments that have already occurred in small island destinations, this suggestion may be late but may help to preserve some aspects of the environment that can still be enjoyed for residents and visitors.

Tourism industry stakeholders may also benefit from Lane's recommendation in one of the strategies that he proposes for successful tourism strategies to be produced. He recommends that the person or team involved in developing successful strategies in sustainable tourism should be skilled not only in tourism development but also in economic, ecological and social analysis (1994:15). Unfortunately, Lane fails to elaborate on this point, but we can infer that the wider scope of analytical skills can help to minimize potential conflicts.

Summary

This section reviewed the literature that reflects the political dimension of collaboration and partnerships, first examining Timothy's (1998) types of cooperative tourism planning and some examples of these in various parts of the world. This introduction also mentioned that literature about the Western concepts of collaboration and their application to other cultures (Timothy, 1998), pointing to further research to see how this applies to small island destinations.

The topic of regulation in the collaborative arena was reviewed in *A Need for Regulation?* Then, adapting to change in tourism was covered in *Collaboration Amidst Change*, power relationships in *Collaboration and Power*, and finally in *Leadership and Strategies*, literature on these critical topics in collaboration were reviewed. The issue of government involvement in tourism is examined by Hall (2000) who questions the current move towards less government involvement in tourism and by Richter (1985), who sees the need for a closer link between government and tourism education.

Reed's (2000) research on collaboration in adaptive planning is a look at the reality of the complex and fast-changing nature of tourism and the need for the use of adaptive measures to improve collaboration. Caffyn (2000) gives a

biological metaphor to tourism partnerships and examines their life cycles, while Medeiros de Araujo and Bramwell (2000) review stakeholder participation and involvement.

How do we deal with power/politics in tourism planning and development? is the question Jamal and Getz (2000) address in their research. Roberts and Simpson (2000) also review stakeholder participation, addressing a need to focus on longer-term processes that are not easily measured and call for a less formal structure in the partnerships.

Kim and Pennington-Gray (2003) examine the importance of residents' perceptions and preferences in the planning process, while Hadley (2003) reviews the integration of community values, perspective, goals and desires in the steps leading to the implementation of a plan in the coastal communities context. Milne and Ewing (2004) examine community participation in tourism planning in the Caribbean using case studies from different islands.

Gunn and Var (2002) provide a useful overview on planning in their book and emphasize the complexity and multi-dimensional aspect of tourism and importance of leadership in tourism planning. Gregory and Keeney (1994) argue for articulating stakeholder values and using them for improved set of policy alternatives. Lane (1994) mentions the need for a shift in the domination of the tourism industry in the triangular relationship between hosts and host areas, tourists and the tourism industry, to equilibrium through Sustainable Management and Development Strategies.

The Economic Dimension

Collaboration in tourism also has a significant effect on economic factors, one positive example being that collaboration can bring about cost effective

solutions by the pooling of resources (Bramwell and Lane 1999; Bramwell and Sharman 1999), mentioned earlier in the introduction to this section. There are a number of other aspects of collaboration that touch upon the economic dimensions and the literature reviewed here represents some of the areas related to this study concerning collaboration on the island of Guam.

Small island resort destinations like Guam typically have a strong private sector presence involved in tourism industry matters, along with some public sector involvement usually covering basic services such as public safety and infrastructure matters. Partnerships and collaboration have come of age in the tourism field. However, our understanding of how partnerships form and how to build the capacity of appropriate collaborative ventures has lagged behind developments in the field. Even for a largely popular destination like Hawaii, integration has not always been in place. A competitive strategic assessment of Hawaii Tourism commissioned by the Hawaii Tourism Authority (HTA) indicated that “Tourism policy and implementation for Hawaii has generally been fragmented among private and public sector agencies” (Hawaii Tourism Authority 1999: 9). There are a number of ways in which public and private sectors can work together for the benefit of tourism, even on a small scale that applies to individual villages as described in the following example.

Small Business Collaboration

How can small business work together and with the public sector to provide products and services that not only represent the destination, but also help enhance the tourist experience and the lives of local residents? Sawaji (2000) presents one of the better examples of public and private collaboration that was conceived in Japan, from a movement for regional development in Oita, on the

southern island of Kyushu (population 1.2 million). This movement known as “One Village, One Product” continues to boost the local economy and win admirers around the world. When Morihiko Hiramatsu became the Governor of Oita Prefecture in 1979, he advocated the "One Village, One Product" movement to make better use of the rich natural resources that are so abundant in Oita Prefecture. These include forests, which cover 70 percent of the prefecture. They are a constantly replenished source of cedar, pine, and bamboo timber. Globefish, flatfish, and mackerel are famed regional delicacies. Hot springs numbering 4,600, the largest concentration in all Japan, attract visitors from across the country, and from international markets like Taiwan and South Korea. However, while this report provides useful information about the successes of the movement, there is no mention of the challenges encountered over the 21-year period after the concept was first introduced.

In *Development and Management of Tourism Products* (2002) Kaosa-ard provides a balanced, academic view of the sharing of costs and benefits for the production of tourism products in Thai society. Kaosa-ard states that the strategy of selling nature and culture has been severely criticized as having transformed both, but not for the better. Moreover, he notes that the benefits of tourism are believed to be unevenly distributed between large and small tourist operators, while costs, if any, are shouldered by locals who have derived no direct gain from tourist promotion. Kaosa-ard briefly describes the implementation of the One Village One Product movement in Thailand (2002: 289).

In this context, Kaosa-ard writes that after learning about the movement in Oita, the Thai government has implemented what he refers to as a “one village one product strategy” with the aim of enhancing tourism activity in Thailand. In

the case of Thailand, villages are free to choose any products including tourism services. Villages may use this opportunity to produce souvenirs, handicrafts and improve the facilities in the village to offer attractions and accommodations to tourists (Kaosa-ard 2002: 295-296). They have come upon this approach knowing that relying on luxury shopping may be a good attraction strategy but is not as beneficial from the point of view of local income and employment, as well as for providing products related to the unique destination. With the introduction of the One Village One Product movement, it appears that the change in strategy away from luxury shopping may be more beneficial to the local residents. However, what other collaborative strategies must be taken to provide an equitable share of the tourism pie for all stakeholders? Kaosa-ard concludes his paper by stating evidence and common sense indicate that larger shares of tourism benefits go to the larger investors and the richer sectors of the economy. Consequently, Kaosa-ard believes the future role of the government agency responsible for tourism should be directed towards developing, conserving, and monitoring tourist resources and that a larger proportion of government budget should be reallocated for physical (i.e. environment and tourism resources protection), rather than market development (Kaosa-ard 2002: 300).

Planning for the Long-Term

This section consists of a brief introduction for collaboration and long-term tourism planning. It will then lead into the following sections of Destination Visioning and Destination Marketing, two key components that weigh heavily in the economic dimension of long-term tourism planning.

In tourism the adoption of sustainability has been evidenced by a changing perspective away from the short term to the long term planning horizon (Ritchie,

1999). Because of the increased growth of demand for tourism, along with the changing nature of the consumer, destinations are under pressure to be both competitive and sustainable. Effective management and planning of tourism destinations is critical if tourism is to become a mature and acceptable sector (Cooper 2002: 1). Tourism experts have written about strategy and planning (e.g. Evans et al. 2003, Gunn and Var 2002, Kotler, et al. 1993) and a number of them have listed the key components for success. Bramwell and Lane (1993) identify a key element of sustainability as the idea of holistic planning and strategy formation. Ron Brown of the U.S. Tourism Council in 1995 had written that for a successful tourism development strategy, the following concepts must be addressed: Research, Infrastructure Development, Promotion, Facilitation, Reduction of Barriers, Training and Education (Brown 1995: iii). But even before strategy and planning are discussed a long-term vision should be in place to help guide the decisions made for planning.

Destination Visioning

Strategic planning takes many forms and has evolved over the years (Mintzberg, 1994). There is traditional and more formalized “rational model” or “planning school” approach, with strategies planned in advance, often following a rational sequence of events. There is also the evolutionary approach of Mintzberg (1994) who believes that strategic planning is really strategic programming, designed to operationalize the strategy an organization already has, rather than to give it a strategy. Ritchie's (1994) concept of “destination visioning” where he believes the critical early stage in the strategic planning process is the formulation of a destination vision—a statement that provides an inspirational portrait of a desired future for the destination (1994: 273).

Along the same lines of destination visioning, Cooper (2002), in *Sustainability and Tourism Visions*, mentions that the “visioning” approach is well suited to strategic destination planning, where changes are constantly occurring. According to Cooper, “destinations are comprised of a constantly shifting mosaic of stakeholders and value systems” and this involves different views of the role and future of tourism at their destination (Cooper 2002: 2). One of the greatest advantages of destination visioning is that it is a planning strategy that incorporates collaboration from various sectors. It involves the entire community, and it allows the local community, government and industry to work together in determining the future of the destination

More residents of communities and regions affected by tourism are demanding to be involved in the decisions affecting their development (Ritchie 1993: 379). The visioning approach allows more of the residents’ voices to be heard. It also ensures that there is “buy-in” from all stakeholders, an important component to success in the implementation of strategy. Ritchie (1993) identifies three key elements of the process as:

- “1. The vision must bring together the views of the whole community and all tourism stakeholders;
2. The vision must reach consensus and endorsement of the future; and
3. The vision defines the long term development of the destination.”

In *Crafting a Value-driven Vision for a National Tourism Treasure*, Ritchie (1999) mentions it is generally accepted that values are important in forming a vision in corporate organization. Mission or Vision statements for companies are often preceded by values or guiding principles. If this assertion holds true in the corporate world, writes Ritchie, it is arguably even more essential that stakeholder values be a fundamental component of any vision that seeks to capture the public

will regarding a national treasure (Ritchie 1999: 274). In this paper, Ritchie outlines the three main objectives to the study. They are:

1. To develop a vision and goals for the Banff-Bow Valley that integrate ecological, social and economic values;
2. To complete a comprehensive analysis of existing information, and to provide direction for future collection and analysis of data to achieve ongoing goals; and
3. To provide direction on the management of human use and development in a manner that will maintain ecological values and provide sustainable tourism (Ritchie 1999: 275).

This study serves as a very useful resource to see how all stakeholder groups having an active and proven interest in ensuring the environmental, economic, and social well being of the Park participated in the visioning process. Along with references to the developed Vision, the Principles Guiding the Implementation of the Vision (p. 280) provide guidance to practitioners and scholars interested in the visioning process specifically for tourism destinations.

The support and involvement of the local communities is a common theme among tourism academics (e.g. Ritchie 1993, 1999; Cooper 2002). They invariably stress the need for planners and stakeholders to develop a shared vision and common ground on the future development and nature of a place and on the role that tourism might play in this vision, as Bushell states in *Practice, Provision and Impacts* (Bushell 2001: 44). Lane (2001) also argues that a well thought out long term vision is essential and that vision should be thought out with the people, not just for the people (Lane 2001: 3). This is a significant component of collaboration that needs to be examined in the planning process involving Guam's

tourism industry stakeholders. Guam can only benefit with the establishment of a long-term vision as a road map for the future.

It is through the disciplined process of involving the community in the future development of tourism, that destination visions are crafted. Once the vision has been created by and shared with all stakeholders, then a strategy can be formed. Jeffries, in *Governments and Tourism*, points out some important questions that stakeholders should ask themselves concerning strategy—What will happen with the strategy? How much does the strategy cost? Is there a leading organization with the resource and authority to drive it through? How far will this organization be accountable if the strategy is not implemented or does not succeed (Jeffries 2001: 163)? These are questions that Guam's industry stakeholders should consider, particularly the question concerning the leading organization to implement and control strategy with accountability that is currently non-existent on Guam. Jeffries book is a useful guide for private sector practitioners and government officials to use as a guide to ensure that important components to tourism planning are not neglected.

Jeffries also writes that the strategy or plan should be:

- Relevant to the country's priority or wider objectives;
- Influenced by a thorough knowledge of market potential and the special characteristics of tourism as an industry;
- Fully supported by all who have the resources and authority to ensure implementation;
- Fully understood and supported by the local communities whose lives and livelihood will be affected;

- Consistent with transport strategy in recognition that transport and tourism developments are interactive, and that the ultimate product always has a transport access and destination component. (Jeffries 2001: 161).

Have these strategies been identified on Guam and communicated to the local community? Just as the case is with the lack of a leading organization to implement and control strategy with accountability, this appears to be a missing component of the tourism industry on Guam.

As an excellent example of strategy making, long-term planning, and communication of strategy, the New Zealand Tourism Strategy 2010 (New Zealand Ministry of Tourism 2001) is a landmark document that sets out a comprehensive range of principles, objectives and enablers to promote the sustainable development of the industry to 2010. This is a document that can serve as an indicator of what can be accomplished locally by Guam's tourism industry stakeholders. This strategy was developed through a collaborative effort involving industry stakeholders from public and private sectors. This strategy was put together "to provide a framework for decision making that will allow the tourism industry, in partnership with central and local government, to face the future with confidence and build the capabilities for sustainable growth" (NZMT 2001: 1).

Designers of the strategy acknowledge that in an increasingly competitive global marketplace the New Zealand tourism industry needs to maintain competitiveness and need to have the appropriate strategy. This document provides a summary of recommendations from the strategy team and includes a New Vision and New Mission, as well as sections on objectives, structure, strategies, approaches, funding. The New Mission presented in this document is very simple, but is founded on principles of sustainable development (NZMT

2001:4-5): “Welcome visitors; Protect our environment; Celebrate our culture.” To provide clarification for each of the goals and strategies presented in this document, one can refer to the core vision and mission statements of the strategy, as well as the four objectives that underpin the New Vision and New Mission. One area that needed more clarification was the continued reference to “World Class Visitor Experience” (p. 5-6, 9), leaving the reader wondering how one would recognize that such an experience is achieved. Whether or not New Zealand tourism achieves its long-term objectives remains to be seen. However, with a clear strategy based on core philosophy articulated in the vision and mission statements, the chances of success are much greater.

The Ministry of Tourism (formerly the Office of Tourism and Sport) was heavily involved in preparing both the 2010 Strategy and the 2003 Strategy Update. Plans are in place to continue the implementation work through the funding of implementation projects, continue development of policy to implement particular aspects, and to maintain cooperation with other stakeholders in the tourism industry to ensure that the objectives of the strategy are met (NZMT 2003). Updated reports on the progress of plans can provide great insight on causes of successes and failures in the implementation of long-term strategies.

Destination Marketing

Places must produce products and services that current and prospective customers want or need. This makes place marketing a continual activity that must be adjusted to meet changing economic conditions and new opportunities and places can and must do better jobs of managing their future (Kotler et al. 1993: 98, 345). In *Marketing Places* (Kotler, et al. 1993) the authors claim that almost all

places are in trouble, but some are in more trouble than others are, not only in the fiscal health and economic conditions, but also in other aspects that affect people - cultures, historical heritage, physical assets, and opportunities. At the extreme, places are “dying or chronically depressed” (1993: 3). Within this context, the role of tourism and the tourism bureaus that must decide between attracting a mass market of low-spending, short-stay tourists or a smaller market of high-spending, long-stay tourists is examined. According to the authors, the major place marketers are made up of public sector actors and private sector actors, but the real challenge is to coordinate all the public and private interest groups into a cohesive working body that agrees on the ends and the means pursued (1993: 42). Some may disagree with the vision for the destination, leading to challenges in successfully developing a plan. The importance of leadership in accomplishing this through collaborative efforts is stressed as in Gunn and Var (2005). However, in contrast, this book may be viewed as a better resource for leadership due to the authors’ focus on what actually needs to be done by leaders for aggressively competing for “place buyers,” or tourists, as they are referred to in *Marketing Places*. The first step that the authors recommend is to do a place audit and they examine the use of SWOT analysis, which is a form of analysis used in this thesis and will be described in the next chapter on methodology.

For destinations like Guam that need to determine where they currently are and where they want to be as a destination, following a SWOT analysis example like the one in Figure 10 will be helpful. By looking at strengths, weaknesses, opportunities, and threats, action plans can be developed to begin taking positive steps towards improving the controllable factors in order to provide more “experience value” to visitors.

Figure 10. Example of SWOT Analysis for Guam Tourism

<u>Strengths</u>	<u>Weaknesses</u>
<ul style="list-style-type: none"> • Proximity to major Asian cities, including Japan • Image of pristine resort environment • International shopping opportunities • U.S. territory • International luxury hotel presence • High-quality sports facilities • Little time differential with major Asian markets • Visa Waiver Program for visitors from Japan • Hub for trips to other islands in the region • University of Guam is a regional center for learning 	<ul style="list-style-type: none"> • Inadequate infrastructure • No shared long-term vision among tourism stakeholders • U.S. Territory (may be viewed as a terrorist target) • Not price-competitive among other destinations in region • Service quality is lacking • Limited talent pool for staff in tourism industry • Lack of adequate medical facility • Not adequate in offering of cultural sites • Limited land mass/sites to allow for longer stays • Dependent on one industry (tourism) and one market (Japan)
<u>Opportunities</u>	<u>Threats</u>
<ul style="list-style-type: none"> • Potential for China to be a source market • Japanese government efforts to increase leisure time • Diversification of industries and of tourism source markets • Educational tourism (CPA exam prep, English, etc.) • Sports tourism for sports teams in the region • Regional marketing efforts with the rest of Micronesia • Targeted marketing--silver market, weddings, etc. • Food as one of the cultural aspects to attract tourists • Provide more historical information about Guam and sites • Ecotourism showcasing Guam's reef and marine life 	<ul style="list-style-type: none"> • China as the forecasted world's leading tourist destination • Overbuilding in tourism precincts to detract from island image • Natural disasters / Typhoons • Acts of Terrorism • Crime that can lower perception of safety • Local activism against tourism development • Brain drain due to lack of local opportunities • Political shifts and changing of priorities • Influx of diseases from highly transient population • Military alerts from the presence of U.S. military bases

Kotler et al. (1993) provide an important chapter that relates to the present research and to tourism in general, *Segmenting the Tourism Market*, where the authors state a place can identify its natural markets in two ways. One is to collect

information about its current tourists, and the other is to audit the place's attractions and conjecture about the types of tourists who would have a natural interest in them. The aim is to identify new sources of tourists because one cannot assume that the current tourists reflect all the potentially interested groups (Kotler et al.1993: 200).

This follows the concept of Hamel and Prahalad's (1994) main concepts in identifying "opportunity share" for untapped potential markets. A good example of this in the small islands context is Prideaux's work on Norfolk Island's tourism industry (1994). In his study, Prideaux illustrates the importance of tourism planners in Norfolk Island and other destinations to be aware of changing visitor profiles. In the case of Norfolk Island, destination planners need to be aware of possible differences between visitors that may be explained as a result of generation membership, and that developing new products and experiences for the new generation market is an important part of strategic planning. In the context of Japanese overseas travel, Shono et al.'s paper on *The Changing Gaze of Japanese Tourists* (2005) considers the changing nature of Japanese tourists, and suggests that this is a result of changes within Japanese society. This makes monitoring societal trends an important consideration for destinations like Guam to be aware of changing or untapped markets within their major source market. Both Prideaux's (1994) and Shono et al.'s (2005) findings highlight the importance of collaborative destination planning that includes marketing for the appropriate market segments.

The marketing of destinations is important for tourism, but how is it different from promotion? In *Marketing Places*, Kotler et al. (1993) describe the difference between place marketing and promotion. According to the authors,

promotion is one of the least important marketing tasks and can at times help tourists discover early how troubled a place is so that they can tell their friends. Place marketing, on the other hand, means designing a place to satisfy the needs of its target markets (1993: 99). The main message in the book appears to be the authors' argument that the strategic marketing of places through collaboration is what is important to economic development of troubled places. This is done by rebuilding infrastructure, creating a skilled labor force, stimulating local business entrepreneurship, developing strong public/private partnerships, identifying and attracting "place compatible" companies and industries, creating distinctive local attractions, building a service-friendly culture, and promoting these advantages effectively. The authors claim, "Places must rely more on the private sector to accomplish their tasks" (1993: 331), however, this does not take on the full scope of stakeholders in a community. Where does the voice of the community fit in with the recommendations and the various scenarios presented throughout the book? The reliance on the private sector also brings readers to recall Hall's (2000) concerns about the increasing influence of corporatist notions of collaboration. This focus is most likely due to the authors' backgrounds in International Marketing, Management, and Communication Studies. The authors may have used a more balanced view incorporating not just local private business, but also the other key players who have a stake in the future of the destination, especially in their discussion of tourism destinations.

Other works with relevance to this study take on a view from the visitors' perspective. McDonnell (1997) writes about tourism precincts, which may be a controversial topic in some destinations. Are tourism precincts desirable? McDonnell studies destinations with and without a tourism precinct and presents

his findings on how they are viewed from the tourist's point of view. McDonnell writes that it is a concept that is little discussed in tourism literature and the name tourism precinct seems not to be in general use by tourism scholars. However, it is an important consideration in tourism planning. Tourism offers people a wider variety of opportunities for socializing than what is available in other activities. McDonnell argues that tourism precincts are an integral process for mass tourism markets. Without appropriate tourism precinct, he argues, tourist destination regions cannot achieve optimum visitation levels, and he uses the examples of Bali and Fiji to support this proposition (McDonnell 1997: 191-192). Although McDonnell argues that the tourism precincts are good for tourists and enhance their experience, are they good for local residents? This perspective requires further review. In addition, since McDonnell's work in 1997, there have been a number of terrorism incidents that have taken place in tourist precincts around the globe (e.g., Bali 2002, Cairo 2005). The realities of the post-911 world call for a reassessment of how today's tourists view tourism precincts.

Following on the topic of Destination Marketing, destination branding is an area that deserves attention. Destination branding is an important issue in tourism destination strategy and planning, especially in working with local government authorities (Prideaux and Cooper 2002), In *Destination Branding* (Morgan et al. (2004), compiled chapters from various authors to present their key argument that *places* currently offer the greatest untapped branding opportunities. In three parts consisting of destination branding in the wider context, challenges of destination branding, and case studies, the authors argue that even the most successful brands evolve (e.g. Australia, New Zealand, and Wales). They also claim that destinations can "become brands with celebrity value and emotional

appeal, outsmarting rather than outspending their competitors” (2004: 13). This book and its message on the importance of stakeholder involvement and vision make it extremely relevant to this study. The collection of case studies demonstrates brand winners have common features—based on “a vision that is founded on intensive stakeholder, consumer and competitor research, and expressed with care and discipline in everything that communicates the brand’s personality (Morgan, et al. 2004: 5). Furthermore, in their chapter written for this book, Kotler and Gerner (2004: 46) claim that the process of destination branding must involve government, citizens and businesses, all with a shared vision.

Places at times suffer from negative associations, from persistent problems that are not easily overcome. Guam also has had negative associations among Japanese tourists, ranging from reports of an overabundance of sea cucumbers on the beach, overpopulation of brown tree snakes in the jungle, and a high crime rate. Morgan et al. (2004) explain that these negative associations (e.g. pollution, overpopulation, poverty, crime, corruption in Brazil) with brands can be overcome, making this an important section for Guam’s stakeholders to review. The authors claim that a good starting point for successful destination branding includes a review of human resources of the destination and building the destination’s brand strategy around the skills, aspirations and culture of the residents. This can result in more credible, effective and sustainable results as opposed to plans from marketing firm consultants. A weak point of this work, however, is a chapter written by a consultant with few references (two) to support the claims of the author. In addition the book fails to address how stakeholders with different priorities, which is a likely situation in most cases, begin to form a destination strategy.

Although not directly tourism-related, the work of Hamel and Prahalad (1994) provides an interesting and highly relevant business view of how “opportunity share” should take precedence over market share in competition.¹⁸ In the previous chapter, some background information was presented for Japan and Japanese tourism, including many of the changes occurring in society that can affect the activity level of Japanese overseas travel. How can Guam’s tourism stakeholders apply this knowledge to their industry, which relies so heavily on the Japanese outbound market? This involves adopting new approaches to the strategy of managing the tourism business, particularly for a destination like Guam that has a single major market.

Hamel & Prahalad (1994) are two business scholars who have had a significant influence on shaping new ideas on corporate strategy in recent years. In *Competing for the Future*, they argue that organizations and businesses need to develop a new way of thinking about strategy. They challenge the conventional view that strategy is primarily concerned with achieving a fit with existing conditions and markets, arguing that such an approach does not lead to competitive advantage. Their view of strategy is that it is not enough to optimally position an organization within existing markets. Organizations must challenge the notion of uncertainty and develop greater foresight in ascertaining the whereabouts of tomorrow’s markets and economic opportunities (Hamel 1996). In other words, for a destination to remain competitive tourism stakeholders must take more innovative routes in preparing for the future. Tomorrow’s customers are not necessarily going to be the same as today’s customers. Even if the

¹⁸ “Seeing the Future First” in *Executive Excellence* is another resource written by the same authors. In this brief article, Hamel and Prahalad explain the need for executives to look outward and forward to build a deeply shared, well-tested view of the future.

demographic profiles of tomorrow's customers are the same as those of today's, they may not be interested in the same products and services as the earlier customers as presented in the earlier section on Demographics and Consumption.

For firms (and regions) to be successful in the future, they need to learn a new art of strategy (Hamel 1996). This involves exploring the different frontiers and markets and understanding and exploring where a firm can create opportunities in future, without fully understanding what these might be (Prahalad 1996). To be competitive, Hamel and Prahalad argue, firms (and regional industries) must build a unique strategic architecture that will provide the blueprint for building the core competencies and strategic infrastructure necessary to support entirely new types of business activities. To gain competitive advantage, firms and regions must develop core competencies that enable them to leverage and stretch resources to create and to capture business opportunities as these occur. The stretching and leveraging of endowed capital, infrastructure and core competencies to realize new opportunities that occur at the edge of emerging technology and business frontiers is critical to maintaining competitive advantage. The frontier zones are what Hamel and Prahalad (1994: 252) call "white spaces." White spaces are business, research and investment opportunities that emerge in the areas between or in the overlapping of existing core business activities and competencies of regional firms and industries. The stretching, leveraging, redeployment and recombining of core competencies, strategic infrastructure and endowed capital leads to the creation of white space opportunities.

With the information that is currently available about Japanese society, including some of the changes and social issues mentioned in the previous chapter, there are numerous white spaces that make up new or increasing

opportunities for Guam as a destination. Examples include new products and services for the Silver Market, wedding groups, and special interest tours (SIT). This approach is not unique to those destinations with a major source market like Japan. One famous European destination, with visitors arriving from a large variety of source markets, has taken on Hamel and Prahalad's theory and has applied it to maintaining their destination's position "on top of the world."

In his paper, Venzin (1999) outlines various processes relating to the concept of having foresight as it applies to preparing for the future in a small touristic village in the Swiss Alps: St. Moritz. The concept of "foresight" as described by Hamel and Prahalad (1994) is an attempt to boost the impact and the efficiency of conversations about the future. "Competing for industry foresight," in their view, is essentially competition for "intellectual leadership" which allows a company to envisage the future. In this way, a company may gain control over the evolution of its industry which is mainly characterized by three issues; (1) future types of customer benefits, (2) the competencies needed to offer those benefits, and (3) the configuration of the customer interface (Hamel and Prahalad 1994: 73).

Venzin illustrates foresight processes such as "early recognition," "networking," "broad involvement," "physical experiences," "experimentation," "hindsight," and the "early relation to future tasks." In his work, he describes how the mountain resort St. Moritz tries to stay on "Top of the World" by carefully screening trends, internalized and converted into competencies and products. Through the constant push for innovative solutions, experimentation, a high amount of failure acceptability, and a strong cooperative network, St. Moritz manages to stay on top of their segment.

Venzin uses the example of how St. Moritz developed Inline Skating as an activity related to the brand name of “St. Moritz, The Top of the World” in his paper, and includes how tourism stakeholders went through the foresight processes to develop an activity and events for the destination. The foresight processes described by Venzin to help St. Moritz remain competitive are:

1. Early recognition

Managers may develop a knowledge-seeking attitude to recognize early upcoming knowledge. The early recognition of knowledge requires the skill to feel to some extent uncomfortable with one’s own actions and thoughts, to relax and approach daily activities with humor, to maintain a variety of activities at the same time, and to use multiple sources of information.

- (b) Networking

The use of boundary-spanning social networks by the companies increase their learning capacity and their organizational flexibility. Network exchanges extend the scope of organizational learning and facilitate the integration of expert knowledge from outside.

- (c) Broad Involvement in future search conferences

Creating foresight includes the development of a shared vision of a preferred future. Individual views on the future are respected to attract knowledgeable employees that attempt to fulfill themselves in an organization and thereby maintain and further develop their own identities. Face-to-face discussions and the focus on preferred rather than most likely futures are increasingly important. All organizational members who have an active stake in the sponsoring of the organization’s future should ideally be part of the process.

(d) Physical experiences

New data, experiences, and observations are constantly entering somehow our minds and bodies, and remain there in some form. “Learning-by-doing” has proven to be a more appropriate strategy for acquiring requisite feedback in an environment where prior knowledge is weak. Developing knowledge foresight calls for more learning-by-doing approaches. Such experiences may be labeled “physical experiences” as opposed to pure cognitive learning experiences, because these approaches strongly involve physical presence and generate knowledge that is to a large extent tacit in the bodies of the organizational members.

(e) Experimentation

“Learning-by-doing” is more expensive than the learning-before-doing strategy. Therefore experiences are needed that allow physical involvement as well as a low financial charge. A high tolerance for failure is a prerequisite for generating a climate for experimentation, and facilitates the generation of multiple experience modes.

(f) Hindsight

The ability to reflect upon the physical experiences and the experiments undertaken is essential for the knowledge-foresight process. By making sense of the experiences a firm makes, it generates new organizational knowledge.

(g) Relation to future tasks

Knowledge foresight might originate from a clear vision of future tasks, products, or services. Even though there has been the assumption that in times of increased complexity of markets, it might be more difficult to clearly foresee what

customers want than it is to envision future company knowledge; it would not be in the interest of destination stakeholders to exclude the possibility to develop knowledge based on a clear future task.

(Venzin 1999: 9-12)

The ability to recognize trends might to a large extent be related to a "gut feeling," but it can be actively supported. One source of inspiration for new product ideas is the environment. The tourist board of St. Moritz does not ask the customers themselves what kind of new product they would appreciate in the future (just as Sony did not ask its customers if they wanted a Walkman). On the one hand, the customers do not like being interviewed, and on the other hand, they believe that it is not very likely that they will get new inspiration from existing customers. Mr. Hans-Peter Danuser, the Director of the Tourist Board of St. Moritz, therefore travels around the world and gives talks - once a week on average - to different audiences at universities, conferences, or companies: "The questions they ask there are challenging, and I learn how to think differently." Marketing for the holiday resort by showing competence in the lecture is combined with new insights about "the world outside St. Moritz". In that way, Mr. Danuser is constantly exposed to different mind-sets across generations. He gets a feeling for the emergent cultures and subcultures of society. Hence, one way of getting new ideas is partly to cut himself off his own organization and achieve a certain amount of remoteness from it - far enough to see emergent patterns in the stream of actions of St. Moritz critically, but close enough to ensure his connection to the community in order to be able to retain influence on critical decisions (Venzin 1999: 14-15).

By reviewing how St. Moritz's stakeholders applied the theory by Hamel and Prahalad, we can envision how tourism industry stakeholders from other destinations like Guam could take a similar approach to use foresight to prepare for the future. In the case of Guam, are stakeholders, whether consciously or subconsciously, following the foresight processes to prepare for the future of the industry? Are stakeholders involved in "early recognition" by having a knowledge-seeking attitude to recognize early upcoming knowledge? Are they networking to increase their learning capacity and their organizational flexibility? Are stakeholders developing a shared vision of a preferred future by encouraging broad involvement of those affected? Are physical experiences, experimentation and hindsight contributing to new organizational knowledge? And finally, are stakeholders developing knowledge based on a clear future task, and more importantly, do they all know what the future task is?

This concept of looking to the future for "opportunity share" applies to this particular research topic in many ways. These include reviewing a better business practice to gain an edge over the competition and for improving the quality of the tourism experience for Japanese visitors as Guam enters an ever-competitive world in the tourism industry. This and other works by Hamel and Prahalad (Hamel 1996; Hamel and Prahalad 1995; Prahalad 1996) that touch upon the topic of strategic management are referred to throughout this research. They form the theoretical framework calling for the necessity of foresight for tourism stakeholders to manage the industry for the future.

In their book *Competing for the Future*, authors Gary Hamel and C.K. Prahalad (1994) offer their insights on business management for the new century by providing advice on a forward-thinking strategy where companies can attempt

to "seize the future" rather than maintain their status in the present. They argue that if companies are focused entirely on the present and lose sight of the future, they are merely running in place, and will quickly be outpaced by their global competitors. They also suggest that businesses have become too preoccupied with their competitors for existing markets, rather than seeking to create new markets where they can occupy the competitive advantage simply by being the first ones to get there.

A key point made by these authors for companies that also applies to tourism industry stakeholder groups, is that they will have to make long-range planning a central part of everything they do in order to compete for the future. However, what Hamel and Prahalad fail to adequately address in their book is that while they encourage corporate managers to focus on long-term planning rather than short-term analyses, they do not acknowledge that the profit motive is a strong disincentive for thinking this way. Fortunately, for the case of tourism stakeholder groups, this disincentive can be tempered with well-balanced representation in the collaborative group. In this sense, it appears *Competing for the Future* is more adaptable for tourism industry planning groups. By focusing on business, the authors neglect the other aspects of competing, for example, that there may be harm done to others in rush to gain opportunity. In the tourism industry, winning is not only accomplished by bringing in more visitors and greater revenues, to the detriment of local residents. In reviewing the concepts presented in *Competing for the Future*, tourism industry stakeholders must not only think about how to compete for the future, but to also rethink why.

Summary

This section presented various views in the economic dimension of collaboration in areas of small business collaboration, planning for the long-term, destination visioning, and destination marketing. In small business collaboration, a focus was placed on the One Village One Product movement (Sawaji 2000) and the way it has been applied in Japan as well as in other countries. Kaosa-ard (2002) and the application of this strategy in Thailand was also discussed as a way to involve more of the small local businesses in the industry dominated by large retailers and service providers. Planning for the Long Term provided background literature information on the importance of long-term planning in tourism, leading into the topics of Destination Visioning and Destination Marketing.

In Destination Visioning, we examined the importance of visioning in the process of planning for sustainable development (Cooper 2002) and the need for “buy in” from all stakeholders (Ritchie 1993). Community involvement in the visioning process was stressed by Lane (2001) and Jeffries’ (2001) work included guidelines for long-term planning and strategy in tourism. A review of New Zealand’s tourism strategy through the year 2010 (NZMT 2001) showed how collaboration between various sectors can lead to a vision that can help guide long-term strategy.

The final section on Destination Marketing reviewed literature that examines the importance of marketing places (Kotler et al. 1993), as well as branding them (Morgan et al. 2004). The place of tourism precincts in resort destinations (McDonnell 1997) provided a positive perspective of such locations commonly seen in popular resorts. And finally, Hamel and Prahalad’s (1994)

work on preparing for the future provided the background information for what tourism planners can do to create opportunities for the future of a destination.

Conclusions

This chapter first introduced the topic of collaboration between public and private sectors in the tourism industry and gave an overview on the concept of sustainability, which can be achieved through collaborative efforts. Collaboration was viewed from various perspectives, including The Environmental Dimension, The Cultural Dimension, The Political Dimension, and The Economic Dimension. This conclusion will now review the authors to be used in this thesis, major gaps in literature, and areas for future studies.

Authors Used in the Thesis

The topic of sustainable tourism is an important one that needs to be considered in collaborative efforts in the tourism industry. This thesis will refer to the views of Lane (1994, 2001) who sees tourism within destination areas as a triangular relationship between host areas and their habitats and peoples, holidaymakers, and the tourism industry, without the domination of the tourism industry as seen in the past (Lane 1994: 12). In the area of cultural tourism, Picard's (1990) work on external influences and internal shaping of culture will be referenced.

The areas of government and tourism in this thesis will rely on the works of Timothy (1998) to discuss the types of relationships between sectors and other possible forms of cooperation that can enhance cooperation. Hall's (2000) work on the need for balancing of public and private sectors influence in the tourism

industry is of great relevance to Guam's situation, as well as Richter's (1985) views on greater public sector involvement in tourism development.

Because of Guam's susceptibility to change, Reed's (2000) work on adaptive management among those collaborating in the tourism industry is referenced, as well as Caffyn (2000) and her work on destination life cycles. Important works on collaborative theory and the influence of politics and power in collaborative settings are provided by Jamal and Getz (1995, 2000) and are also used in discussing stakeholder relationships. Gregory and Keeney's (1994) methodological framework for guiding stakeholders in reaching decisions based on their values provides insight for possible application with Guam's tourism industry stakeholders.

Ritchie's (1993, 1994, 1999) and Jeffries (2001) work covering destination visioning, as well as Kotler et al. (1993) on *Marketing Places* and Morgan et al. (2004) on *Destination Branding* provide significant background for discussions in the thesis for visioning and long-term planning. The work of Hamel and Prahalad (1996) is also critical in the thesis in urging tourism industry stakeholders to take on more of a proactive stance as successful businesses do in preparing for the future.

Major Gaps in Literature

Although literature is available on the general concepts of sustainable development and collaboration in the tourism industry including in small island destinations, literature specifically on the Micronesian islands that focus on public and private sector collaboration is currently unavailable. Are the collaborative principles described by the authors referenced in this review being practiced in

Micronesia? This gap in literature needs to be filled considering the importance of tourism in the region and the need for collaboration between sectors.

The literature available also fails to address the collaborative efforts of industry stakeholders in addressing the changing profile of its major source market. While Prideaux (2004) examines the generational changes in Norfolk Island's visitors and makes sound recommendations, and Shono et al. (2005) consider the changing nature of Japanese tourists, they do not focus on the collaborative element in preparing destinations for the future. The situation facing tourism industry stakeholders in many small island destinations near Japan that rely on its overseas travelers as its major source market is currently lacking. What kind of collaborative efforts are taking place among the stakeholders to prepare the industry for the changing profile of these visitors?

Finally, Richter's (1985) work addresses the importance of public administration personnel to be educated in the areas concerning the tourism industry for more effective collaboration and long-term planning. Is this collaborative learning and planning taking place in Micronesia, or on Guam in particular? Surprisingly, even though tourism is such an important industry for the islands, literature concerning this topic in Micronesia is also missing.

This thesis will attempt to address these gaps in the findings and present recommendations based on these findings in the conclusion.

Areas for Future Studies

An area that appears to be lacking is in the research of public and private collaboration in small island settings in the Pacific in order to determine the extent of visioning that takes place. An examination of how the visioning process (if it

exists at all) takes place, and how it relates to planning for the destinations' major source markets should be of interest to tourism scholars and practitioners.

Another area to consider for future research is the effect on local residents of the various large new developments have appeared on the islands of Micronesia over the past two decades, including casino gaming communities (Tinian), large international hotels and time-share condominium complexes, and golf courses. These new developments are obviously known and their presence felt by local residents. However, while limited tourism industry perception survey data may be available (e.g. Guam Waterworks Authority 2006), academic literature concerning the community response to these developments, including environmental concerns, is not available and therefore the area warrants further study.

It is not only by studying theory and general concepts, but also by studying issues of specific circumstances that we can enhance our critical understanding of tourism partnership. Further research in collaboration, specifically in the small Pacific island nations and territories, will enhance the quality of partnerships in the future. This will also assist tourism scholars and practitioners to understand how collaboration approaches can succeed and fail in small Pacific island settings.

Chapter 4. Methodology

Introduction

This chapter discusses the the research methodology employed in this study. It will first review the Secondary Research for data concerning the topics of Japanese overseas travel and small island tourism. This chapter will then cover the primary research methodology used, including subsections on justification for the use of qualitative methodology, Grounded Theory, the interview questionnaire design, the interview techniques used, and on Data Analysis. Because these other forms of analysis are included in this thesis (Chapter 3 and Chapter 6), a brief overview of Case Study and SWOT Analysis methodologies follows. The chapter concludes with a section on Research Challenges to describe the challenges encountered in this study.

Secondary Research

Chapter 3 established the main issues related to public and private collaboration and tourism. That chapter also presented research findings derived from secondary research in areas of partnerships and collaboration in the context of small island tourism destinations. Secondary research on Japanese society and Japanese overseas travel was also utilized for data relevant materials for this thesis. This was done in order to show the changes occurring in Japanese society and how these changes are reflected in leisure pursuits, including overseas travel, making this an important topic for Guam tourism industry stakeholders who rely on Japanese tourists as a major source market.

A vast amount of secondary research data is available concerning the general subjects of small island tourism and Japanese overseas travel, requiring a focused search for each area. For small island tourism, a considerable amount of research has centered on sustainable tourism development and management through collaboration. For Japan, changing trends in Japanese society and any other important aspects that are tied to leisure and travel, such as demographic changes, were examined. This was accomplished via the collection of secondary research data in Japan and Guam from references in the form of books, journal and news articles, and other such sources, both in hard copy and electronic formats.

Due to the significance the Japan market holds in Guam's tourism industry and the focus it requires from tourism stakeholders, this thesis examines the history of Japan's overseas travelers from the beginning of liberalization up to the present, including the trends of recent years. Many of the major changes occurring in Japanese society that affect the way in which Japanese citizens approach leisure time activities, specifically overseas travel were reviewed for this study.

In addition to gathering secondary data, primary research was also conducted in Tokyo during the 16-month period from July 2004 through November 2005. During this time, workplace issues and family systems were studied in resource centers and in the Human Resources Department of a Japanese non-profit organization that has been in operation for over 78 years. Interviews with employees were conducted to review the current issues concerning regular, part-time, and contract workers, as well as employees' attitudes toward employee support systems for individuals and families. In addition, interviews were conducted with a number of tourism industry leaders in Tokyo to study travel and

leisure trends taking place in Japan's capital city, widely considered the trendsetter for the rest of the nation. Consultations with Guam's tourism industry leaders also took place during this period to gather both historical and current data, as well as information on plans for the tourism industry.

Primary Research Methods

This section examines Grounded Theory and background information leading into the Grounded Theory method. The fundamental concepts and method in Grounded Theory is explained with reference to how the method was applied to this research. Glaser and Strauss's (1967) original work on this theory is introduced and the constant comparison step is explained to show how emerging categories can be seen, leading to the emergent theory grounded in the data. First an overview of these paradigms is presented as a background to the methodology used in this thesis.

Actions taken in research are underpinned by paradigms, a basic set of beliefs that define the worldview of the researcher. The various paradigms are characterized by ontological (what is the form and nature of reality, and what can be known about reality?), epistemological (what is the nature of the relationship between the researcher and what can be known?) and methodological (how can the researcher find out what she/he believes can be known?) differences in their approaches to conceptualizing and conducting research, and in their contribution towards disciplinary knowledge construction (Goodson and Phillimore 2004:35). Guba presents the key philosophical concepts as follows:

- Matters of *ontology* are defined as those concerns and outlooks which help determine or designate the nature of the knowable;

- Matters of *epistemology* are defined as those insights and questions which help understand the relationships between knower (the inquirer) and the known (the knowable);
- Matters of *methodology* are defined as those preferred practices and operational partialities (as predicated by the above ontological and epistemological issues) which the inquirer should respect as they go out to find knowledge via the use of particular “methods” or “approaches to inquiry (Guba 1990: 18).

All research is influenced by the philosophical position of the researchers, the nature of the project, and its intended audience, therefore, the research philosophy underpinning the design of a study impacts on both the way data is gathered and how it is used to create knowledge (Jordan and Gibson 2004: 216). The elements of ontology, epistemology, and methodology were each reviewed to determine the relevant paradigm for this study.

There are four contrasting paradigms which structure research, providing flexible guidelines that connect theory to method and help determine structure and shape of research: Positivist, Postpositivist, Interpretive and Critical. With the positivist paradigm, the researcher believes only in the existence of the “real” observable world and assumes an apprehendable reality driven by immutable laws (Guba and Lincoln 1998). Positivists utilize quantitative methods to measure that reality with no room for error for the dependent variables. In the public and private sector collaboration context, the relationships and interactions that shape outcomes are not measurable, making this paradigm inappropriate for this study.

Postpositivist research is an interactive process in which the researcher and the participant learn from each other. It results in realistic understanding,

interpreted through the social and cultural context of their lives (Lincoln & Guba, 1985). In-depth, detailed, rich data is produced based on the individual's personal perspectives and experiences. Postpositivist or realist inquiry is based on an inductive reasoning process where the research design process evolve, one in which the questions to be asked and the data to be collected emerge in the process of doing the research.

Many researchers, particularly in tourism, operate within the context of positivist and post-positivist paradigms (Goodson and Phillimore 2004 35). These paradigms are associated with the view that the researchers can be substituted for one another to produce knowledge. In addition, they are value free and neutral in their research, being able to transcend subjectivity and disconnect knowledge from everyday life if there is any knowledge worthy of analysis (Kincheloe and McLaren 1994). Guba (1990) argues the traditional philosophy of positivism has been dominant since the 17th century, and Riley and Love (2000) argue has been the dominant approach to tourism research in the major tourism journals.

In contrast with positivism, which is based on the hypothesis deductive framework, interpretivism relies on a holistic-inductive approach. The research phenomenon is investigated as a whole, and theoretical propositions are generated from the empirical field. Frequently, qualitative research is connected with interpretivism as a general philosophy. Interpretivism focuses on understanding and interpretation, while positivism strives to explain phenomena in order to predict and control them (Decrop 2004: 157). This thesis was conceived within the interpretive paradigm because “the central endeavor is...to understand the subjective world of human experience” (Cohen and Manion 1994: 36), which in this case is to understand stakeholders’ views on collaboration. In the

collaboration context, this paradigm fits in that there is a need to understand and interpret relationships that exist between public and private sector individuals and organizations for shaping strategies for the Guam's tourism industry.

Within critical theory, it is assumed that reality and knowledge are transformed over time by structural or historical insights and that the researcher may change the world in which respondents live (Guba and Lincoln 1994). Critical theorists, like interpretivism, also reject the existence of a window to an imperfect reality or truth. In this research, critical theory is inappropriate because there is no intent to shape or transform reality or groups within it.

In summary, the interpretive approach is appropriate for investigating the collaborative nature of Guam's tourism industry stakeholders in their efforts to develop tourism strategy. Based on the above discussion, the adoption of the interpretive paradigm for this research is justified on a range of ontological, epistemological and methodological grounds.

Justification for the Qualitative Methodology

The different paradigms associated with both quantitative and qualitative research was briefly touched upon on the section on paradigms. Where quantitative research is bounded by statistical rules, qualitative research is a creative process that relies on the insights and conceptual abilities of the analyst (Patton 1990). Although tourism has been dominated by quantitative methodologies (Riley and Love 1999), understanding tourism settings and behavior in those settings requires qualitative research (Jamal and Hollinshead 2001). Because of the interpretive approach and theory building nature of this tourism collaboration research, a qualitative methodology was most appropriate for this research.

Guba and Lincoln (1994) have described qualitative research as an interpretive, naturalistic approach to its subject matter. Creswell (1998: 15) builds on this and provides the following definition:

“Qualitative research is an inquiry process of understanding based on distinct methodological traditions of inquiry that explore a social or human problem. The researcher builds a complex, holistic picture, analyzes words, reports details of informants, and conducts the study in a natural setting.” (Creswell, 1998: 15)

There are some restrictions to the qualitative approach. These were highlighted by Guba and Lincoln (1989) who stated that because qualitative research does not aim to discover ‘the truth’ and how things ‘really work,’ the level of ambiguity may be too much for some to accept. In addition, because the approach would accept choice in deciding the methods to be used, some may argue the methodology is either advantageous to the powerful or disadvantageous to the less powerful. Furthermore, given the assumptions that perceptions and constructions change according to context and culture, one could argue that broad reaching solutions may never be found.

Guba and Lincoln (1989) also presented some of the positive points concerning qualitative research. The authors countered the criticisms of this method by arguing that the fears concerning the restrictions were constructions in themselves and that qualitative approaches decrease the likelihood of decision making which assumes that their beliefs are ‘truth’ and reflect ‘reality’.

Given the qualitative approach and desire to build theoretical propositions based upon public and private sector stakeholder collaboration, grounded theory seemed appropriate for the study.

Grounded Theory

This study is based on the approach of grounded theory methodology. Grounded theory is a research method that seeks to develop theory that is grounded in data systematically gathered and analyzed. According to Martin and Turner (1986), grounded theory is "an inductive, theory discovery methodology that allows the researcher to develop a theoretical account of the general features of a topic while simultaneously grounding the account in empirical observations or data." The major difference between grounded theory and other methods is its specific approach to theory development - grounded theory suggests that there should be a continuous interplay between data collection and analysis and theorizing.

Grounded theory begins with a research situation, and within that situation, the researcher is to understand what is happening, and how the players manage their roles. This is done mostly through observation, conversation and interview. Using this methodology theory evolves while doing the actual research, and it does this through continuous interplay between analysis and data collection. In addition, theory may be generated initially from the data, or if existing (grounded) theories seem appropriate to the area of investigation, then these may be elaborated and modified as incoming data are played against them (Strauss and Corbin 1998: 159).

This form of methodology involves generating theory and doing social research, both being parts of the same process. For example, when conducting interviews with tourism industry stakeholders, ideas may evolve over the number of interviews and the way responses are generated may differ due to various external factors. Also, from the interviewer's perspective, interview questions may

not change per se, but newly acquired information may influence the way in which the question is asked. Constant comparison is also the heart of the process in this methodology, and this is done throughout this research with the responses from tourism industry stakeholders.

According to Strauss and Corbin, grounded theory methodology is designed to guide researchers in producing theory with many conceptual relationships (1998: 169). Theoretical conceptualization means that grounded theory researchers are interested in patterns of action and interaction between various types of “actors,” in the case of this study it is the tourism industry stakeholders. The interest is not in creating a theory for the individual actor, but in discovering the process of reciprocal changes in patterns of action/interaction and in the relationship with changes of conditions that are either internal or external to the process. With the grounded theory methodology, the theorist can claim predictability, in the limited sense that if elsewhere approximately similar conditions exist, then approximately similar consequences should occur.

Grounded theory was first introduced by Glaser and Strauss in *The Discovery of Grounded Theory* (1967). The book had three avowed purposes. The first was to offer the rationale for theory that was grounded, i.e. generated and developed through interplay with data collected during research projects. The second purpose was to suggest the logic for and specifics of grounded theories. The third was to “legitimate careful qualitative research, as by the 1960’s this had sunk to a low status among an increasing number of sociologists because it was not believed capable of adequate verification (Strauss and Corbin 1998: 162). From the late 1960’s this methodology has been used in a variety of studies, with the first two grounded theory monographs being about dying in hospitals.

Hardy (2005:115) illustrates how Grounded theory differs from other research traditions (See Table 17). Grounded theory differs from phenomenological study because rather than seeking to understand the meaning of an experience, the approach seeks to generate theory that relates to a particular situation (Creswell, 1998). Grounded theory also differs from ethnography which seeks to describe and interpret a cultural or social group or systems (Creswell, 1998) (Table 1). Case studies seek to undertake in-depth analysis of singles cases or multiple cases and develop themes, assertions and explanations specific to that case, which is bounded by time and place (Creswell, 1998). (Case study will be reviewed later in this chapter.) The differences reviewed above provided further justification for the use of Grounded Theory for this study.

Table 17. A Comparison of the Four Research Traditions in Qualitative Research

<i>Dimension</i>	<i>Phenomenology</i>	<i>Grounded theory</i>	<i>Ethnography</i>	<i>Case study</i>
Focus	Understanding the essence of experiences about a phenomenon	Developing a theory grounded in data from the field	Describing and interpreting a cultural and social group	Developing an in-depth analysis of a single case or multiple cases
Discipline origin	Philosophy, sociology, psychology	Sociology	Cultural anthropology, sociology	Political science, social sciences
Narrative form	Description of the essence or meaning of an experience	Theory or theoretical model	Description of the cultural behaviour of a group or an individual	In-depth study of a 'case' or 'cases'

Source: Hardy (2005)

This methodology was chosen for this study based on the fact that grounded theory is a general methodology, “a way of thinking about and conceptualizing data” (Strauss and Corbin 1998: 163), and can be easily adapted to the situations described in this research. Although easily adaptable, there are

also risks associated with using this methodology. For example, it is common for researchers to discover a basic process but not to develop it conceptually. The mistake here is failing to understand that variation gives a grounded theory analysis its conceptual richness. Keeping that in mind, the importance of the back-and-forth interplay of data resulting from tourism stakeholder interviews has been consistently reviewed in the development of the conclusions to this study.

There are subtle but distinct differences in perceptions of the method between Glaser and Strauss since the inception of Grounded theory. Not only are there differences in style and terminology, but Strauss' 1990 version of the method has been reworked to incorporate a strict and complex process of systematic coding (Goulding 1998:52). It appears Strauss has modified his description of grounded theory from its original concept of emergence to a densely codified operation. To Glaser, the Straussarian school represents an erosion of grounded theory (Stern, 1994) and is possibly responsible for the impression that grounded theory uses qualitative research to quantify findings, although this is a misconception. In contrast to Strauss' densely codified operation, Glaser's method is more holistic. Glaser (2001) recommended that if a researcher were uncertain about the process, the researcher should just analyze the data in front of her/him and write what is seen.

Therefore, some differences can occur in the application of grounded theory to research. Some authors use a case study tradition and apply grounded theory simply as a method of analysis by using its methods of conceptual coding, constant comparison, theoretical sampling and saturation. The present study uses grounded theory more holistically as a research approach whereby theory and concepts are developed from the socially constructed knowledge of participants

and without previously identified theories or hypotheses. Other authors have also used this method to create grounded theory (e.g. Creswell, 1998; Riley 1995).

Grounded Theory methodology was also used by Jordan and Gibson (2004) in researching the solo travel experiences of British and American women. They claim that the flexibility afforded by the use of interviewing as a research method was valuable. The authors used the technique known as constant comparison where themes generated by ongoing analysis of our interview data had been incorporated into further interviews. The theoretical orientation changed as a consequence of this ongoing data analysis combined with continued secondary research (Jordan and Gibson 2004: 218). Another notable study using the Grounded Theory methodology is by Hardy (2005) in *The Use of Grounded Theory to Understand Perceptions of Sustainable Tourism*. Hardy's study explores the application of grounded theory as a tool for building theory on the relationship between stakeholder analysis and perceptions of tourism-induced change and sustainable tourism.

This research methodology that allows for theory to be generated from the data and helps to work from the stakeholders' perspectives rather than imposing the researcher's ideas and biases on the data, as much as this is possible. One of the most positive results of using this methodology is, as Cotterill and Letherby (1993: 77) point out, that "the research process may make the participants of the research think about things they have never thought about before or indeed think about things in a different way".

Interview Questionnaire Design

Interview questions were determined in consultation with Professor Masakatsu Ogata, Professor of Tourism, at Ritsumeikan Asia Pacific University.

Questions were selected to determine the stakeholders' awareness of tourism trends in Guam's tourism industry. They were also designed in a manner that would reveal the level of communication between stakeholders through the consistency of responses. Stakeholders' perceptions of other stakeholders' knowledge of trends help support this inquiry. Interview questions can be found in Appendix B. *Questions for Tourism Industry Stakeholders*.

The questions were designed to first generate what stakeholders believe to be factual concerning general tourism trends and Japanese overseas travel. They then move on to more challenging questions that require opinions about matters that both directly and indirectly concern stakeholder collaboration in the tourism industry. These are then followed by other more general questions on plans for the future of Guam's tourism industry.

Each question pertains to a category, in which responses are compiled to generate findings for this study. The categories linked to the questions are Awareness of Travel Industry Trends, The Japan Market, Vision, Preparedness, Priorities, Environmental and Sustainability, and Public/Private Collaboration. Using the questionnaire as it was designed for this research and conducting the interviews allowed the adoption of an inductive approach by identifying patterns in the data might lead to grounded theory based on the responses of Guam's tourism industry stakeholders.

Interview Techniques

There are differences in the structured interview and qualitative research interviews. The structured interview is a quantitative technique, used in surveys, with questions arranged for data to be collected in a highly structured way. All the variables will have been identified, and the interview structure, and the way the

data will be coded, will be predefined. In its most formal format, the structured interview may be considered as an oral presentation of a written questionnaire. The interviewer will read out the questions and the interviewee will give their response. Other forms of interaction are kept to a minimum. In many cases, the structured interviews will have a fixed number of questions and the possible responses may also be restricted, making the structured interviews seem like they only include closed questions, but this is not necessarily the case in all structured interviews (Eachus 2006).

On the other hand, the semi-structured interview is a more qualitative approach to research. With the semi-structured interview, data collection is not to a rigid formula as with the structured interview, which involves asking the structured to maximize the reliability and validity of measurement of key concepts. The structured interview is designed to answer these questions. Instead, in qualitative research, there is an emphasis on greater generality in the formulation of initial research ideas and on interviewees' own perspectives (Bryman and Bell 2004: 313).

With the semi-structured interview, the researcher has a list of questions or fairly specific topics to be covered, often referred to as an interview guide. However, the interviewee has the flexibility to answer in his/her own manner. The questions do not have to follow in the sequence of the list of questions or topics and questions that are not included in the guide may be asked as the interviewers gain new insight on topics. However, in general, all of the questions will be asked and a similar wording will be used from interviewee to interviewee.

As with other forms of research methods, there are advantages and limitations of semi-structured in-depth interviewing. The following are some of the key advantages and limitations. (Adapted from Jordan and Gibson, 2004)

Advantages

- Face to face nature of interviews enables the researcher to read body language and other non-verbal forms of communication in addition to speech, which can elicit valuable insights;
- Semi-structured interviews provide inexperienced interviewers with some structure while also allowing them to develop their own approach to interviewing;
- Personal nature of interviews may enable the researcher to develop empathy with participants thereby creating a more comfortable environment;
- It can provide contextual background for studies using multiple methods;
- Adaptable technique allows probing of specific themes taking into account each participant's experiences. This in turn makes it a flexible technique because as data collection progresses and new ideas relevant to understanding the research topic emerge, interviews can be refined to reflect these insights;
- The technique has high validity, as interviewers can ensure that questions are understood by the interviewees by adapting the wording, or probe to elicit more in-depth responses;
- Possible interconnections between experiences and views can be explored.

Limitations

- The researcher may consciously or unconsciously steer the interviewee towards expressing views that agree with the research themes sought;

- The value of the data is dependent on the honesty of the interviewee (or their desire to say what they think the interviewer wants to hear);
- Misinterpretation of views by the researcher and/or the participant is possible;
- The technique relies on interviewees to volunteer to participate in what can be a time-intensive process. Interviews can last anywhere from one to two or more hours;
- Recording of interviews can be problematic if the interviewee does not want to be taped or is conscious of being recorded;
- Interviews, transcription and analysis of interview data are all time-consuming activities;
- Interviews can generate a large amount of data extraneous to the topic, and it may be problematic to generate comparable themes (this may be particularly difficult where more than one researcher is gathering data for the study).

After weighing the pros and cons to this interviewing method, the semi-structured in-depth interviews were determined to be the most appropriate way to collect data on collaboration between Guam's tourism industry stakeholders.

The interviews for this research were conducted on Guam during the months of February and March 2004. They were held in private office settings (with the exception of one, which was held in a hotel lobby lounge) and generally took between 45 and 95 minutes each. The one-on-one method of interviewing over the questionnaire method was preferred in this research to avoid "packaged" answers with politically correct statements written by administrative staff or special assistants. A tape recorder was used in all interviews and notes were taken, with both the recorded tapes and written notes used as backup resources. After

each interview, the results were transcribed to produce a detailed document of each interview to facilitate the compilation and analysis of responses.

Data Analysis

This thesis analyzes qualitative data generated from semi-structured in-depth interviewing of Guam's tourism industry stakeholders from the public and private sectors. Data analysis consists of qualitative techniques, dealing with responses from Guam's tourism industry stakeholders. A key component of the analysis is concerned with identifying, naming, categorizing and describing phenomena found in the text. Essentially, each line, sentence, paragraph etc. is read in search of the answer to the repeated question "What is this about?" or "What is being referenced here?" (Borgotti 2006). The answers to these questions lead to the placement of the data in an appropriate category in order to facilitate the development of relationships between categories and to then to integrate categories to build a theoretical framework.

The analysis of the interview results followed an approach similar to the "Framework" approach developed by Ritchie and Spencer (2004). This approach involves a systematic process with analytical steps: identifying themes or concepts, labeling the data, creating thematic charts to sorting and order the data, and summarizing and synthesizing the data (Ritchie and Spencer 2004: 3). In this way the interview responses were analyzed individually and together for meaning and connections.

Twelve industry leaders who have the most influence on Guam's tourism industry, six each from the private and public sectors, were identified and asked the same questions that relate to the following categories: Awareness of Travel Industry Trends, the Japan Market, Vision, Preparedness, Priorities,

Environment/Sustainability, and Public and Private Collaboration. The list of Questions for Tourism Industry Stakeholders can be found in Appendix B.

Industry leaders for this research were determined for their direct involvement and influence on the future direction of Guam's tourism industry. This was accomplished after consultation with Professor Masakatsu Ogata of Ritsumeikan Asia Pacific University and Professor John C. Salas, Head of the International Tourism Program at the University of Guam. Interviewees are affiliated with the following organizations (in most cases their Chief Executive) that drive tourism on Guam: Private sector—Guam Hotel & Restaurant Association, Japan Guam Travel Agents Association, Guam Chamber of Commerce, Citizens for Economic Diversity (Pro-Casino Gaming Organization), Tanota Partners (Developer), Continental Micronesia Airline; Public sector—Guam Visitors Bureau, University of Guam Tourism Program, Office of the Governor, Guam Economic Development and Commerce Authority, Department of Chamorro Affairs, and the Speaker's Office of the Guam Legislature. (The name and title for each interviewee are listed in Appendix C).

Case Study

In Chapter 6 of this thesis, three comparative case studies are presented to provide possible strategies to enhance Guam's tourism product in a sustainable manner through collaborative efforts in the area of ecological attractions, man-made attractions, and local cultural attractions. This section will provide a brief overview of case study methodology and provide some examples of how it has been used in tourism research.

Case studies are now widely used as a teaching tool in business schools to enable students to understand the complex nature of strategic decision-making and

the impacts of such decisions in inter-related areas (Evans et al. 2003: 333). The method has also been a common research strategy in the fields of psychology, political science, sociology, social work, and community planning (Yin 2003:01).

In general, case study methodology is the preferred strategy when “how” or “why” questions are being posed, when the investigator has little control over events, and when the focus is on a contemporary phenomenon within some real-life content. Such explanatory case studies also can be complemented by two other types of case studies, by using exploratory and descriptive case studies (Yin 2003: 1). Yin also writes, “the distinctive need for case study arises out of the desire to understand complex social phenomena” and that the “case study method allows investigators to retain the holistic and meaningful characteristics of real-life events (p.1-2). In the comparative studies presented in this thesis, the question of “how” different attractions compare with what is offered on Guam is being asked, establishing a situation where the focus is on a contemporary phenomenon within real-life content, making it appropriate for the case study method.

Experiments with an exploratory, explanatory, and descriptive motive can use case study, but some of the best and most famous case studies have been both explanatory and descriptive (Yin 2000: 3). Although strategies are different, the clarification does not necessarily mean that the boundaries between the strategies or the occasions when each is to be used are always distinct. There are overlaps, but goal is to avoid misfitting of strategies. (Yin 2000: 5). The most common design for doing case studies is the single case design, which has two types. One uses holistic designs and the other uses embedded units of analysis. Yin considers single- and multiple-designs to be variants within the same methodological framework—and no broad distinction is made between the single case study and

the multiple-case studies (Yin 2003: 46). The multiple case design is used in the comparative case studies presented in this thesis, using holistic designs to allow for the qualitative nature of the study.

The case study, like other research strategies, is a way of investigating an empirical topic by following a set of prespecified procedures. However, case studies can also be conducted and written with many different motives, including the simple presentation of individual cases or the desire to arrive at broad generalizations based on case study evidence (Yin 2003: 15).

Much research in the small islands has been case study oriented and case studies that describe recent changes in tourism to particular islands are still common (Lockhart 1997:13-14). An example of the use of case study methodology in the area of tourism collaboration is Roberts and Simpson (2000) in their investigations of collaboration in rural regions in Bulgaria and Romania. In addition, Caffyn (2000) utilized case study to highlight key phases of partnerships in North Pennines Tourism Partnership, and Medeiros de Araujo and Bramwell (2000) reviewed participation in Costa Dourada in Brazil using case study.

SWOT Analysis

In the previous chapter of this thesis, an example of a SWOT Analysis for Guam's Tourism industry was introduced. SWOT Analysis is an acronym where the letters stand for Strengths, Weaknesses, Opportunities and Threats. It is a commonly used analytical tool in business environments that has become firmly

established in the literature for strategic management¹⁹ (Evans, et al. 2003). The key concept for this analytical tool is described in the following manner:

“SWOT is the key technique for presenting the results of strategic analysis, which provides a platform for going on to formulate the strategy for the future. The strengths and weaknesses should be based upon the internal analysis of the organization whilst the opportunities and threats should be based upon an analysis of the organization’s external environment.” (Evans et al. 2003: 197)

The SWOT helps to scan the environment, or to establish a position statement, which states where the organization is at the time of the analysis in relation to its environment. It can help organizations determine which controllable factors they can work on to improve their current position.

The SWOT Analysis can be utilized in the tourism industry is as a tool for systematic evaluation of the strengths, weaknesses, opportunities, and threats affecting tourism development in each study area in order to identify the most promising tourism development opportunities at a regional and community level. It is a key tool for communities to plan for tourism development. The SWOT Analysis depends on collaboration through local input and on information gathered through a steering committee. It will suggest, in broad terms, how to: Build on regional and community strengths; Overcome weaknesses that currently constrain tourism development; Approach tourism development to minimize the potential impact of threats, and; Make the most of available opportunities. The SWOT Analysis Matrix in Figure 11 below provides a guideline as to what information is to be gathered in the analysis and what can be done with the information once it has been compiled (Integrated Land Management Bureau 2006).

¹⁹ For example, see Knowles (1996), Haberberg and Rieple (2001), and Lynch (2000).

The SWOT should have a strategic focus in that it concentrates on those factors which have:

- A major impact on past performance.
- A major impact on future performance.
- Distinguish the organization (or destination) from its competitors.
(Evans et al. 2003: 198)

Figure 11. SWOT Analysis Matrix

SWOT ANALYSIS	Strengths <i>(Internal)</i> Positive characteristics and advantages of the issue or situation	Weaknesses <i>(Internal)</i> Negative characteristics and disadvantages of the issue or situation
Opportunities <i>(External)</i> Factors that can benefit, enhance or improve the issue or situation	<u>S-O Analysis</u> How can strengths be employed to take advantage of development opportunities?	<u>W-O Analysis</u> How can weaknesses be overcome to take advantage of development opportunities?
Threats <i>(External)</i> Factors that can hinder the issue or situation	<u>S-T Analysis</u> How can strengths be used to counteract threats that tend to hinder achievement of goals and pursuit of opportunities?	<u>W-T Analysis</u> How can weaknesses be overcome to counteract threats that tend to hinder achievement of objectives and pursuit of opportunities?

Source: Alaska Office of Tourism, 2001

The SWOT Analysis has been used in various forms of tourism research. Yu (2005) takes a SWOT analysis approach to discuss the current hotel reform in China. Kelly (2006), in *Peace Through Tourism: A SWOT Analysis*, applies the usually business-oriented instrument of a SWOT analysis in which the author looks at the strengths, weaknesses, opportunities and threats influencing the potential of tourism to contribute to a more harmonious and therefore more peaceful world. Tellus Consultants, Inc. (2006) use the tool in *SWOT Analysis for Participatory Research in the Pacific*, which is an overall analysis of the

Successes, Weaknesses, Opportunities and Threats (SWOT) of the Pacific islanders to provide insight into the long term benefits of participatory approaches to sustainable economic policy making. In *Marketing Places*, Kotler et al. encourage the use of the SWOT analysis to permit strategic planners to carry out issue identification and management, due to the need to identify the main issues facing the community (Kotler et al. 1993: 90).

In brief, the SWOT Analysis provides a way to share ideas and encourage input from stakeholders to guide with the planning for future strategy. This makes it an appropriate tool to introduce in the form of an example to be considered for Guam's tourism industry.

Research Challenges

A number of challenges were encountered in this study. Some of these are listed below. The main challenge was the reluctance of some stakeholders to participate in the study and the resultant difficulty in the scheduling of interviews. Although the interviews with identified stakeholders were eventually completed; some took a considerable amount of time in confirming an appointment for the interview.

Other challenges identified in the field included the following:

- Approximately 13 months before the interviews took place the 2nd of two super typhoons – Chata'an and Pongsana – had devastated the island and thus placed the focus of short-term recovery in the minds of tourism industry stakeholders. This made discussions on the long-term outlook somewhat awkward;
- The reliance on “Spokespersons”. Some public sector stakeholders preferred to have interview questions in advance in order to have their

- spokesperson prepare responses. In one case, the written responses received from the stakeholder were not at all consistent with the verbal responses given by the stakeholder during the in-depth interviews. These written responses were not included in the compiled data for this research;
- “Interview overload”. Several stakeholders had recently been interviewed or were scheduled to be interviewed about the status of Guam’s tourism industry and the economy, and some stakeholders expressed that they were spending more than their budgeted time for interviews;
- The researcher asking questions was known to a majority of the stakeholders from his experience working in the private sector of Guam’s tourism industry. This may have influenced the way in which some of the stakeholders responded, possibly basing responses on their perception of how they viewed the interviewer’s alliances with individual stakeholders in both the public and private sectors.

Notwithstanding these challenges, the data resulting from the interviews appears to be a fair representation of the level of collaboration between Guam’s public and private sector tourism industry stakeholders.

In summary, the success of Guam’s tourism industry in the coming decades will be based on what proactive measures Guam’s tourism stakeholders take at the present time to prepare for the future. This research, using primarily qualitative interviewing with the grounded theory approach, reviews what is currently happening in the context of collaboration in Guam’s tourism industry. Based on the analysis of data, this research also presents what the island’s tourism industry stakeholders in both the private and public sectors can do to prepare for different market profiles that will begin to appear from Japan, its major source

market. By assessing the degree of successful private and public sector collaboration as well as deficiencies in various aspects of collaboration between key stakeholders in Guam's tourism industry, we can review Guam's experiences and degree of stakeholder cohesiveness in dealing with changing trends. This in turn can be studied by other small island destinations in the region that depend on Japan as its major source market for tourism to learn from Guam's successes and disappointments in public and private sector collaboration in the tourism industry.

Chapter 5. Data Analysis – Public and Private Sector Interview Results

To determine if Guam's tourism industry stakeholders are prepared to compete for the future of Guam's tourism industry, an examination of what is currently happening in terms of collaboration between stakeholders is crucial. The focus of this chapter is on the results of interviews conducted with Guam's tourism industry stakeholders. The vital relationship between these stakeholders from the public and private sectors, and the level in which they cooperate for the benefit of the island's residents and the industry will be examined from the responses to the questions addressing issues concerning Guam's tourism industry.

Industry stakeholders come from Guam's public and private sectors, and both are equally important in mapping out the future of Guam's most important industry. As such, they must also be aware of changes occurring in society of Guam's major source market of Japan, a market that provides the bulk of Guam's visitors as well as revenues for Guam's economy. These changes, as described in the previous chapters, can have a profound affect on the way visitors from Japan decide on their travel plans and the way they spend their yen once they have arrived at their destination (Shono et al. 2005). Guam's tourism industry stakeholders must keep a watchful eye on these changes in Japan and pick up on trends that are occurring that may affect the way in which the destination may appeal to segments of Japanese society.

In order to do this, communication, awareness, and continuous exchange of ideas are key factors in the way stakeholders interact with each other across public and private sectors. Proper planning and visioning for the future requires the exchange of opinions and ideas from stakeholders to ensure that the team of

decision-makers are fully aware of the destination's goals (Gregory and Keeney 1994) and have a degree of "buy-in" into the plans (Ritchie 1993).

Results of this research presented a number of interesting findings, some as expected and others unanticipated. The interviews provide us with an indication of how well the industry stakeholders communicate amongst themselves on issues concerning tourism and whether or not a common vision is shared for the future of Guam's tourism industry. The findings are presented in sections made up of the major elements covered by the interview questions. They are: Awareness of Travel Industry Trends, The Japan Market, Vision, Preparedness (to enhance/maintain attractiveness of the destination), Priorities, Environment & Sustainability and Public / Private Collaboration.

Awareness of Travel Industry Trends

In responding to questions relating to this area, all stakeholders were confident in their knowledge and pointed out some of the current trends in Guam's travel industry. These ranged from increase in family travel, longer stays, desire for more culture among visitors, later bookings before travel, more diversification from the traditional honeymoon market, more independent travelers, loss of Japan's market share to Guam, and decreased spending (mentioned by 58 percent of interviewees). While some of these trends related directly to the areas of responsibility of each interviewee, the majority was extremely well informed about the latest developments in Guam's major industry. Another important point concerning this element is that while the trends in question can cover any aspect of Guam's travel industry from any source market, all stakeholders responded with the focus on primarily the Japanese visitor indicating the importance of this source market.

The stakeholder who provided a very comprehensive response indicating his knowledge of recent trends is a public sector official who was until recently the head of a large private-sector retailer whose business came mainly from Japanese visitors. He provided the following perspective on what is happening in the Guam tourism scene:

“I see several trends. First of all, I see a lot more diversification in the demographics. I see a change from the old days when there was a strong element of honeymooners to a lot more families now which is probably the largest and fastest growing market segment in Japan anyway, overseas. I see a lot more travelers like three generations traveling together, more mother-daughter type travelers. A lot more kids, more repeat customers to Guam. And I see a progressive erosion in spending per customer over the years. I see a change in the buying habits with more self-purchasing accounting for a big part of their purchases as opposed to gift giving. There is still some of the gift giving, but as a percent to total individual expenditures are not as much as before. Even though Japan continues to be a mainstay, I see the emergence of the military market in response to the effort made locally to broaden the arrivals. I see more sports tourism now as facilities get built and I see the opportunity for business travelers through the creation of activities that would bring them. This arbitration center is an area that I was specifically referring to. I see a need for Guam to start focusing on not just volume, but yield on visitors. I see Guam in the last ten years trend from a high-yield low volume destination to increasingly a higher volume lower yielding destination that is more consumer driven, than by the wholesalers and distributors. There is a lot more independence in terms of deciding where to go in travel in Guam²⁰.”

Another stakeholder, this one from the private sector (airline industry), responded in a way indicating a strong awareness of trends that lead to great opportunities for Guam. This stakeholder’s responsibilities as a Marketing Director for a major airline bringing visitors to Guam from Japan provided him with a keen insight on these trends. He had this to say in reference to trends and the Japanese market:

²⁰ Gerald S.A. Perez, GEDCA Office, March 2, 2004, Tamuning, Guam.

“...a lot of people kind of write it [the Japan market] off, it’s kind of old or whatever...it’s a mature market but there are opportunities within the market segments to drive more business to Guam that we haven’t been getting before. And I think we’ve tapped into some things like Sports Tourism thing that’s come up over the past 12 months or 18 months. We have a more concentrated focus on it and we’re actually seeing some results there. Our sales people in Japan also spend time with a lot of different schools that still send children overseas for overseas trips. These are actually subsidized by prefecture governments. So we do work with school principals and prefecture governor’s office and places like that to tap into that information to see if we can build that market as well. But I think it’s all a matter of looking at all these different opportunities and prioritizing. The other thing that we’ve noticed over the past 10 years is that a lot of things have been concentrating in Tokyo. And we don’t necessarily like that, because we fly currently from seven cities to Guam and we think that there’s a lot of untapped potential in the outlying prefectures and cities that we are not really focused on. And that’s something that we want to kind of concentrate on. And given our limited resources really, the goal should be to utilize your funding in a matter that develops most incremental traffic and then try to... the question becomes “What is the lowest amount of money you can spend in the Tokyo area and maintain your market share? And then use the rest of it to go out and explore gaining market share in the other origin cities. You know it is a challenge for everyone in the industry I think getting into the communication process is that a lot of the players change²¹.”

Not all stakeholders were as well versed about the industry as the two stakeholders quoted above, but most were able to accurately describe an aspect of changes occurring within Guam’s travel industry. In this sense, it is apparent that information concerning travel trends has been available and is accessed by these stakeholders to help them make important decisions concerning the industry.

A public sector stakeholder showed his interest in travel trends by including in his response some knowledge about current projects concerning travel trends in the neighboring small island of Tinian with its relatively new

²¹ Wally Dias, Continental Micronesia Office, March 18, 2004, Hagatna, Guam.

gambling resort, as well as larger-scale efforts in countries like Australia. Responses like this indicate that there is some effort by stakeholders to take the initiative to stay abreast of industry news.

“Well, you know we continue to rely on a super majority of our market from Japanese market. What we are beginning to see is a greater occurrence of the independent traveler, and the young independent traveler. I’ve looked at the trends in tourism with regards to its economic impact closely and focused on that. And really not on the demographic of it, which tends to influence it, but I’ve been most concerned about watching the numbers. The decrease in spending and then trying to correlate that to the type of visitor that we’re seeing. So, for me, the examination of these trends are driven by the economic contributions that it makes, and not the other way around. Whether the fact that younger travelers by nature spend less money. But what I think we find is that the younger travelers spend all the money they bring, they just don’t bring as much. Whereas older travelers would not spend all their money and take some back with them. So those are the things that are looked at. Of course, for me, I think the market that we missed is the Silver Market. I’m looking at and watching very carefully the proposal to develop the Silver City in Tinian. I know some people that are involved in that project and try to keep in contact to see how they are going to go. Whether or not they are going to develop to the scale that they think it’s going to. I’ve looked at what’s happened in Australia with regards to the Japanese market. They are trying to get more longer-term tourists there and how some of that is working over there. And I think that for us, that is the potential. Then of course it’s influenced by the ability to keep these tourists longer to stay without having to go through the immigration process. What I’d like to see, and I’ve discussed with some Federal officials is, in the push for the China visa waiver, that we push for longer stay waivers for the Japanese market as well as the Korean market²².”

Another stakeholder from the private sector who is involved directly in business with the Japanese travel trade also mentioned the topic concerning longer stays. He mentioned in his response that the trend has been for visitors to Guam to want to stay for longer periods, calling it “slow tourism.”

“Major trend is ‘slow tourism.’ A regular tour from Japan is now 3 nights and 4 days. So now customers want to stay on Guam 4 or 5

²² Ben Pangelinan, Office of the Speaker, March 11, 2004, Hagatna, Guam.

days. Now all travel agents recognize slow tourism. Slow tourism means they stay here longer, and longer. Right now, a regular stay is 3.5 nights, this year it will be an average of 4 nights²³.”

Much of the information on travel industry trends affecting Guam have been available as a result of each of the stakeholder’s work or via the local media, mainly from the *Pacific Daily News*, which is the leading newspaper read by most of Guam’s population. Other sources of information concerning trends in tourism include monthly and quarterly reports from the Guam Visitors Bureau, reports that are available to GVB members, as well as Guam’s business magazines, such as the *Guam Business News* and *Directions*. These sources have presented information about visitor arrivals and have featured writings on some visible trends that mainly concern Japanese visitors. However, there have been a few write-ups on other market segments, such as Korean and Chinese travelers, as well as incentive travel groups, but these are not as highly featured as articles relating to Japanese travelers due to the smaller volume of visitors from these markets.

The information on travel industry trends has been guiding both large and small businesses as they operate on Guam. It has been especially important to the small businesspersons whose livelihoods rely on steady business from visitors from Japan. A private sector stakeholder was quite optimistic about the future of tourism for the small businessperson as he described the current trends.

“First we were getting 100 percent Japanese tourists, and then it switched to Korea, Taiwan, then more to Japanese. We are now getting a higher quality Japanese tourist as compared with before. They are more independent and we can see that the Japanese market is maturing. This is a good sign for those not interested in fixed tour groups. The Web is having more of an affect on people visiting Guam--they are researching before arriving on island. They are also not just using guidebooks anymore. This allows the little

²³ Isao Mamada, Pacific Micronesia Tours Office, March 2, 2004, Tamuning, Guam.

guy an entry into the Japanese market, unlike in the past. We are now seeing more distinct groups: a lot of family and return visitors. I also have to add that our product is improving²⁴.”

Trends occurring in travel to other destinations, as opposed to those seen on Guam were not mentioned in these responses. One of these trends is the growth of M.I.C.E. travel in specific destination. While M.I.C.E. (meetings, incentives, conventions and exhibitions) travel has been increasing in popularity in developed areas and is frequently used by destinations as a way to diversify within the same visitor market, it has not represented a significant market on Guam as in other destinations like Singapore. The Singapore Tourism Board (STB) has in one of its Strategic Tourism Units a division of Business Travel and M.I.C.E. This division plays a role in industry development, business development, and marketing to help strengthen and maintain Singapore’s position as a world-class M.I.C.E. destination (Singapore Tourism Board 2004). Guam has not yet capitalized on this trend. As a result M.I.C.E. travel was justifiably not mentioned by many stakeholders due to the small figure amounting to just 0.6 percent of total Japanese visitors to Guam traveling for the purpose of business or attending a convention (Guam Visitors Bureau 2004). With proper planning and development of venues, this market has the potential to grow as high as the 14.2 percent figure for the Korean market, which results from large company incentive tours from companies like Amway Korea and Citibank that have already had groups visiting Guam. However, at the present time Guam still lacks the infrastructure for large conference meetings required for the larger volume market of Japan and is more geared to individual and family travelers.

²⁴ Michael Ysrael, Outrigger Guam Resort Lobby Lounge, February 10, 2004, Tumon, Guam.

The Japan Market

As mentioned above in the section for *Awareness of Travel Industry Trends*, stakeholders seemed to be well aware of many of the trends especially in Japanese overseas travel. In terms of how the profile of the visitor to Guam was changing, the desire for more educational, historical, and cultural experiences for Japanese travelers was mentioned by 33 percent of interviewees, while others discussed a wide range of trends ranging from the increase in FIT's (Free Independent Travelers) to the tendency for travelers to be more value conscious. The Governor of Guam, whose spouse had worked for over 20 years with Guam's leading retailer catering mainly to Japanese visitors, responded with a well-informed view of issues concerning Japanese visitors to Guam:

“The other thing, too, is that I see more and more of the Japanese visitor as independent. You know, not necessarily with the old tour package deals, but they are more and more into pursuing independent or individual type of agendas. And they are a bit more adventurous. I don't think they are spending as much as the used to. They are down to less than 600 (dollars) or so per person on average. Many of them are much younger. There's a continuous growing trend in the wedding market. Those are some of the things I see as far as trends go. Also, with the aging of Japan's population, many retirees are looking to travel outside their country. They don't always like what the younger travelers like, but they also don't want to be classified as senior citizens. They do like to learn, study, and participate in subjects such as culture and nature. It's good for Guam to understand about emerging markets so we can take advantage of our proximity to attract these new markets. What several developers here are asking for is even beyond if they are going to push into the areas of time-share into the areas of actually having a retirement community here. The health care facilities and services are very, very, very important. And I think that's an area that we need to concentrate and focus in on in providing for that aging population. They have more confidence in Asian medicine versus Western medicine. Something like that would have to be worked out with the medical society, medical community here on Guam. It's worth exploring because if we can get over that hurdle,

we can see long term Silver Market visitors here and perhaps even build a retirement community on Guam²⁵.”

The topic of value consciousness and/or decreased spending by Japanese visitors to Guam was mentioned by 42 percent or five out of the twelve stakeholders who were interviewed, with a mix of two public and three public sector stakeholders who made up this group. With close to one-half of stakeholders expressing this topic as one of the most visible changes with the Japanese visitor market, it cannot be ignored. A private sector stakeholder compared today’s visitors with what she remembered seeing in the earlier years of Japanese visitors to Guam:

“The days of the big spenders, although they still comprise a portion of visitors from Japan—the customers for the quality, luxury merchandise, I think it’s clear that for a number of visitors that these are first time travelers. [These are] first time overseas travelers taken on Guam. They don’t have that kind of budget to purchase that kind of luxury goods items. Their disposable income for spending is far less than the visitors we had during the good times. I remember the first DFS shop, seeing the older individuals that purchase the luxury items, and you go to DFS or anywhere today and see the considerably younger customer. They want to bring back gifts, but they are not the luxury items. Although you still see them at Tumon Sands Plaza [a luxury-goods shopping center]. And it’s because of the demographics, they’re much younger. In the late ‘70’s you saw much older visitors²⁶.”

Another private sector stakeholder emphasized that value-consciousness is the biggest noticeable factor in how the Japan market had changed over the years. This is viewed as a challenge for stakeholders to understand what constitutes as value to the current Japanese visitor profile:

“Definitely over the last five years, they’ve become much more value-conscious. Even though you see some of the demographics and statistics on income and stuff, they are very much more selective on

²⁵ Governor Felix Camacho, Office of the Governor, March 17, 2004, Hagatna, Guam.

²⁶ Eloise Baza, Guam Chamber of Commerce Office, February 26, 2004, Hagatna, Guam.

travel choices. And they really are looking for value-type products. If you sell them something that is not equal to the amount they spent on it, they're definitely going to let you know and they won't come back. And that's a big challenge for us to make sure that we are meeting that value concept that they have when they initially take that trip. That's probably the biggest thing we noticed. Previously you didn't see that at all in Japan²⁷."

In response to the question about how the Japan market is viewed by other stakeholders, most stated that other stakeholders understood that Japan is and will continue to be Guam's major market. Japan was described by the majority of stakeholders as "the rational nexus of our market," "primary market," "number one market" and "dominant market." There have been recent efforts by a small segment of the community to diversify, but Japan still appears to be the focus of Guam's major industry stakeholders. A private sector stakeholder had the following to say about diversification and the importance of Japan:

"If you go back to '97, we had a lot of challenges back during the Asian economic crisis. There's a certain number of people that look at diversification as kind of a panacea of our problems here. But if you go back and look at the country statistics and look at per capita income, GDP, population numbers, number of outbound tourists, and kind of put those on one sheet of paper. If you sit there and stare at those for like the top ten nations in Asia that look like possible market to enter into, it really hits you in the face that there's nothing that's going to replace Japan. So I think most people understand that. But there's a little bit of small group of people that think that you can kick them out and replace them easily. Japan is going to be our major market, forever, I think²⁸."

Another stakeholder, who is a public sector official, rationalized what he viewed as the obvious importance placed on Japan by simply stating, "I don't know about you, but when I am going fishing, I want to go where the fish are," in reference to Japan's population of seasoned travelers with a high rate of

²⁷ Wally Dias, Continental Micronesia Office, March 18, 2004, Hagatna, Guam.

²⁸ Ibid.

disposable income that have consistently been among the highest spenders in the overseas travel market.

Not everyone believed the importance of Japan was obvious to everyone, most importantly to the local community. In this case, perception rather than the actual numbers takes on significance. One private sector stakeholder stated, “To the local people, their ability to grasp the percentage share of other markets [is hindered] due to the Japanese market being locked out by tour companies, which make other markets seem larger.”²⁹

While 66 percent of interviewees were confident that their fellow stakeholders were aware of major travel trends with the Japanese overseas traveler and had interest to know about them, the rest were not as confident. Two from the private sector felt that some trends were followed, but the market is not really understood. One felt that even though these trends may be known, the public sector stakeholders would compromise the visitor in favor of local votes to get them reelected. Another stressed the lack of information on the motivation of customers visiting Guam, especially due to the fact that Guam is not considered a prime destination by tour wholesalers:

“Guam is a unique market. It does not follow the same patterns as the rest of the industry. We are such a small market, that they concentrate on prognostications given on a national level. But there isn't that much information specialized for Guam. Not even the agencies have that much. So people here end up meeting with the heads of these large companies and listen to them say, ‘Hell yes, Guam is very important, it's going to grow, things are going to get better, just hang in there and spend all your advertising dollars in Japan, etc., etc.’ As far as understanding the trends with the Japanese market, probably not as much as you think. There are lots of trendy newsletters around. It's very trendy to think that you're in the know about what's going on with the Japanese market. People

²⁹ This experience is not unique to Guam and a number of studies have been undertaken in various destinations to determine amounts of leakage that occurs with visitor expenditures being remitted back to the source country.

may know what's going on with Japanese wholesalers here, but *even the Japanese wholesalers don't really understand what is going on with their consumer because of the way their business is set up* [Italics mine]. We did an interesting survey in Saipan and found that what the wholesalers thought their customers expectations were did not match those of their customers. This gives the impression that the market does not clearly understand the motivation of the customers coming here because we are not a prime location. We are an afterthought if other destinations cannot be sold³⁰.”

For Guam’s tourism industry to prosper, industry stakeholders must be inquisitive about trends in the source market of Japan and strive to create a greater awareness among others in the community to capitalize on Guam’s proximity, natural beauty, and openness to travelers coming from Japan. There should be a desire to learn as much as possible to gain an advantage over other less costly destinations within the same geographic region. A public sector stakeholder felt that many private sector stakeholders were too focused on their own operation and not cognizant of how issues affected the entire island community. In response to the question about other stakeholders being aware of trends, he replied,

“I don’t have the confidence that they do. I really don’t. I think they are, I’ve called them this in recent discussions...I call them myopic at times. They focus on their own operation and what it takes to feed their operational requirements. And I don’t think they look beyond that. I don’t think they focus on those trends that may not be beneficial to them per se, but beneficial to the overall community. I don’t think they capitalize on that³¹.”

Another public sector stakeholder had this to say about Guam’s public sector leaders who were scheduled to participate in a January 2004 tourism conference on Guam:

“In general with a few exceptions, they are not sensitive to tourism. Only two [Government of Guam] Directors showed up out of fifty-

³⁰ Jay Merrill, Office of Market Research Development, February 12, 2004, Dededo, Guam.

³¹ Gerald S.A. Perez, GEDCA Office, March 2, 2004, Tamuning, Guam.

two government Directors. Of the two that showed up, one left after lunch³².”

Those who are not sensitive to tourism on Guam perhaps may be taking the visitors for granted, in that Guam will always be the place where Japanese visitors will come to for sun and sand. Guam truly is an attractive destination in the fact that it has clean beaches and the clear, blue ocean surrounding the island. However, in Japan there are destinations like Okinawa and other less populated islands that offer the same. What Guam has been able to offer in contrast to these destinations, is the unique aspects of the destination, such as being an American territory closest to Asia, and by offering activities and services that may not have been as readily available for Japanese in their domestic market. These include more reasonably priced spa services and golf courses that are easily accessible and do not require steep membership fees. As reviewed earlier in this study, the interests in these products and services will change along with the changes in Japanese society. To keep abreast of the changes and respond accordingly, Guam’s tourism industry stakeholders, including public sector leaders, must not sit idle.

It may be likely that the boom years are still fresh in the minds of many individuals who are not directly involved in the industry. A wake-up call may be necessary to community members in order to send the message that a return to the days of the free-spending Japanese visitors are not likely, based on the indicators described earlier. A more focused approach with a clear vision will be required by Guam’s tourism industry stakeholders now and in the future to maintain visitor arrivals from Japan.

³² John C. Salas, University of Guam International Tourism School Office, February 10, 2004, Mangilao, Guam.

Vision

This segment examines communication between stakeholders, goals for the tourism industry as viewed by stakeholders, and whether or not the stakeholders have developed a shared vision (Cooper 2002; Lane 2001, Ritchie 1993, 1994, 1999; Lane 2001) for the industry. With tourism being Guam's major industry, it only seems logical that industry leaders communicate regularly and have a master plan, even if in rough form, of a vision for the direction of the industry. Is Guam to be a family resort, with a theme-park atmosphere? Should gambling be one of the activities available for visitors to Guam? Is it in Guam's interest to market a destination image for rest and relaxation, or one for an active lifestyle, with parasailing, diving, windsurfing and other outdoor sports? Destination visioning is a strategic planning approach that effectively places the future of the destination in the hands of the local community, government, and industry (Cooper 2002: 4). Establishing a vision allows for a destination like Guam to project an image that conveys to everyone, "This is what we are," and can help both stakeholders and visitors understand what to expect. Without a vision, mapping out plans for the future is an exercise without any direction.

The findings of this research show that this vision, which is so important in planning for the future, is lacking in Guam. Only two out of the twelve stakeholders (17 percent), one private and one public sector, believed that there was a shared vision among the key industry stakeholders that were identified for this research. Out of the two, the private sector stakeholder felt that all except on the issue of Casino Gaming shared the vision. The Casino Gaming issue has been one that has come up from time to time in the past, but most recently it emerged as

an attraction that can take Guam out of its current financial dilemma. If a properly developed vision for the future of Guam's tourism industry were in place, the controversial issue of Casino Gaming on this predominantly Catholic island could most likely be addressed more easily. The private sector stakeholder who believed there is a shared vision had this to say:

“I believe so [that there is a shared vision]. Except for Casino Gaming. Everyone is divided on this issue, even the Chamber of Commerce membership. There are mixed perspectives on this, and the Chamber of Commerce Board has not taken a stand on the issue. What we instead decided to do is have a forum in October. Get a neutral party to introduce it all, then get the advocates to put forth their points of view and conduct an informal poll—If we were to vote on this initiative today, which way are we going to go? And using the outcome of the poll, the board will arrive at a final conclusion on the issue. That is a divisive one³³.”

The public sector stakeholder who believed that a shared vision exists believes that the major focus of all stakeholders is on cultural identity and that they are all working together to redirect the focus “out of the shopping mall and into the village³⁴.” Of course, this may simply be a desired outcome on the part of the stakeholder whose responsibilities are primarily on the preservation and promotion of Chamorro culture. The topic of Guam's indigenous Chamorro culture and how it is viewed from the Japanese visitors' perspective is worthy of a closer study.

Guam's tourism, like in many other developed island destinations, has been driven primarily by the private sector, whose tourism development decisions are driven by the profit motive. Many stakeholders did not fail to mention that the long-term vision was being replaced by 6 to 12 month planning in an effort to generate a quick revenue stream. Comments, like this one from a private sector

³³ Eloise Baza, Guam Chamber of Commerce Office, February 26, 2004, Hagatna, Guam.

³⁴ J. Lawrence Cruz, Department of Chamorro Affairs Office, February 23, 2004, Hagatna, Guam.

stakeholder, were common: “Everyone has their pet projects--they are talking about--How do we get visitors here in the next 6 months, 12 months?” Another private sector stakeholder commented, “No, I would suspect that public and private do not share the same vision. I don't think the public sector has a clear handle on what tourism is going to be like, what it should be. We are pretty good at dealing with things immediately, but long-term we have not really thought about it.”

We can see by examining a few of the other responses, how stakeholders view the state of affairs in Guam’s tourism industry as a result of this lack of vision. A public sector stakeholder had this to say about where Guam will be as a destination in the future:

“We will be a burned out shell of an island if we continue the way we are. Long-term vision is at best a 3-year period. Most of people in management positions in Guam do not have the education to look forward. Most have an apprenticeship background and are not proactive³⁵.”

While the stakeholder above mentions the lack of long-term planning, he attributes this to a lack of education and training required to handle the task of examining the current situation and working towards guiding the industry in a desired direction. Another public sector stakeholder, who also believes that a shared vision for the industry is nonexistent, attributes this to government institutions and the fact that each stakeholder has his own constituencies. He makes a case for community buy-in to make this happen, that is, in establishing a vision that will be followed by all:

“Where is it headed now? Nowhere. Unless there are fundamental reforms in the institutions of government that make strategic policy decisions, we will continue the path of reacting to the market rather

³⁵ John C. Salas, University of Guam International Tourism Department Office, February 10, 2004, Mangilao, Guam.

than creating a destination that gives us a better sense of control as to the quality, number, and benefit of the tourism industry that we want to have. Case in point is Bermuda. Bermuda is probably one of the few places in the world where it is so well developed to the point where they have a low volume high yielding customer profile, that a doctor in New York can actually call down and arrange a tee, and be provided a foursome at such and such a time, at such and such a club, the day after he arrives, or something of that nature. Now, that customer pays a lot per day per visit. But you know what? He's getting value for that money. You go to some of the hotels here that are supposedly top-class hotels, and they don't give the service level or value for the money paid. So that's what I see now. Unless there are fundamental decisions in reform in government institutions that make strategic policy, ten years from now...where were you fifteen years ago? OK, think back. What were some of the basic problems we had at that time? [The same as those discussed today—trash/littering of streets, dirty public toilets, etc.] Thank you very much. That's my point³⁶.”

On the topic of the sharing of a vision, the same public sector stakeholder responded in this way:

“Others sharing the same vision? —That's an interesting question. I'd like to know—I don't believe so. I believe that each has their own vision based on the perspective they bring to the table and the position they occupy. Therein lies the problem I was trying to tell you earlier that unless there is a shared vision, shared by these different stakeholders, we are never going to have a coherent long-term strategic plan. What is happening is, we need to build a strategic plan, and you get community buy-in. Community buy-in includes policy-makers passing legislation that pretty much adopts this policy. Then you've got a shared vision. What this shared vision means is that if you disagree with an action because of competing interests, if you shared this vision, then you would be willing to sacrifice what you're not going to get because you are plugged into this shared long-term bigger vision. And so consequently unless there is total buy-in into this shared vision you will always have this divisiveness. And this divisiveness is going to be driven by parochial interests. There is no shared vision on tourism on Guam. The problem on Guam is that there are multiple visions driven by multiple players who themselves are driven by their own constituencies³⁷.”

³⁶ Gerald S.A. Perez, GEDCA Office, March 2, 2004, Tamuning, Guam.

³⁷ Ibid.

Another public sector stakeholder agreed that there is no shared vision and that the other stakeholders were mainly thinking about just bringing in as many visitors as possible. He also added his observations on what he sees is happening in nearby Palau where there is much construction happening with money invested from China:

“No, I don’t think so. We still seem to focus on mass market. I think that’s a mistake. It’s too taxing on the infrastructure and environment. I see what’s happening in Palau, you know with the influx of the Chinese, and I talk to many friends down there. I keep trying to discourage their efforts. And try to keep the experience much more low key, but more culturally intense and I think they will have greater success with it. No, they don’t share the same vision. Everybody has their own goals³⁸.”

A public sector stakeholder who represents the tourism industry for the island of Guam shared his own vision of how he saw tourism as it should be in the coming decades. He mentioned in his response his reasons for this vision and how other stakeholders will not agree:

“Our visitor industry makes up 70 percent of our economy. I'd like to see our visitor industry in the next twenty years to make up only 30 percent of our economy. I'd like to see our economy diversify even further to not include just the military and the visitor industry. And the reason for this is we need additional stability within our economy. Guam can no longer afford to go through difficult times because of world and local events, such as typhoons, earthquakes. In the last ten years, Guam has been in a recovery mode. As far as long term planning in the visitor industry, it's almost non-existent. All the plans we draft for 3 years always have to be shelved because of a natural disaster or world event. Because of the type of market that we cater to, the Japanese primarily, they are probably the most superstitious and cautious of all travelers. So I think the island will be better off, in the next 20 years, to diversify its economic base...Obviously, some stakeholders will not agree that the visitor industry should be only 30 percent of our economy. If we draw more industry to the island, it will still draw visitors to the island. We would be better off if we were more diversified if tourism were 1/3 instead of 2/3 of the economy. In the long run, it

³⁸ Ben Pangelinan, Office of the Speaker, March 11, 2004, Hagatna, Guam.

would be better for everybody. The reality is we cannot be reliant on one industry³⁹.”

One other public sector stakeholder shared the sentiment about having the island’s economy become more diversified to ease the reliance on tourism dollars. There appears to be an attempt to discuss matters such as diversification among the stakeholders, whether it is with industries other than tourism, or with markets other than the Japanese within the tourism industry:

“That’s exactly what we’re trying to do—to make sure that we’re all on the same page. I do have to say that it’s subject to the whims of the Japan economy, to other destinations that we try and draw from. And for that reason, it’s extremely volatile. And that explains why, there is a common desire for all the leaders on this island to have a diversified economy, that we’re not always dependent just on tourism and the military, or federal dollars. Because right now it’s about 60 percent of our economy is driven by tourism, 30 percent by federal dollars or military (department of defense), and the balance by service industry. We need a greater mix. The challenge is to find what industries would make sense on Guam and what are viable and reasonable that would bring that mix. Really, the broader based we are, the more stable we are, and not really subject to the whims of one economy or tourism, which bounces up and down, is extremely volatile. So I can understand that perspective. I think we all agree that tourism will never go away. It is certainly something that will always be depended on as part of the mix. It’s just a matter of what percentage. And certainly I’d like to reduce it down from 60 percent by having other industries come in to contribute to the economic driving engine⁴⁰.”

While most believed that Guam is lacking a shared vision for the tourism industry, some stakeholders were optimistic that this situation can be changed with proper leadership. This private sector stakeholder shared his vision for the future of Guam’s tourism industry and echoed the earlier comments about the need for public involvement. His emphasis is on the need to educate the local community about the vision for Guam:

³⁹ Tony Lamorena, Guam Visitors Bureau Office, February 17, 2004, Tumon, Guam.

⁴⁰ Governor Felix Camacho, Office of the Governor, March 17, 2004, Hagatna, Guam.

“In the past there was a push for quantity over quality. Our goal is to emphasize quality over quantity. We've got to strike that balance. The reason for that is, we need to make sure that we get people to come here that have the propensity and the ability to spend rather than just come here and use up our infrastructure. My vision will be a Guam that truly showcases its rich heritage and culture, it's a place that will have something for just about everyone to enjoy. And to meet the demands of the stock traveler whose propensity to spend, who is coming not only for sun, sea, and surf, but is also coming for education to learn about a people, learn about a destination. Hagatna will be revitalized and all our historic sites will be restored. A place of honor for our parents and our parents before us is built so our guests can see where we came from. Our golf courses are still there, hotels, and maybe even gaming operations. Giving a variety of things so people can experience and enjoy. I think that not all of us share the same vision. That's what makes progress here somewhat slow. But also it gives an opportunity for people to make things happen or not happen. It will not necessarily be done by consensus; it will be done by majority rule. We want to be able to get much done by the vision so that we have the stakeholders behind it and that goes back to educating our public about why it is of value and why we bring them here. Given the right leadership the shared vision can happen, that is possible⁴¹.”

How is this to be accomplished? This will be reviewed in the latter part of the study. But first, let us examine how Guam's stakeholders currently feel their level of preparedness is for the future of Guam's tourism industry.

Preparedness

The intention of this section is to examine how well industry stakeholders feel they are prepared to welcome Guam's largest visitor market and to see if they all have similar ideas on how Guam can address any deficiencies in preparedness. Preparedness, in this case, includes the readiness of Guam's tourism industry stakeholders in either enhancing or maintaining the attractiveness of Guam as a destination. Guests should not be welcomed by any destination if the host is not prepared to make the experience a positive one for the guests. What is perceived

⁴¹ David Tydingco, GHRA Office, February 11, 2004, Tamuning, Guam.

as preparedness by stakeholders in terms of human resources training, physical infrastructure, manpower, etc. is also revealed in the responses to this segment's queries. In addition, the responses provide an indication as to what is viewed as an adequate level of preparedness in the areas mentioned by stakeholders.

The findings show that every one of the stakeholders believe Guam is prepared in physical capacity to accept more visitors from Japan, but added qualifiers to this statement. When talking about preparedness, the majority mentioned the availability of hotel rooms as a major factor in physical preparedness and that Guam is substantially below filling capacity. One private sector stakeholder stated that while hotel rooms are adequate, other physical infrastructure such as the dependable availability of basic utilities have been a major challenge. This theme continues to be brought up by others during the interview.

A public sector said it best about the lack of non-physical infrastructure, mainly skilled human resources, when he responded:

“Guam has the physical capacity, but lacks the institutional software to accommodate a larger share of market. From my perspective, we have physical capacity—we have so many rooms, we have so many this, that and other. The problem we have on Guam now is that the decline in tourism has gutted out our institutional software. You know, I’m talking about service culture, Japanese-speaking people, qualified...so you know what I’m talking about. What we’ve had on Guam over the last couple of years is that the volume of arrivals on a monthly basis has been at or below the threshold of financial viability of our capacity. That’s a philosophical but somewhat broad general statement but, bottom-line, is that that’s why we have the problem we’re having now. We don’t have enough arrivals to make the capacity in place financially viable. You have hotels closing; you have service culture going down the tubes, you know, that kind of stuff. [What to do to address deficiencies?] It’s kind of a chicken and egg situation. You need money to spend for that. The greater question I’m asking is, can we afford not to invest the money now? In the short term, it

might make sense, but in the longer term, we are shortchanging ourselves⁴².”

While Japan is still considered the major market for Guam, diversification is still on the minds of stakeholders. One private sector stakeholder mentioned the importance of looking at market share versus just sheer numbers. He stressed the need to have a strategy for better preparation for the industry:

“That is the key, market share as opposed to sheer numbers. We do have the capacity to do that. We need to be careful about where and how do we allow that market to continue to grow without jeopardizing our efforts to diversify in other markets. A classic example is, at one point the Korean market was shunned. And it still is, to a degree, even today. But during the tough, tough times, everyone was welcoming them with open arms. We need to be able to take care of our primary market and allow our secondary markets to grow. Ten or fifteen years from now, it may be the Chinese markets. I have seen projections that by 2010, 2020, there will be 56 million outbound Chinese tourists. If we got 1 percent of that, we got more people coming than from all of Japan. We just need to be careful about having a strategy. It's not a matter of opening doors and letting people in⁴³.”

Another private sector stakeholder wondered why Guam did not have a much larger percentage of Japan's outbound travelers. He then acknowledged the need for better “institutional software” as mentioned by the previously quoted stakeholder:

“I don't see any reason why Guam doesn't have 10, 15, even 20 percent of the entire Japanese business. We are directly south of Japan--you can't get any warmer faster. I don't understand why this island isn't overrun today by Japanese visitors. One of the long-term things we need to think about here is getting more airlines here, getting more competition. You look at prices--they are insane [too high]! Getting them here, that's only half the problem. There is so much filth and garbage along the beaches. We need to change the attitudes of the people to realize that we are a service and tourism destination and that's how we make our money. The tourists are our bread and butter. Clean the bathrooms, protect the

⁴² Gerald S.A. Perez, GEDCA Office, March 2, 2004, Tamuning, Guam.

⁴³ David Tydingco, GHRA Office, February 11, 2004, Tamuning, Guam.

tourists, be respectful, [We need] education [and an] appreciation for what we are⁴⁴.”

It is evident from the responses of stakeholders, that while Guam has the physical capacity in terms of hotel rooms to welcome more visitors from Japan, there is still a host of issues that must be addressed to better prepare Guam to regain market share. The improvements in basic infrastructure are necessary not only for the visitors, but most importantly for the local community. Working infrastructure only in tourism districts will of course lead to resentment by local residents. Service attitudes and other software-related aspects of the industry must be addressed by both public and private sectors to result in a better tourism product that is Guam.

One private sector stakeholder expressed alarm at the state of affairs with not only infrastructure, but also with the lack of job opportunities and the declining quality of education at the public schools due to the loss of good teachers:

“...The other challenges that we need to make sure that we have a properly educated employee base. It’s scary every day reading in the paper what’s going on in DOE [Department of Education]. It’s a challenge. We have people here that are Chamorros that are quitting our company and leaving the island.⁴⁵ The main reason for leaving is that the educational opportunities for their children are not here. And so they’re gone to Vegas or Houston. And some of them, even if they can’t transfer, some folks luckily we were able to transfer people back to the states and people have a large base of Chamorros like in the Houston area that still work for Continental. But there are some people now, even saying, “If there are no jobs available I’m just leaving anyway. I’ll work somewhere else. But I’ve got to get off the island.” That’s kind of scary. When you think about it, you don’t think of it as a tourism product—DOE.

⁴⁴ Michael Ysrael, Guam Outrigger Resort Lobby Lounge, February 10, 2004, Tumon, Guam.

⁴⁵ Because Continental Airline has won numerous awards as one of America’s best employers, including being named one of Fortune magazine's "100 Best Companies to Work for in America," it is uncommon for Guamanians to leave such a top-quality employer in an environment where good jobs are hard to find. One can say that Continental Micronesia, a subsidiary of Continental Airline, at this time is arguably among one of the top three employers on Guam.

But really when you get down to it, it is. And so it's very concerning for the private sector to see what's going on within the government entities and I think that does impact our ability to receive more. It's kind of like the military, where the military has a lot of question marks about the infrastructure on the island. I mean, there are some major question marks on that⁴⁶."

A public sector stakeholder echoed the sentiments above about people leaving the island for job opportunities. He mentioned that although Guam has the physical capacity to handle more visitors, the people part of the equation is not quite the same:

"Yes, even with some rooms damaged from the typhoon in quite a few properties. Because of low occupancy rates, many properties have not committed to investing to make repairs yet. Presently we have an inventory of 9,200 rooms. Based on the calculation of 1.9 visitors per room each day, we have the capacity for 1.7 million visitors. The resources are there. With Japan, although the seat capacity has decreased from 1.6 million to 1.2 million seats, we are projecting 840,000 to 870,000 visitors from Japan. The planes are running at 70 percent, so we can still attract more visitors. I'll be honest with you; Guam has lost a lot of good people, skilled labor in the industry, who have moved off-island to Las Vegas and other places. If anything, our recovery is going to be based upon "Do we have the manpower⁴⁷?"

The challenge for Guam is to bring back the talented manpower consisting of Guamanians that have left the island for opportunities elsewhere due to lack of jobs and poor infrastructure, and to create opportunities locally so that people will not see the need to relocate to the mainland U.S. In order to do this tourism industry stakeholders on Guam must have a strategy looking to the future, and this needs to be shared with the local residents so that they can help support it. The concept mentioned earlier in this study, of viewing competition for the future as competition for opportunity share (Hamel and Prahalad 1994) rather than market share is relevant especially to this section on preparedness. To know which

⁴⁶ Wally Dias, Continental Micronesia Office, March 18, 2004, Hagatna, Guam.

⁴⁷ Tony Lamorena, Guam Visitors Bureau Office, February 17, 2004, Tumon, Guam.

competencies to build, stakeholders must be aware about the broad shape of future opportunities, and decision-makers must be just as obsessed with maximizing opportunity share as with maximizing market share (Hamel and Prahalad 1994: 31-32).

In the case of Guam's tourism industry, this means reviewing trends occurring at the point of origin of most visitors, which in this case is Japan, and examining how these trends will impact the future of overseas travel. Scanning data of current visitor profiles and arrival history does not give good indication of what is to come in the future. Studying Japan's demographics, as an example, will show details of how the population is aging and births are declining. This will significantly impact overseas travel in the coming years and is just one aspect of Japanese domestic society that cannot be neglected in planning for Guam's future as a destination. Stakeholders will only benefit from taking more interest in domestic trends of its major market and in interacting with scholars whose specialty is in studying these trends.

It is not necessary for all of Guam's tourism stakeholders to become experts on tourism and trends in source markets, like Japan. However, there should be an acknowledgment that this knowledge is very important in planning for the future. Tourism scholars, academic experts on demographic and social trends, as well as business analysts whose livelihoods depend on keeping up with these trends should be consulted on a regular basis in order to keep a finger on the pulse on the interests of not only Guam's current visitors, but also of Guam's potential visitors.

Priorities

In the World Tourism Organization's publication, *Tourism Marketing Trends: Asia and the Pacific*, it lists the priorities for Guam's tourism policy. They include the following: to brand Guam as a world-class destination, the promotion of regional tourism through the *Visit Micronesia* campaign and to strengthen and improve the tourism product (World Tourism Organization 2003: 174). This indicates that the Guam Visitors Bureau has communicated its desire to the UNWTO for Guam to be recognized as one of the world's leading destinations, to pursue more efforts to promote the Micronesia region as a whole with Guam being the hub, and finally the acknowledgement that Guam needs to strengthen and improve what the destination has to offer. One of the main objectives of the Guam Visitors Bureau has been the promotion and presentation of the Chamorro culture of Guam. Twenty percent of Guam's total tour packages include a degree of cultural tourism the GVB has been working hard to promote the Chamorro Village night market and a working tour of the famous capital city (Hagatna) landmarks.

Guam's tourism industry stakeholders were pretty much in agreement as to what they viewed as being the major priorities necessary for improving the state of affairs in the industry. Five stakeholders or 42 percent (3 public, 2 private sector) mentioned Product Improvement or Product Development as one of the main priorities, while five others (1 public and 4 private sector) pointed to Infrastructure Improvement. On infrastructure improvement, a public sector stakeholder summed it up by saying, "You know, when you bring somebody to your home, you make sure your home is in order." These two areas are inter-related in that when product improvement and development were discussed, invariably the need

for infrastructure improvement was part of the equation. The two others mentioned “Rehabilitation of the tropical environment” (public sector) and “Improve service, the supply of attractions, and show more cultural side” (public sector).

A private sector stakeholder did not hesitate when asked about the first priority to improve Guam’s tourism industry:

“Infrastructure. That is a key priority. Infrastructure—all encompassing, from airline seats, water, sewer, our overall attractions and the variety provided. The overall beautification of our island, making our visitors welcome. Those brochures that they see about Guam, that when they come here, that their expectations are met. We need to work much harder on those things. The exit surveys [conducted by the Guam Visitors Bureau] that have been conducted provide us with those guidelines⁴⁸.”

These comments were most likely influenced by the results of the *Japanese Segmentation Study: July, August, September 2003* report that was produced in consultation with the Guam Visitors Bureau and Market Research & Development, Inc. The most recently publicized results showed that overall visitor satisfaction for Guam had dropped precipitously, mainly in categories concerning attractiveness of sites and quality issues. Whereas prior to 2002, the rating was consistently in the mid to high 80’s, results showed that it was in the low 70’s in terms of a scale to 100 (Market Research & Development 2003: 17).

Product improvement also meant presenting more of the cultural aspects of Guam. In order to do this, people within the community need to be aware of or be reeducated about the indigenous culture of Guam, making cultural education an important part of this process.

⁴⁸ Eloise Baza, Guam Chamber of Commerce Office, February 26, 2004, Hagatna, Guam.

The need for not only improving the product, but also the need to provide a variety of activities for visitors was a common theme in responses to questions concerning priority. This private sector stakeholder provided specifics on how Guam is perceived by visitors from Japan:

“Ideally, we need to concentrate on our product at the moment, because the hotels for the first time are contributing to the lower overall satisfaction level. Need to do something to revitalize the physical plant. We need to do something about the diversity of activities, during the day and particularly at night. We need to target market segments--this is not a Silver-friendly market. Same thing with families--in reality we are not a family friendly market. If you are in your early 20's and like life-threatening sports, then this is the place to go, but we are not really geared for either of the other markets but we spend a lot of money marketing to them. We need to beautify the island and change the impression that it is looking run-down and dirty, which it is currently being viewed as. Fortunately, the priority has been in Communications and so there has been work on revamping our ad program. There has been a lot of energy in that area, but not in improving the product⁴⁹.”

One stakeholder, who had spent a decade working in the retail industry, stated the need to provide something different and authentic apart from what is offered in the tourism district of Tumon:

“...Travelers want to see something different. The “shop ‘til you drop’ attitude is not good anymore. We need to allow people to go out and enjoy the outdoors and do things like biking. Get people out of Tumon, do home stays and bed and breakfast. Tumon Bay is okay for people just wanting to unwind. Let people go down south and go camping. Spread it out. Guam is not only Tumon Bay. We only have commercial culture⁵⁰.” (Public sector)

Another public sector stakeholder mentioned the need to be fresh with renewed attractions for visitors. He also talked about the development of a tourism district called “Pleasure Island,” located in Tumon:

⁴⁹ Jay Merrill, Market Research Development Office, March 12, 2004, Dededo, Guam.

⁵⁰ John C. Salas, University of Guam International Tourism Office, February 10, 2004, Mangilao, Guam.

“I think the priority ought to be focused on destination development and product improvement. Let me explain that a bit. Guam is very much still an emerging destination despite maturity in the Japanese market, so to speak. But I would tell you that, as with any other destination, travel and tourism is fashion. In fashion, unless you come up with a new product, new design, new this, that, and other, you get old and tired and you lose out. A destination is the same. Unless a destination reinvents itself, and refreshes itself so that you maintain newness in the destination, you will be old before you know it. So in terms of priority, not only do we have to clean up, spruce up, clean up the island so that it’s good for visual appearance, but we need every 3 to 5 years to provide major attractions. Pleasure Island is probably one of the last things that has happened that has enough critical mass that can be marketed in a significant way to drive visits, but it’s getting old and tired. So a big priority is to lay out a schedule of newness and attractions over the next 5 to 10 years so that you can sustain interest in the destination. The second priority, somewhat tied to that, is that somehow we need to inventory and authenticate all our cultural assets and Guam’s heritage assets, and figure out which of them can be commercially promoted to reinforce a brand image for Guam that is unique unto itself. Right now you can go anywhere in the world and you have shopping, you have beaches, you have culinary delights, you have all these kinds of things. But what is it about Guam that makes Guam different from any other destination in the world? Therein lies a real priority to inventory, catalog, and authenticate our cultural resources and our heritage and to figure out which one of these can be capitalized as a major attraction⁵¹.”

The stakeholders above mentioned Tumon Bay, which is widely known as the tourism district or precinct on Guam. A tourism precinct is defined as an area in which various attractions such as bars, restaurants, places of entertainment, accommodations and other facilities designed to be used by tourists are clustered (McDonnell 1997: 191). The stakeholders mentioned the need to get tourists out of the tourism precinct of Tumon, but did not mention any opposition to its existence.

Although Guam has a well-known tourism precinct in Tumon Bay that is not unlike ones seen in other destinations, there is an attempt by the Guam

⁵¹ Gerald S.A. Perez, GEDCA Office, March 2, 2004, Tamuning, Guam.

Visitors Bureau to present a unique side of Guam through more cultural sites and activities for tourists. A public sector stakeholder outlined a host of projects being undertaken by the Guam Visitors Bureau, indicating a stronger emphasis on cultural offerings for the visitors:

“One of our major priorities is product development. This is something we have not really done in the past. In the past, the GVB has primarily focused its responsibilities as the marketing arm to drive the core visitors to the island, and didn't really take the lead or the responsibility to better improve the product. What has happened is that we've become an old, stale product. So we are trying to improve Guam as a destination. Some of the things we are seeing from surveys is a lack of culture. So here at GVB we are instituting Culture Institute, which will primarily set parameters and guidelines and board policy on how we depict the culture in the tourism industry and to make sure it is authentic and accurate. Our goal is to contract with traditional artists and train people within the tourism industry, weaving, *mwarmwar*⁵²-making, and all kinds of cultural events, dance. In hotels with trained staff, for example, from 9 to 10, we can have weaving demonstrations, from 10 to 11, this demonstration. A constant barrage of demonstration of culture. Even greeting, like *Hafa Adai*⁵³, when people walk in⁵⁴.”

Efforts have been underway on Guam to regain ties with the past and to determine which of the more commonly known traditional customs and values are indigenous to Guam. This effort is not necessarily for the benefit of tourism, but it is also a way to create an awareness about the unique features of the Chamorro culture among the people residing on Guam. A public sector stakeholder shared his views on the priorities of his department and used the cultural dances as a way to illustrate his point:

“A priority that this department has is Authentication. What is Chamorro? So that what we present to our visitor is something is authentic, something that is traditional, and something that is truly Chamorro. When the visitors leave Guam, we don't want them to have the image that Guam is like Hawaii, or that Guam is like Tonga or Tahiti. When they leave Guam, they leave Guam with

⁵² Flowered head dressing found in Micronesia.

⁵³ Pronounced ha'fa a'day—a Guam greeting for "how are you?"

⁵⁴ Tony Lamorena, Guam Visitors Bureau Office, February 17, 2004, Tumon, Guam.

the idea that they've taken back something that is Chamorro. And that is a priority of this department. And this is where we're coming in with our model law for traditional knowledge and cultural expression that falls in line with the authentication process. That is one of the major projects that we are working on. I consider it a priority only because we are working with different cultural groups, coming from different schools. Some come from school of Hawaiiiana, some come from the school of Pop and Jazz, so we want to, not saying that they're wrong, but we want to identify something that can be done in Yigo can also be done in Umatac. Having lived in Hawaii for 20 years, I can do a dance choreography in Kauai and do the exact same thing in Hilo. So that's the emphasis in this department. That's what's on the burner, so to speak. What we are trying to emphasize if for one, entertainment can continue. It can continue with its own contemporary choreography, but it would not take away from the authenticity of what is identified as really truly Chamorro because a lot of research has to be made on this. All the Chamorro cultural dances that you see today are all contemporary in nature. Although they have tried to remake or interpret what is really traditional Chamorro as much as they can, there's only maybe 2 or 3 that's identified as traditional, but not necessarily pre-European. If anything, the stick dance could be the only one that is pre-European, based on research⁵⁵."

The public sector stakeholder overseeing GVB added a comment about culture, referring to the tourism precinct of Tumon Bay. However, the area will feature not only a Cultural Institute, but it will also provide a marine preserve for both residents and tourists:

"And the other thing we are working on in additional to the Culture Institute is Tumon Bay. It is now a sea-life preserve by the legislature a few years ago. It has been replenished with fish. This is our pearl. In Hawaii, people drive an hour from Waikiki to Hanauma Bay, here they just step right out of their hotel and they're there. So here now, we're working with Federal grants to put kiosks throughout Tumon Bay explaining the preserve. For example, in Area A, this is the type of fish species and coral species you'll see, and in Area B, so forth and so on. The grant will also allow us to print brochures explaining various coral and fish life and sea life in Tumon Bay. That's one of our focal points. Another project involving Federal grants is looking into the possibility of reseeding of Tumon Bay with birds. The Federal grant will allow us to purchase bird traps to be installed at various

⁵⁵ J. Lawrence Cruz, Department of Chamorro Affairs Office, February 23, 2004, Hagatna, Guam.

hotels, they have to monitor the traps themselves, the Federal grant will actually pay for the traps. And after about six months of cleansing, Fish and Wildlife will be ready to release various species of birds in the Tumon Bay area. We are also getting involved in clean up. I'm starting a program now where we've identified eight public bathrooms, we've re-tiled them, put security doors on them, they are open 8AM to 5PM and secured after hours, and we are using DUI [Driving Under the Influence] offenders from the Superior Court of Guam to clean these bathrooms and to maintain them. We are looking at the overall product--getting people to plant more flowers, more colorful things. Again, embracing the local community⁵⁶.”

Offering the visitors more of a tropical environment rather than an overdeveloped vacation spot that is not representative of an ideal island resort is what one public sector stakeholder saw as a priority. In addition, he commented on the need for a safe environment that allows for visitors to enjoy their leisure time on the island:

“The priority, I think, is to rehabilitate the tropical environment. We have roads we are building that are new that do not take into account the aesthetics of the road, enhancement of the environment, the greenery. I think we need to pour more money into that. I think every major road; I tried to get a bill passed at one time where every major road that is developed has a bicycle lane. So that it's safe. You put a curb on it and the inside bicycle lane so a tourist or anybody can ride a bike down the street and be relatively safe and have the ability to get around on a bicycle. The tourist...remember, he is on vacation...he's not in a hurry like we are⁵⁷.”

Getting various other members of the community involved in contributing to product differentiation was included in the response from the same stakeholder. Other stakeholders who had similar views also shared his comments concerning the inclusion of local entrepreneurs in this effort:

⁵⁶ Tony Lamorena, Guam Visitors Bureau Office, February 17, 2004, Tumon, Guam.

⁵⁷ Ben Pangelinan, Office of the Speaker, March 11, 2004, Hagatna, Guam.

“There are also a lot of entrepreneurs out there who want to get involved in the tourism industry but were never given the opportunity. So we are trying to assist these individuals by working with the University of Guam. I've been meeting with Dr. Anita Williams who is in charge of the Marketing Department there. What we want to do is for their marketing students to go to existing businesses, or study business plans to see how they can assist market that product to appeal to the tourism industry. For example, this morning I met with a farmer who has a 20-acre farm who wants to bring tourists to his farm to see what a real working farm is about. They get to try local produce, fruits, vegetables and so forth and just get a general idea of what the farm is about. And so we are going to introduce him to various government entities, the University of Guam, to look over his facility and see what we can do to help him market that product. Because the reality is that a lot of our visitors are wanting to do more Ecotourism, cultural tourism. So we are trying to push the move in that direction. As Mr. Shinmachi, President of the Japan Association of Travel Agents (JATA) said, ‘Don't build any more shopping centers. Don't build any more buildings. Start improving in your natural beauty. People go to Guam not because they want to go shopping. They go to Guam because they want to enjoy the environment, the history of Guam.’ We need to start concentrating on that. He even said Guam is really in a good position to go after the Senior Market because we are only 3 hours away. But we've never really developed the infrastructure for the Senior Market. Our advertising campaigns are now imaging campaigns. We're not going after price anymore. I can't compete against Thailand at \$299, or Bali. I now have to compete against them as Guam being a quality destination versus a price-driven destination⁵⁸.”

The stakeholder making the above statement describes efforts at diversifying Guam's tourism product. This is a common concern, especially for destinations that want to expand the destination's appeal to a wider range of potential visitors.

In addition to diversification, the stakeholder quoted above added the need for promoting more cultural aspects of Guam along with other special interest areas, including Ecotourism or sustainable tourism. This has been a trend in many visitor destinations where there they have the capability to adopt these concepts.

⁵⁸ Tony Lamorena, Guam Visitors Bureau Office, February 17, 2004, Tumon, Guam.

In response to the question concerning personal opinions on what single action industry leaders can take to improve Guam’s industry, answers varied but many stuck with the idea that Guam’s product needed improvement. There was little variation from this theme, with some calling for inflow of new money either via casino gaming or new investors, both from the private sector. “Throwing away personal agendas” and “Having more island faces in the industry” were two unique responses in this segment. The message from all stakeholders indicated that they believe Guam as a destination will not maintain its position as a desired vacation spot with a continuation of what is being offered today. Table 18 below shows the responses by sector:

Table 18. Top Priority by Stakeholders to Improve Tourism industry

Sector	Priority
Private	Improve Infrastructure
	Throw away personal agendas and look at Agenda Guam
	Approve Casino Gaming
	Look for new investors
	Clean up Guam
	Enhance the product
Public	Product Improvement
	Increase opportunities for the local people
	Product Development
	Product Improvement—Beautify every single property
	Have more island faces in the industry
	Cleaning up the environment

Source: Schumann (2004)

Commercialism in tourism districts and gross neglect of the basic infrastructure systems are seen as threats by most of the stakeholders interviewed from both private and public sectors. The presenting of a pristine environment naturally is a major factor for any resort island destination, as that is what most

visitors seek in such a destination. This puts environmental awareness on top of the list of stakeholders tasked to prepare for a resort destination's future.

How deep this awareness of the environment is among Guam's tourism industry stakeholders, and what they see as the major issues in sustainability of this industry on the small island community, are critical to understanding how stakeholders are collaborating to prepare the industry for the future. Let us now take a look at responses concerning the environment and sustainability.

Environment & Sustainability

Guam's stakeholders were asked if environmental issues were discussed among stakeholders, mainly to see if this was considered an important issue that needed revisiting when determining policies and programs for Guam's main industry. With Guam being promoted as a tropical resort destination alongside the image of an island paradise, maintaining the environment would seem to be one of the biggest concerns for stakeholders. The results were both surprisingly similar and unexpected.

All stakeholders responded that environmental issues were discussed regularly and that this was an important issue for the long-term viability of Guam's tourism industry. However, what was unexpected were some of the responses that viewed environmental issues as mainly beautification and clean up. While those are very real concerns for Guam, bigger picture items, such as carrying capacity of sites and contamination of water wells from golf course fertilizers were expected from all stakeholders, but the majority did not mention these. A greater shared awareness of the environment on a wider scope is required by stakeholders in order for them to be able to guide Guam to a sustainable future in tourism.

In interviews with Guam's stakeholders, a few large issues concerning the environment were discussed. However, much of the discussion was to relay the accomplishment of establishing a marine preserve in Tumon Bay. This was described as a unique location in the world where one can literally take a few steps out of one of the 7,000 hotel rooms in Tumon and be in a large marine park with many species of fish and live coral. Half of the stakeholders (4 public and 2 private sector) described this in their response, indicating that discussions on this accomplishment had taken place in recent forums involving the stakeholders. Other responses included the need for an incinerator or better solid waste management was mentioned only by three of the stakeholders (2 private and 1 public sector).

A public sector official pointed out that he saw control and enforcement as factors determining outcomes in the areas of the environment and sustainability. In his view, those heading the Guam Visitors Bureau should have more to do than just marketing and that the General Manager must manage the industry. Although environmental issues are often discussed, he stated:

"The problem there is GVB has little control over Public Works, over Parks and Recreation, over the Police Department, or you know what I'm saying? Enforcement is another issue. When I was at GVB, I always felt that the GVB Manager shouldn't be traveling. Nothing personal to Tony [Lamorena, current GVB General Manager], nothing personal to James [Nelson, former GVB General Manager]. Here's my vision of a General Manager for GVB...Marketing Manager for GVB spends 99.9 percent of his time off-island or someplace...Marketing Manager! But the GVB General Manager I see as having three functional roles. First, is to obviously manage the day-to-day administrative affairs of the bureau. The second is to manage the non-GVB departments and government agencies to make sure that the product integrity that we're marketing overseas lives up to the billing. And you can't do that when you're traveling all the time. You do that when you're on Guam. You pick up the phone, get in their faces; you make yourself into a nuisance so they pay attention to you. You know the squeaky wheel gets the grease kind of thing? That's the second job

that the GVB General Manager should do. The third job is to be able to articulate the priorities of the tourism industry and the GVB before the legislature and the policymakers who make these decisions and provide the financial resources and support so that the resources are put where they are needed. You can't do that when you are on the run all the time. I don't know, there's something wrong with this picture. Maybe I'm just kind of different, but I honest to God believe that the General Manager for the GVB... Sure once in a while you have to go for major trade shows like JATA or a few, but fundamentally I've always had the philosophy that the GM should stay put on Guam and manage the industry on Guam. That's what you have a Marketing Manager for, or Marketing Managers. That's their job⁵⁹.”

Managing the tourism industry as a Director of the Guam Visitors Bureau also includes overseeing that Guam offers what is promised in its marketing campaigns, which includes clean beaches and basic public services, according to the stakeholder quoted above. Kotler et al. (1993) and their definitions of *promotion* and *marketing* (p. 99) both appear to apply to the duties of the bureau. Merely promoting may only hasten the spreading of a bad image if the destination is not designing a place to satisfy the needs of its target markets.

The importance of environmental issues and sustainability cannot be overlooked due to the focus on marketing efforts by the visitors' bureau. However, this may be the case not only on Guam, but also with visitors' bureaus in other destinations. The GVB and stakeholders in the industry can only benefit from clarifying their roles and the priorities they must place on the important issues of the environment and sustainability.

It is interesting to note that one public sector stakeholder made a statement that is quite simple, but is worthy of deliberation—“It does not take a tourism industry person to be responsible for the environment⁶⁰.” Perhaps due to

⁵⁹ Gerald S.A. Perez, GEDCA Office, March 2, 2004, Tamuning, Guam.

⁶⁰ John C. Salas, University of Guam International Tourism Department Office, February 10, 2004, Mangilao, Guam.

inadequate education on environmental impact in the community, Guam is not seeing much activism when it comes to environmental issues, hence public and private sector officials focus on more visible issues such as trash collecting and village beautification.

However, a private sector stakeholder from the Guam Chamber of Commerce did clarify that while public tourism forums neglect some of the larger issues concerning the environment, the Chamber, as a private sector organization, has been vocal on issues concerning solid waste:

“When you say to me visitor industry and environmental, we talk about beautification. But I think when you say environment this is a very, very key component and that is solid waste management. I don’t think that’s really addressed at tourism forums, but we do at the Chamber. And that goes to the support—we encourage recycling, we push hard for the privatization and opening of the new landfill. Those are very, very important to our tourism industry. But when you have these environmental discussions at least what I’m aware of we talk about Ecotourism and beautification and clean restrooms, but solid waste management is a very important part that doesn’t get discussed but we take care of it⁶¹.”

Following along the same line on the topic of a federally mandated landfill, a public sector stakeholder spoke about the real need to focus on the environment and sustainability. It is obvious that this has come about not due to planning efforts, but rather a result of negligence over the years:

“Absolutely. I think that [environment] is one key concern we have. We have a landfill that is a federal mandate we have to close. I’ve already agreed to the orders. So we are moving in that direction. I have to say that legislatively, we have five preserves and I think that as a location, this is better than any of the other fifty states or coastal towns. We have preserved--like Tumon Bay is one. We are working on that. Waterworks Authority, in our water and wastewater plants, it’s going to cost millions of dollars but we’re going to have to improve on our wastewater disposal. You know, so as an environment it is critical. And if I may just say

⁶¹ Eloise Baza, Guam Chamber of Commerce Office, February 26, 2004, Hagatna, Guam.

if we don't have clean beaches and if we don't have a clean environment, they're not going to come here! We realize that part of the attraction of Guam is that it's a tropical destination and we have to maintain that cleanliness and the beauty of our...and our pristine...beauty of our island. So that is extremely vital and critical to this administration. And I think the industry also⁶².”

Another stakeholder from the private sector described how the private sector had to take the lead on addressing an environmental issue concerning sewage in the tourism district of Tumon. The example mentioned below may be an indication of an attitude among some public sector leaders that the tourism precinct of Tumon is not a priority due to the large presence of non-residents:

“...Bottom line is, people are coming here to see our environment, to see our sun, sea, and pristine water. That was not happening when sewage was running into the bay. We were the one (private sector) that went to the sewage pump station [in Tumon] and padlocked the station and got private industry to go and fix it. Obviously we were cooperating with GWA [Guam Waterworks Authority], we had to tell them that it was not just for tourism, but for our kids. We don't want anyone to get sick. We have been very engaged in that process. On the other side of the coin, we still need to do a heck of a lot more, relative to how we dispose of our waste. We do some recycling but nothing to the degree that we can recycle more than we put in. It is one of the top agendas that we face. We do work with environmentalists. We set up monitoring stations along the bay to see if excess phosphates were coming from properties' landscaping practices. We have notified properties where levels were high and now Tumon Bay is now has more fish eating and less of the green algae. We (private sector) have had to take the lead while public sector individuals sat back on their high horses while sewage was running in the streets⁶³.”

With responses like the ones above, it was apparent that in the case of environmental issues, there is still a lot to be desired in collaboration between the private and public sectors in matters affecting environment and sustainability. In the ideal situation, the government agencies would quickly respond with sewage leaks everywhere, but especially in a district where the bulk of Guam's

⁶² Governor Felix Camacho, Office of the Governor, March 17, 2004, Hagatna, Guam.

⁶³ David Tydingco, GHRA Office, February 11, 2004, Tamuning, Guam.

government revenue is locally generated in order for the agencies to continue offering their services. This obviously was not happening, and in cases like the one above, the private sector has had to step in to take care of what services the public sector should have been able to provide.

When asked about the environment, the status of Guam's ocean and coral reefs was mentioned by many of the stakeholders. This public sector stakeholder agreed that the areas concerning environment and sustainability are not being neglected:

“Yes. Everybody's seeing the importance of that. I think some of the work that's been done at the University of Guam, especially the Marine Lab bringing awareness to the denigration of the environment, like the coral reefs, and how that translates into lost opportunity. I think there's been a greater awareness of the need to protect the environment⁶⁴.”

A private sector stakeholder echoed the following sentiments about how he viewed the environment and sustainability as it relates to Guam's tourism product:

“It is very important because the primary reason for coming to Guam is the beautiful, pristine environment. More attention will be on Tumon Bay as a marine preserve. It is right on the doorstep of these big properties. We have not capitalized on this yet. We have a good product⁶⁵.”

Although it is apparent that public and private collaboration is happening in some areas and not so much in others, a factor in the effectiveness of these groups is how they themselves perceive this collaboration is taking place. Examining how Guam's stakeholders view their own collaboration efforts will provide us with a better indication of where the stakeholders currently are, and how much more needs to be done to reach a highly effective level of collaboration to prepare Guam's visitor industry for the future.

⁶⁴ Ben Pangelinan, Office of the Speaker, March 11, 2004, Tamuning, Guam.

⁶⁵ Jay Merrill, Market Research Development Office, March 12, 2004, Dededo, Guam.

Public / Private Collaboration

There is some awareness on Guam about the One Village, One Product movement (Sawaji 2000), but the concept has not been fully adopted. In an interview with a public sector stakeholder (Governor of Guam), this awareness is clear. The concept of partnerships for the benefit of the island and the tourism industry has been around for some time. However, initiating the program, following through, and maintaining the activities seem to be a challenge. In this response from the Governor, we can see that the seed for the concept is in place, and that the Governor has been appealing to various private and public sector segments of the community to show his commitment to the industry:

“Well, let’s take the idea about One Village, One Product. You know, we like to work with Mayors because we believe each of the villages could have something to offer. In the area of beautification, we are working on an island-wide plan where each village, working through the mayors and through our department of agriculture and public works is going to do something that every village will adopt a certain flower or a certain tree. And working with the department of agriculture we will start providing those plants and helping them plan and maintain them so that each village has its own flower and unique identity. We are going as a government now to start working on medians and shoulders of the road. We’ve even discussed it a day or two ago what variety of palm trees do we want planted down the middle. What type of consistency do we want from north to south? And we’re coming up with a major plan. We want to get all our kids involved in every single one planting a tree. A very coordinated effort so that there is a plan in place, the resources are there, the expertise is in place so that we get everyone involved. So these are just a couple of ideas I have in mind. And I believe that you can’t do it alone. We do need for both the government and the private sector to collaborate in making it happen. I do want to say that as Governor, I’ve made myself available, despite criticism, in every way possible that I can be involved at the state level. And also to go and speak on behalf of the territory because if they see that the Governor of Guam is taking the time out of his busy schedule to come and speak to us in the interest of promoting our island, it shows that I certainly place high priority on this. You know, my time is an asset, my time is valuable. And I think the industry understands that. I don’t think anyone can say that I have not honored them and the industry by giving of my time and my effort and my energy in promoting our

island. So, I think as Governor, I have to be one of the top salesmen for our island. So that's the attitude and spirit I take with me⁶⁶."

In this study, all tourism industry stakeholders indicated a need for some public and private collaboration especially in the area of providing basic infrastructure and public services, but the degree of involvement by sectors differed according to some stakeholders. The main points of comments from stakeholders are listed in Table 19 below.

Table 19. Thoughts about Private and Public Collaboration

<u>Sector</u>	<u>Comments</u>
	Success of the industry depends on absolute cooperation
	The GVB is a good example of public and private sector folks getting together to market
Private	We both have been in a reactionary mode rather than being proactive, jointly
	It's critical that we do work together. In Guam it's kind of been inconsistent
	I think it's a very bad idea. . .you need a little bit
	Yeah, it's good. . .this visitor's bureau has a good relationship with the private sector
	It's gotten better over the years out of necessity
	I believe you can't do it alone
Public	It has to happen. Concept of shared resource management has to be adopted
	Our private sector here thinks the industry belongs to them
	I think it should be 50/50. . .there should be an even share of responsibility and contribution
	I think it's a good idea

When asked about his thoughts on public and private sector collaboration in the tourism industry, one private sector stakeholder first stated, "I think it's a bad idea," but then followed the statement up with "you need a little bit." His response indicated that he did not believe that Guam's government was capable of adequately providing basic services, such as cleaning the streets, and he pointed to the high rate of taxation imposed on hotels as a Hotel Occupancy Tax. He was not convinced that this taxation was justified:

⁶⁶ Governor Felix Camacho, Office of the Governor, March 17, 2004, Hagatna, Guam.

“Keeping the roads clean, keeping the sidewalks tidy, that's not something that you can trust people will have the self-incentive to do. But you can do this through the private sector; such as every hotel has a responsibility for their own area. They should have a stake in doing it themselves. What happens is that the government sucks all the resources out of the private sector people and then they botched the job. Specifically, I'm talking about the 11 percent [Hotel Occupancy Tax]. That should be cut back dramatically. When people come to this island, they are impacting the services so they should pay for some of those services. On the other hand, the government takes too much. Since when does the percentage of hotel revenue have any correlation to the amount of services that the tourist is demanding on the government? In fact, it's the reverse. It's the backpacker that uses the public services more than the 250 to 300 dollar a night tourist. The tax should be a fixed dollar amount versus a percentage of the room cost. People don't correlate effort to result. If we want 2 million visitors, then we need to work for it. We need to give the visitors what they want⁶⁷.”

In contrast to the stakeholder quoted above, a public sector stakeholder shared his opinion on the divisiveness between the sectors. He shared his view of how the private sector stakeholders viewed the public sector, as a group that was only interested in collecting tax dollars to spend, and that the sense of ownership of the industry was not being shared:

“The problem I have with the current models and the expectations of the private industry is that the government should only serve the purpose of collecting the money and giving it to them and we should have no say whatsoever in how they spend it. It borders on arrogance and it borders on, you know...just the fact that they're not the only ones that have a stake in this. They sometimes think they're the only ones who have a stake in this. The people, the government, have a stake in this, too. We may make mistakes, but there is nobody in government that purposely would enact legislation that would harm this industry. But they think that's all we're good for in government. And I really think that the private sector has to realize and understand that it is a partnership. And partnerships, in some instances are 50-50, 60-40, but in the end the other partners are going to benefit, too. And the other partners have got to have a stake in it and a say in it. Whether he's minority or majority, he's got to be listened to by others. Our private sector here thinks the industry belongs to them⁶⁸.”

⁶⁷ Michael Ysrael, Guam Outrigger Resort Lobby Lounge, February 10, 2004, Tumon, Guam.

⁶⁸ Ben Pangelinan, Office of the Speaker, March 11, 2004, Tamuning, Guam.

Although all stakeholders agreed that there needs to be some collaboration between sectors, it was pointed out there had been inconsistencies in collaboration efforts due to the individuals who made up the stakeholders. In other words, there has been frequent turnover in people due to political appointments, the transient nature of people in the tourism industry business, and elections. A private sector stakeholder had the following to say about this very important issue:

“I think it’s critical that we do work together. In Guam, it’s kind of been inconsistent [on the issue concerning public and private sector collaboration]. And again it depends on who’s in the private sector and who’s in the public sector as to how well they work together. So we’ve had periods of time where it worked very well, and we’ve had other periods of time where it didn’t work at all. So that’s a little bit of a concern that it tends to be inconsistent⁶⁹.”

Collaboration between public and private sectors on Guam has come about in many cases out of necessity caused by crisis situations. This private sector shareholder agreed on the need for cooperation as well as collaboration, and gave specific examples of cases where this has occurred:

“The success of this industry or any other industry here depends on the absolute cooperation between the public and private sector. In the past (70’s and 80’s), the [Guam Hotel and Restaurant] association stayed out of the forefront to avoid being a target and that’s changed. We need to help regulators regulate, policymakers make policy, we need to be a part of their activities as they need to be a part of ours. 1994 rolling [power] blackouts—GPA [Guam Power Authority] partnership to run generators, and in exchange we pay for diesel while other villages got power. [Supertyphoon] Pongsana—[resulting in] no gasoline, public works buses and shuttle system coordinated by GHRA until the gas crisis ended. Crises made it a necessity for private and public collaboration. Security guards from hotels patrolling hotel area due to lack of police presence. The private sector is part of the community and are the constituency of the public officials--this attitude was different in the past⁷⁰.”

⁶⁹ Wally Dias, Continental Micronesia Office, March 18, 2004, Hagatna, Guam.

⁷⁰ David Tydingco, GHRA Office, February 11, 2004, Tamuning, Guam.

A public sector stakeholder had a similar response, with a different example concerning boundaries for beach cleaning duties (removal of algae, trash, etc.) and the sharing of responsibilities:

“It has to happen. Concept of shared resource management has to be adopted. Let's look at our future instead of worrying about whose responsibility it is. You can use beach cleaning as an example, with the issues of boundaries of cleaning area. The rash of crime is another --all hotels had security guards in front of their property to deter crime⁷¹.”

Another stakeholder from the public sector agreed about the crises on Guam pulling the sectors together. He went so far as saying that when business was booming in the mid-1990's, collaboration was not really occurring and that revenues were just flowing into the economy despite the lack of collaboration:

“I think it's gotten better over the years out of necessity. There was a time when we were flush with revenues and the tourism industry was on autopilot. Remember the 1995-1996 years when, if you couldn't make money in 1995, then something's wrong with you. And also those were the days before that when unemployment was 3 percent. The reason for that was because Guam was flush with money. Not necessarily because of its effort, but in spite of lack of effort. We were in the right time, in the right place, with the right currency structure...I mean, we had all the airline seats in the world, the yen was 95...Jesus man, all the forces were headed in the right direction. In those days everyone did their own thing. And then after that, it was everyone to themselves when the crash hit. And then until people began to realize we have to work together. Right after the crash, every man for himself basically. Businesses, government, you know. But you would find though that there is better collaboration in recent years between government and private sector. I'll tell you, the best collaborative effort I saw was the tail end of Joe Ada's term as Governor and Carl Gutierrez' first term as Governor. And that's when it peaked during Governor Gutierrez' first term when there was a very broad based working group with a singular objective of doubling arrivals by the year 2000⁷².”

⁷¹ John C. Salas, University of Guam International Tourism Office, February 10, 2004, Mangilao, Guam.

⁷² Gerald S.A. Perez, GEDCA Office, March 2, 2004, Tamuning, Guam.

When Guam recently experienced a financial shortfall by not having enough marketing funds to conduct campaigns in Japan, there was a call to the private sector to contribute funds for marketing efforts. A public sector stakeholder brought up this example of financial collaboration in the interview response:

“I think it's [public and private sector collaboration] a good idea. For example, last year because of budget constraints we did a lot of private public collaborations. Our summer campaign, we had only \$400K to spend on the summer and we were able to do co-ops with private travel agents and matched our \$400K with \$1.2 million. So we had \$1.6 million worth of advertising with us spending only \$400K. We are doing a lot of that. We are reaching out to our partners in the industry so that we can see how we can assist each other. The reality is, it's a partnership. It is not one person's or organization's responsibility to drive the market. We all need to work together. We are starting to see more response from the industry.⁷³”

There appears to be some progress made in improving the image the public and private sectors have for each other in relation to perception of collaboration. Again, this seems to be a result of the difficult times experienced by the island from various crises. A private sector stakeholder expressed his appreciation for public officials, including the current Governor (former Senator), going city to city in Japan to meet with Japanese officials in an attempt to encourage travel to Guam:

“After 9.11, this island was having a crisis in tourism, the Governor, then-Senator Camacho, they went to Japan and had a hard schedule. But other countries, only the Governor went to Japan and met with the Minister of Transportation or Tourism. That's all. But on the Guam side, and the same with Saipan, these individuals visited with each small city. That is a good job for the visitor's bureau and Guam [as an] island⁷⁴.”

⁷³ Tony Lamorena, Guam Visitors Bureau Office, February 17, 2004, Tumon, Guam.

⁷⁴ Isao Mamada, Pacific Micronesia Tours Office, March 2, 2004, Tamuning, Guam.

Unfortunately, there seems to be a difference in perception in how the different groups in the public sector are collaborating with the private sector. According to a private sector stakeholder who frequently interacts with various public sector officials on business matters, there appears to be a difference in attitudes between the executive branch of Guam's government and the legislative branch:

"I must say on the executive branch side—there is tremendous collaboration. You talk to any of our business leaders and they're involved in this committee and that committee, government boards, reorganization efforts. [Former Governor] Carl Gutierrez did the same thing with his Vision 2001, Vision 2002, engaging businesspeople. I am very concerned that this type of interface in the Guam Legislature simply does not exist. With our Delegate (in Congress) the relationship is very good. It's the Guam Legislature...we've made the overtures at the Chamber, it's always confrontational when we get together inside the Legislature. The kind of dialogue that you need, like "can you take a look at this bill," or "What do you think?" that just doesn't exist in the Legislature. We both have been in a reactionary mode rather than being proactive, jointly⁷⁵."

While collaboration is generally considered good for the industry (e.g. Bramwell and Lane 1999; Yuksel et al. 1999), it is not effective when all stakeholders doing the collaborating are not fully aware of the important issues and focus on areas that are non-controversial and easy to address. Another private sector stakeholder applauded the fact that stakeholders now are doing a better job of communicating, but are still straying from focusing on more important issues.

"There's a lot of people talking that don't know what they're talking about. At least they're talking. The GVB is a good example of public and private sector folks getting together to market. The difficult thing is a difficult and sophisticated product to market. Unlike a large corporation that does research on the market that produces over 2/3 of their revenue with very few people making important decisions, GVB is made up of predominantly small-town businessmen who have traditionally shot by the seat of their pants

⁷⁵ Eloise Baza, Guam Chamber of Commerce Office, February 26, 2004, Hagatna, Guam.

and they come up with ideas the best they can. And their focus tends to shy away from the harder questions and more toward the easier and fun things to deal with. So they are automatically directed toward doing tactical campaigns and things that they can understand, see, and feel and that's not really going to do anything for the island overall. Instead we probably need to be concentrating on understanding what our vision of tourism is going to be and molding the tourists' vision in that same direction. So we need to be bringing in people that can appreciate what the product is we're trying to build. And then doing the image work, so that we can establish that presence. And allow others scrambling for customers to use the same kind of messaging so that we can be clear as to what kind of product we are offering. This has never happened before, so we are seeing normal problems with people questioning the imaging campaign. This is normal, even in companies, and it's magnified in the political process. We should be doing the same like the Malaysia ads on CNN, which shows what the destination is all about. Guam can be an upscale destination. We have the basic ingredients. We still have to take a lot of steps to get to where we want to be. We are not a long-haul destination, but a destination for wealthy Asians to come multiple times per year⁷⁶.”

The message in the response above is that while public and private sector collaboration exists, the efforts between stakeholders are not in addressing the more critical issues concerning Guam and the industry. The focus is sidetracked to whatever interests the stakeholders have, which are typically in the non-controversial, easy to understand areas.

By collaborating on the establishment of a vision, public and private sector stakeholders can help minimize inconsistent collaboration and misguided efforts. Without guidance and collaboration, industry stakeholders are essentially operating blindly, guided only by pressure from vocal interest groups, anecdotes, and ultimately responding only to what is most politically convenient at any given situation. Recognizing the need for public and private collaboration is the initial step, and we can already see that there is agreement on the need for some degree of collaboration. However, there is still a need for more research on local and

⁷⁶ Wally Dias, Continental Micronesia Office, March 18, 2004, Hagatna, Guam.

indigenous approaches to collaboration in tourism planning in a variety of sociopolitical contexts (Timothy 1998:66).

Trousdale's research on governance has shown that many of the most important ideas and plans, including the promotion of sustainable tourism, have come from off-island professionals, and that this strongly suggests that technical assistance and outside involvement is essential. However, he also shows that the visionary planning work did not reflect or incorporate the values of enough local residents through proactive consultation. This eventually led to protests when plans were to be implemented (Trousdale 1999:21).

In the case of Guam, we can gain some accurate insights on resident attitude regarding economic development issues concerning tourism. These resident views were systematically documented in the Survey on tourism attitudes of Guam Residents (STAR) conducted under contract with the Guam Visitors Bureau (GVB) in October 1993, 1997, and 2000. These surveys were conducted using large samples by professional research firms so that the findings are viewed as being statistically reliable.

Resident's perceptions of the Visitor Industry in the 1993 report were that, in general, Guam residents viewed tourism as having a positive effect on the family. Nearly 45% believed it had a definitely good effect on their family, 31.6% thought it had brought both detrimental and beneficial effects and less than 5% felt that it had an adverse impact on their family (Guam Waterworks Authority 2006). The 1997 survey contained similar sentiments generally favoring tourism with similar concerns. By the time of the survey in 2000, the rapid pace of economic growth seen in the late 1980's and early nineties had slowed. The opinions expressed in the survey of 2000 reflected changes due to the less vibrant economy

resulting in part from the frequent typhoons in the late 1990's. In particular, the 2000 survey showed that there was a sharp increase in the sentiment that there could be more visitors coming to Guam. In this survey, it also showed that residents favor a moratorium on building of hotels in the tourism precinct of Tumon, and the creation of special tourism zones to limit development. Residents expressed that they are not in favor of a moratorium on development in Hagatna Bay, though they do not wish it to be developed to the extent of Tumon Bay. They also made it clear that they are not interested in promoting the development of more golf courses (Guam Waterworks Authority 2006).

Residents' perceptions can change from changes occurring over time, so it is necessary for destinations like Guam to continue these surveys in a consistent manner to monitor and track changes. Resident attitudes will undoubtedly have a significant influence in shaping the development landscape, whether it is related to tourism or another industry (Pigram and Wahib 1997:27). Not all developments will be entirely supported by popular opinion, but the knowledge of perceptions is important to open communications to ensure the buy-in of stakeholders (even if there is not total agreement). By maintaining an awareness of resident perceptions and by continuing to communicate with residents about tourism development, Guam should be able to avoid a case similar to that of Micanopy (Kim and Pennington-Gray 2003) where negative resident perceptions can heavily influence the effectiveness of tourism development policies and programs.

The ways in which the public and private sectors work together, along with local residents, to achieve the goals of the tourism industry must be discussed among stakeholders in more detail with an effort to identify underlying issues that may have prevented a higher degree of collaboration in the past. How this is to be

accomplished will be reviewed in the final chapter after reviewing three brief case studies and summarizing the findings of this study.

Chapter 6. Strategies for Change? Comparative Case Studies of Asia Pacific Tourism

Three comparative case studies are introduced in this chapter in order to suggest possible strategies for Guam's stakeholders to consider adopting on the island to meet the changing desires of the Japanese overseas traveler. Although some of the cases are not island-specific, their concepts can be adjusted to the island environment in order to maintain the image expected from tourists seeking an island experience. First, an overview of the significance of Pacific islands imagery is presented as a background to how some of the strategies from the case studies may enhance this imagery on the island of Guam.

Islands tend to evoke a certain exotic image to those living in large mainland communities pondering how pleasantly different life must be, especially on small, isolated tropical islands. Like all stereotypes, that of the tropical island paradise contains some truth but much inaccuracy. Tropical islands have been portrayed in Western literature as latter-day examples of the Garden of Eden and by the nineteenth century, the stereotype was well established (Harrison 2004: 2). Images of the islands have been formed by popular culture often in film, such as *South Pacific* or more recently *The Island*, television shows like *Gilligan's Island* or *Fantasy Island*, or in literature like *Robinson Crusoe* or *Treasure Island*. More recently, we have been given a television image of what it must be like to be on a deserted island with "reality" shows like *Survivor*. Although these images do not all consistently portray a flattering view of life on the islands, the general impression that is set in the minds of non-islands residents tends to be that life on the islands resembles a pleasant paradise.

In Japanese perception over the course of the Meiji (1868-1912) and Taisho (1912-1926) periods, the *Nan'yo*⁷⁷ became a region of interest as many started to look to these islands as they conjured up multiple idyllic visions within the imaginations of many Japanese. To the ex-samurai who were disenfranchised, the South Seas was “a warm tropical paradise, a territory in which to gain personal achievements and fulfill a sense of adventure” (Schenking 1999: 769). Some will argue that there is an exoticism associated with islands and that even certain words, such as “Pacific,” by themselves are worthy of being called a brand and have great marketing value.⁷⁸

In the academic world too, islands have held a fascination for many, particularly with anthropologists. There were early anthropologists such as Margaret Mead in Samoa and Bronislaw Malinowski in the South Pacific (Trobriand Islands) that studied island societies and produced a significant amount of research. This research continues to this day with the addition of the relatively new field of tourism, also an industry which most small islands now host in some capacity. In light of the strong image conveyed simply from the thought of small islands, coupled with the need for many of these small islands to follow a path of sustainable tourism development for economic self-sufficiency, tourism industry stakeholders now face challenges in balancing the pros and cons of welcoming visitors.

What are some of the visitor destination success stories in the form of attractions, not necessarily taking place in small islands, that Guam's tourism

⁷⁷ Also called *Nan'yo Gunto* for Southern Seas Mandate.

⁷⁸ Presentation by Floyd K. Takeuchi, Publisher of Pacific Magazine at the January 16, 2002, Guam Hotel and Restaurant General Meeting. Also, “The ‘Pacific Brand’ is a concept that we try to incorporate in all of the media products that we produce,” from personal correspondence dated May 19, 2006.

industry stakeholders can review for possible adaptation to the local environment? Let us examine three brief case studies, one in each of the sections for ecological attractions, man-made attractions, and local cultural attractions. A summary at the end of the chapter will briefly review the case studies and the possible strategies that may be adopted for Guam as strategies for change.

Ecological Attractions

The island of Pohnpei (formerly called Ponape) along with eight outlying atolls and Monto Reef make up the State of Pohnpei located about halfway between Honolulu and Manila. (Pohnpei State is a part of The Federated States of Micronesia, or FSM, is a young, independent nation created from part of the former United States administered United Nations Trust Territory of the Pacific Islands). Tourists have gradually started visiting Pohnpei in greater numbers over the past three decades, but the destination is still not widely known. It has been described as an unspoiled island paradise, one that even has the ability to take a person back in time to a less contemporary island experience. A former visitor to Pohnpei stated in a letter to the New York Times Magazine: "If one desires to have visited the Hawaii of one hundred years ago, Ponape is the place," (New York Times, November 18, 1984). Robert Trumbull, in his article introducing the island to readers, describes it in this way:

Many travelers insist that Ponape is the most beautiful island in the Pacific. Its dominant mountain peak, rising nearly 2,600 feet, is one of the highest in the central Pacific. Rushing streams and high waterfalls mark many valleys. An old Spanish wall, the ruins of an elaborate German church and a Buddhist memorial to Japanese war dead are reminders of past colonial regimes in Kolonia (on Ponape the name is spelled with a K).

Ponape is reknowned among archeologists, as well as tourists, as the site of the stone ruins of Nan Madol, an ancient abandoned city known as the "Venice of the Pacific" because of the network of

canals among dozens of imposing buildings. The city, constructed of huge slabs of black basalt by a legendary group of conquerors who were vanquished in turn and who then disappeared, is believed to date to the 12th century at least. Ponapeans say the place is haunted by the ghosts of these rulers, and they shun it except when guiding tourists through its wonders.

A visitor's first sight of Nan Madol, which must be approached from the sea, is unexpected and breathtaking. On the approach by boat, a featureless vista of mangrove jungle is suddenly breached by the appearance of a 30-foot-high rampart of interlaced basalt slabs, each weighing tons. How these enormous blocks were brought there from quarries on a distant part of the island, and maneuvered into place, is one of the many mysteries of Nan Madol. The complex of temples, forts and storehouses covers nearly 100 islets.

(Trumbull, New York Times, September 16, 1984)

Islands of the Federated States of Micronesia, and in particular, Pohnpei, have earned a reputation as ecotourism destinations among travelers familiar with these islands. For one thing, visitor arrival numbers have been relatively low, even though other destinations in the larger Micronesian islands have grown over the years. The FSM had a total 12,949 tourists in 2004, with just under 6000 visitors to Pohnpei (FSM Government 2006). Historically the tourist market has been mainly American at 39 percent and Japanese at 20 percent, with a majority of the remainder coming from Australia, New Zealand, European nations, and other islands (FSM Government 2006).

These relatively small numbers can be attributed to major barriers to developing tourism in the FSM. They have been FSM's distance from mass markets, the distances among small islands scattered in the ocean with scant means of transport and communication, the insufficiency of infrastructure on the ground to satisfy the demands of increasingly sophisticated travelers to the region, and the lack of desire among some of the islanders to develop alternative income sources (Bank of Hawaii 1995).

The islands in the FSM hold many possibilities for specialty tourism, but with their attractions widely dispersed none of the individual islands is a likely candidate for mass market development. However, from the tourist's point of view, this is exactly what makes the islands so attractive. Other than the fact that these islands have relatively little tourist traffic, what are the factors that have contributed to the positive, ecologically friendly image that has stuck with places like Pohnpei? What can another destination like Guam take from the case of the young nation of the Federated States of Micronesia, and in particular, from Pohnpei, to enhance the image of Guam as a destination that still has elements of an unspoiled paradise?

The FSM became a nation following the conclusion of a Compact of Free Association with the United States, in 1986, and in 1991, and then became a member nation of the United Nations. This small island nation includes the most geographically and culturally diverse part of the greater Micronesian region. The nation is comprised of four states – Yap, Chuuk (formerly Truk), Pohnpei (formerly Ponape), and Kosrae (formerly Kusraie) – lying along the equator and stretching about 1,700 miles (2,700 kilometers) in geographic sequence from west to east. Specifically, the FSM is located in the western Pacific Ocean between the equator and 14 degrees North latitude, and between 136 degrees and 166 degrees East longitude. The nation has a total population of approximately 107,000. Each state has considerable autonomy within the federation, but their unity provides greater resources with which to face the challenges of development. The states have devised their own strategies for development, while an integrated perspective for the federation is provided by the national government.

In ecological terms, the marine area within the FSM's Exclusive Economic Zone (EEZ) totals over one million square miles (2.6 million square kilometers) and includes abundant and varied resources. The land area constituting the FSM's 607 islands, however, is only 271 square miles (701 square kilometers). Of these hundreds of islands, a number are relatively large and mountainous or hilly, while the rest are small, flat coral atolls or raised coral islands. The diverse habitats and species of the natural environment have always had a strong influence on the Micronesian people and their cultures, and this is especially apparent in the FSM.

Current tourist activity in the FSM emphasizes ecotourism, adventure tourism, and cultural tourism, and has centered largely on the attraction of marine, coastal and reef resources. There are also the wreck dives and special prehistoric cultural attractions of the Nan Madol Ruins in Pohnpei. There are another two known stone cities and other megalithic stone edifices, petroglyphs and terraces in the rugged interior of Pohnpei Island. Pohnpei also has numerous historical sites from the Spanish, German and Japanese colonial eras (FSM Government 1997) making it very similar to Guam's own colonial past. Visitor arrival data indicate that the majority of tourists travel to the FSM to enjoy the natural surroundings in the form of tourism activities listed above, as in the earlier review of Yap and the popularity of skin diving in Yap's waters. These experiences are further enhanced by the man-made historical and in some cases, contemporary attractions that highlight the ecology of the destination. One such example is The Village Hotel in Pohnpei.

Juanita Liu, in *Pacific Islands Ecotourism: A Public Policy and Planning Guide (1994)*, writes that through appropriate accommodation, ecotourism can ensure that cultural authenticity and integrity are maintained in a positive and

high-quality experience for both visitors and residents. She uses The Village Hotel in Pohnpei as an example of local-style accommodation that incorporates ecotourism principles. The Village Hotel has been highly regarded since it opened in 1976. It is the winner of the first Eco-Tourism Award ever granted by the Overseas Private Investment Corporation, a Washington agency that funds start-up businesses that demonstrate sensitivity to environmental concerns. The Village was created from the dream of the owners, Bob and Patti Arthur, to “start from scratch and create the kind of resort Pacific travelers seek and seldom find” (Donner 2006).

The resort owners received help early on from a Peace Corps volunteer as translator of language and culture. The Arthur’s reached an agreement with local chiefs and landowners, which resulted in a first-of-its-kind land lease agreement. In the agreement with The Village owners, land ownership is retained by the indigenous owners who receive annual lease payments and can farm the land, and who are still in control of its development (Liu 1994: 23). The Arthur’s gathered local workers for the construction, insisting they build with natural materials according to traditional building techniques. Soon a charming, rustic but comfortable resort emerged in the jungle near Awak village with a magnificent view of Pohnpei’s famous Sokehs Rock (Donner 2006).

The Village consists of 20 huts, each one sitting on stilt poles nestled amid banana, elephant-ear taro, bamboo, palm trees, and dense lush tropical ferns. Access to the huts is via a pebble stone path strewn with wild yellow hibiscus flowers. The windows are screened, with a mosquito net draped around each of the two queen-sized waterbeds at night, and with cloth gecko dropping guards above the beds. A small bottle of insect repellent on each bedside table is available

for insects that may get through the netting. Hot water is available in each room and white ceiling fans and wicker furniture contribute to the South Seas atmosphere. Guests at The Village are treated to the sounds of resident bird chirping and raindrops on the thatched rooftop.

The Village “fits” into its natural setting. It is surrounded by the island's natural beauty of waterfalls, mountains, and fresh water streams fed by tropical rainfall. It also faces the expanse of the ocean sweeping beyond the reef. The Village is testimony to how the environment and a culture can be successfully embraced within the visitor industry. The Arthur's claim they are not making any special efforts to the resorts guests entertained, "We don't manufacture the amusements. We provide the setting and let Pohnpei work its magic." (The Village Website, <http://www.thevillagehotel.com/> viewed May 20, 2006).

The Village, which opened thirty years ago, was clearly ahead of its time and now other hotels are catching on. In recent years, the lodging industry worldwide has witnessed a trend toward environmentally responsive facilities, called eco-hotels. These hotels carry the environmental theme throughout, from the positioning of the buildings to maximize the natural assets of a site to the careful selection of construction materials. According to Lehr in *Designing Eco-hotels* (2001), the hallmark of eco-hotels is the integration of all components, which allows for a sustainable design at little or no additional cost compared with conventional approaches. Eco-hotels are not just small ecotourism facilities in remote locations—they are becoming more mainstream, as large international hotel chains are showing that they are very comfortable with the concept.

Presently, all of Hilton International's properties in Japan are in the process of receiving full certification⁷⁹ (Lehr 2001: 33).

The primary attraction in the case of Pohnpei is the natural, ecological setting that allows tourists to enjoy an atmosphere that has been unspoiled by hyper-development, which is the type of environment the tourists are accustomed to living in and desire to escape from. While Pohnpei has a capital city with the usual concrete buildings, hotels, and other structures and amenities that accompany modern cities, there are still pockets of villages on the island where tourists can go to get away from many of the trappings of modern civilization. The Village resort in Pohnpei enhances such an experience and provides only "the setting" (as the Arthur's claim) with the eco-friendly accommodations that were built long before the concept of ecotourism was in vogue.

Guam also has a number of villages, particularly in the southern part of the island, that tend to project the image of the "slow-life" and shun the development that is typically seen in the central and northern parts of the island. Tourists do have the opportunities to visit these places, either via the popular around the island bus tours or via private car rentals. In either case, there are no options for tourists to stay overnight and truly experience the slower pace of the southern village life. It is true that there are a few opportunities to stay in hotels in Guam's south, such as The Aston Inn on the Bay in Agat, however, these are built in the traditional hotel styles in the same way as the hotels are built in Tumon Bay. By reviewing the positive aspects of visitor experiences in Pohnpei, Guam's tourism industry planners may seek assisting small developers to establish eco-friendly accommodations in appropriate island environments like The Village.

⁷⁹ As of May 21, 2006, these hotels have been certified by Eco-tels
(Continued on next page)

By incorporating more ecotourism sites and activities into the Guam visitor experience, there is a greater opportunity to capture the tourists who long for the more idyllic image of the island experience. Both Pohnpei and Guam have great natural beauty that can be enjoyed by tourists without spoiling the environment—these are the main attractions for a growing number of ecotourists. Providing a way to allow tourists and residents to enjoy these ecological attractions for years to come like the owners of the Village Hotel have done, will help establish a destination’s reputation as an eco-friendly one.

This of course is not only up to developers and those who directly have a financial stake in the tourism enterprise. The FSM Government’s statement on the topic of sustainability presents a salient point with a message that reinforces this research paper’s key theme of collaboration: “Ultimately however, the key to achieving the conservation and sustainable use of the FSM’s coral reefs and associated ecosystems resides within the local communities. The people who live, physically and spiritually, as a natural part of these fragile ecosystems will have to decide whether or not to make the commitment for themselves, and on behalf of their future generations, to adopt and implement a comprehensive, fully participatory, community-based management approach to their environment,” (FSM Government, 1997)

Man-Made Attractions

Over the years following the successful Expo’70 (1970 World Fair) held in Osaka, theme parks have become extremely popular with the Japanese, in particular as a place of leisure for families. Theme parks of various kinds are now

(<http://www.concepthospitality.com/ecotel/ECOTEL.htm>), earning between 3 to 5 globes.

located throughout Japan. There are the widely popular American-style amusement-type theme parks of Disneyland in Tokyo and Universal Studios in Osaka, as well as the Japanese Toshimaen on the Seibu line in Nerima, a suburb of Tokyo. Food theme parks, that feature a certain foods theme and sometimes depicting an historic era, are also quite popular. In just the Tokyo and Yokohama area alone, these food theme parks can be found: Shin-Yokohama Ramen Museum, Yokohama Curry Museum, Ikebukuro Gyoza Stadium, Ice Cream City (Ikebukuro), Jiyugaoka Sweets Forest, Yokohama Daisekia (1920s Shanghai in Yokohama Chinatown), and Daiba Little Hong Kong (<http://www.japan-guide.com/e/e3035.html> viewed May 21, 2006).

In a list put out by the Japan Tourist Association (JTA) in 1995, more than half of the 28 “theme parks” detailed are drawing on aspects of what could loosely be called “culture” as a theme chosen (Hendry 2000:207). A few represent periods of history in a smaller, more specialized type of theme parks that attract visitors who want to be engulfed in an atmosphere of “the other” or that places them in another time. One such park is Toei Movieland. Moshavi in *Samuriland* (2001) describes Toei Movieland in Kyoto as simple place where people can enjoy what they believe in their minds is an accurate representation of past Japanese society based on what they have seen in film and on television. Her description: “Toei Movieland is decidedly low-tech. There are no rides, no thrills, no spills. This is where most of Japan's samurai TV shows and movies are filmed. Tourists come here for one reason: to walk among the dusty movie set streets of old Japan and watch swords fly, blood spurt and silk kimonos glisten” (Moshavi 2001).

The JTA list of theme parks has grown over the years, and the number of *gaikokumura* (foreign villages) theme parks have been a part of this surge in

theme parks. Hendry focuses on these foreign villages in her study, *Foreign Country Theme Parks* (2000), and calls these parks as a cultural phenomenon worthy of attention in their own right. She goes a step further by stating that Japanese *gaikokumura* may even be seen as a blazing trail for a new form of ethnographic museum (Hendry 2000:215).

Obviously, these *gaikokumura* have something in common that attracts so many Japanese visitors. For one, they may be viewed as a cost-effective way for a family to visit a “foreign country” without requiring passports and time away from school and workplace. Although visitors know that they are not really visiting a foreign country and that everything is staged, it is a way for them to escape, even if for a short few hours, from the routine of their daily lives. Hendry describes this in *The Orient Strikes Back* (2000) - how the parks put on display of many features of western culture for Asians to wonder at and to make exotic, a kind of reverse-Orientalism. *Gaikokumura* also offers a cultural experience resulting from the combination of components that the parks offer the guests. The *gaikokumura* and other parks, which represent Japanese history, share many of the same components of the foreign country theme parks. Those components are buildings, actors dressed in costumes of the time, performances in the style of the period, possibly embellished with literary characters or those popular from television period dramas, and a range of artifacts on sale or display (Hendry 2000: 216).

This case study reviews how some of the components used in Japan’s *gaikokumura* can be used to enhance attractions already in place on Guam. Hendry’s view of *gaikokumura* as a form of ethnographic museum takes on a great significance in Guam’s situation. Guam currently has no facility that can be described as any kind of museum, due to the damage caused by the last two super

typhoons that directly hit and devastated Guam. The lack of funding has kept the few remaining museum artifacts from finding a new home since the end of 2002. It is no small wonder why visitor survey results have shown that tourists believe Guam lacks history and culture (Park 2003). As for the current disposition of Guam's artifacts, the Guam museum website tells us:

- Most of ancient Chamorro and Spanish period artifacts were destroyed during WWII
 - Removable relics were removed either by individual collectors or government agents
 - During Spanish rule, most archival materials were dispatched to Manila, Madrid, or Rome
 - Significant portion of collection remaining are in storage in new location
 - Private collections are being held until suitable facility is available to curate and display artifacts
 - Remnants of artifacts are with private collectors in Guam, Manila, Cebu, Madrid, Mexico City, Acapulco, Washington, D.C., Annapolis, Maryland, and Honolulu.
- (Guam Museum Website, <http://www.chamorro.net/museum/gcm.htm> viewed May 21, 2006).

As an alternative to the traditional static museum displays, there are opportunities to offer *gaikokumura*-type presentations of Guam's history and culture. To begin with, Japanese tourists are accustomed to *gaikokumura* and the various components of entertainment that they offer—food, history, shopping, craft-making, etc. In addition, Guam already has the basic foundations in place to incorporate these components to enhance what the sites have to offer. Let us first review some of the components of Japanese theme parks as well as the products and services that they have to offer that may be adaptable for Guam's facilities.

One feature that appears to be an important one among the *gaikokumura*, especially if there is a desire to attract repeat business is that in the largest Japanese parks, there are themes within themes, providing different experiences

for visitors to each theme. Huis Ten Bosch (Holland Village, near Sasebo in Nagasaki Prefecture) has ten themes. They include “pastoral countryside” with windmills and fields of flowers, a port town complete with seafood market and marina, a replica of the Huis Ten Bosch palace of Queen Beatrix, set in its own French-Baroque gardens, several Dutch townscapes replete with shops, international restaurants and museums, and a residential section where holiday homes in the style of 17th-, 18th-, and 19th- century Holland may be accessed through private berths opening onto the ubiquitous canals. (Hendry 2000: 212)

Providing entertainment is also an important factor in turning first-time visitors into the “repeaters” that are required to ensure any park’s long-term continuity. Offering music and dance are the most obvious forms of entertainment that theme parks usually provide, but there are other forms that can differentiate one park from another, such as the sampling of food or drinks provided by people in native costume. During Hendry’s visit to a German *gaikokumura*, the greatest success in this respect was to be found in the superb collection of German beers and wines, clearly an important attraction for parties of men seated at tables outside the shop, sipping the samples (Hendry 2000: 211)

Shopping is another form of entertainment this is common in all parks. All of these parks provide gifts and souvenirs from the countries in question, including food to buy on the premises or to take home as gifts. Just as leading-edge companies are finding that in the increasingly competitive undifferentiated offerings of products and services, the perception of higher value lies in staging experiences. In *The Experience Economy*, the authors state that an experience occurs when a company uses services as the stage--and goods as props--for engaging individuals in a way that creates a memorable event (Pine and Gilmore

1998). What contributes to the entertainment experience in the activity of shopping is learning about the background of the products or the people making the products.

An example of this can be seen within the recent revival in Japan of products from the Asian region. Gaining unprecedented popularity among Japanese consumers in recent years are textiles and other handmade items from Southeast Asia. Nakatani, in *Exoticism and Nostalgia* (Nakatani 2003), mentions a notable observation about the Japanese consumers, predominantly among women. She writes that they crave stories and “biographical” details about the goods they purchase; they then turn them into their personalized possessions and display them in an effort to express their individuality (Nakatani 2003). Their differentiated and personalized possessions will, in turn, be incorporated into their own stories. The narratives are generally expressed by means of a tasteful display of carefully selected objects on one’s central stage where the possessions will eventually end up: the home. *Gaikokumura* provide the kind of atmosphere that facilitates the kind of interaction that consumers desire. It is the interaction with the craftspeople and souvenir vendors that will generate the kind of information required to differentiate the purchased product from others that can be found back home.

Are the villages being displayed at the *gaikokumura* accurate? How real are these structural representations of foreign culture in Japan? These questions are irrelevant and the “realness” of such structures should not be a concern for builders of such parks. Hendry writes, “Accurate imitation is an accomplishment esteemed as the most appropriate method of acquiring artistic, and other (such as technological) skills. The Ise shrine, one of the most sacred buildings in Japan, has

been rebuilt every 20 years for some 13 centuries, for example, and other sacred objects are burnt annually and replaced with new ones” (Hendry 2000: 218).

At this time, Guam does not have a theme park resembling any of the *gaikokumura* described in Hendry’s study of theme parks in Japan. The closest facility to that is probably Gef Pago, a cultural village located in the southern village of Inarajan, which opened in 1991. The village is open to residents and tourist to display scenes of traditional Chamorro life in a southern village of Guam. In addition to the usual display of homes and tools used in village life, the Executive Director of Gef Pago, Judy Flores, has organized a weekly fair at Gef Pago in order to preserve Guam’s culture and what it has to offer (Borja 2004).

The fair also allows people to showcase their craft, share their talents and pass on some of the island's traditions to younger generations and to tourists. Tourists have been arriving by the busloads, and at the same time, the fair allows vendors to earn some cash from their talents. Gef Pago has an open-door policy for vendors interested in selling food, fresh produce or Guam-made crafts for the fair. Vendors are allowed to rent a table for \$5 each Sunday and sell what they have as long as they have Guam-made products or products that display or teach about Guam's history. Business has been steady for Gef Pago, with all visitors paying an entrance fee, and many purchasing items from the gift shop, called Gadao's Gifts, and from vendors there. Some of the items being sold include natural salt retrieved from waters of the Inarajan pool, woven purses, baskets and fans, and wooden carvings of utensils and carabao figurines. Coconut oil, coconut candy, shell necklaces, and many more items are sold at the gift shop or by vendors. In addition to the shopping, a quick tour around the southern attraction can help one learn about the historical traditions of Guam.

Visitors to the park get the chance to see and experience how things were made generations ago. For example, master hut builder demonstrates how rope was made from tree fibers. Another item one can purchase or learn how to gather is salt. Employees demonstrate and explain how they go about collecting the water and boiling it until the water evaporates and the salt is left. The salt is described as being better than store bought salt and is preferred by gourmet chefs (Borja 2004). A main attraction from a different era at Gef Pago tour is the two-story, historical Leon Guerrero house built in 1914. Most of the sections of the house, including the walls and floors, were made from *ifit*⁸⁰ wood. Wood from the *ifit* tree was common in building homes in the early 1900's, but is not as readily available these days.

Another popular Guam park, called the Namu Falls Tropical Garden exists in southern Guam, but it is more of a park that allows for some craft work and the sampling of tropical fruits. The only museum-like aspect of this facility is the replica the cave of Shoichi Yokoi, who on January 25, 1972, was found hiding in the jungles of Guam for 28 years following the World War II. A description of the park reads,

In the Namu Falls Tropical Garden located in the southern part of Guam, you can experience creating things with palm leaves and taste tropical fruits. After the B.B.Q. lunch by the sea, go to Talofofa Falls Park. You can see the replica of the cave which Shoichi Yokoi used to live. (Jungle Hiking Tour Description, <http://www.nikkoguam.com/english/pcard/pcard.html> viewed May 21, 2006).

Other small Guam parks may exist, but they tend to come and go, a result of being exposed to the unpredictable elements associated with islands located in

⁸⁰ *Ifit* is an extremely hard wood indigenous to Guam and is prized as a carving medium. It is long lasting and becomes darker and harder with age and it has become quite scarce.

the Pacific's typhoon alley. Current parks on Guam and enterprises with an interest in incorporating more elements of entertainment can all add value for guests by utilizing the following components that are commonly seen in the *gaikokumura* of Japan.

The first component is the use of the theme within theme. Although this is more common in the larger theme parks, this can be important in the portrayal of Guam's culture and history to Japanese tourists. Most of the cultural and historical displays that are seen on Guam depict life on the island from a period that is not very clear to the visitor. Most tourists are from the outset oblivious to the history of Guam and need some guidance as to what era is being depicted in the displays. Is it the pre-Spanish contact period, and if so, when? Are the dances being shown from the Spanish colonial period? What was life like on Guam prior to the Second World War? Regardless of how small the depictions of these periods may be, they will clarify in the minds of the visitor what time in history is being depicted and will enhance the experience of the visit. Facilities that are not in a park-type operation may also benefit by using such themes in the way they present their products and services.

The next component is entertainment, and the importance of song and dance cannot be overly emphasized. Both attract people and truly enhance the visitor experience. Popular Guam events such as the annual Street Carnival in Pleasure Island and the Gupot Chamorro Music Festival have been outstanding venues for tourist and local residents to enjoy the universal language of music and dance. Parks and business ventures on Guam can take this component further by combining with the previous described "theme within a theme" with the addition of theme-based song and dance events. For entertainment, the affinity of spirits for

refreshment cannot be overlooked as Hendry had mentioned the popularity of German beer sampling at the German *gaikokumura*. Guam has its own *Tuba*⁸¹, a wine made from fermented coconut sap. The sampling and selling of this product can also be an enhancement for parks and other businesses, where appropriate.

The importance of the consumption of goods, such as gifts and souvenirs should not be overlooked, especially with tourists from Japan, who often purchase souvenir items for themselves and for gifts. Guam has a number of large and small gift stores, but are the products being sold with a story? Are crafts people and vendors providing enough information about the products to generate a sense of differentiation and personalization? In one of the more interesting behind-the-product stories, it is commonly known among the people of Micronesia that most of the beautifully crafted storyboards from Palau sold to tourists are made by master craftsmen who are convicts in the Palau prison system. To learn the storyboard-making trade, joked the President of Palau on a recent visit to Japan, you have to go to prison⁸². The stories behind the products add value to these unique items and enhance the activity of shopping for them. Through proper education and training, this component can surely be incorporated by Guam's retailers participating in the crafting and sale of local products.

It is true that Guam has enough natural attractions to keep most tourists busy during their usual 3 to 4 day-visit. However, by enhancing the current man-made attractions to better reflect Guam's history and culture will most likely contribute to increasing visitor satisfaction levels in those areas. From the tourists' viewpoint, this will be "added value" for their vacation experience. This

⁸¹ A local alcoholic drink made from the fermented sap from a young coconut tree.

⁸² President Remengesau during a visit at Ritsumeikan Asia Pacific University, Beppu, Japan, on December 14, 2005. A Palauan storyboard was presented as a gift to the university president.

issue is not about the quantity of activities that are available on Guam, but the quality of those activities that can enhance the tourists' experience to convert him/her into a repeater.

Local Cultural Attractions

Most people do not associate the U.S. National Park Service with small islands in the middle of the Pacific Ocean. Some may be familiar with the many national parks that can be found in the state of Hawaii. They are Ala Kahakai National Historic Trail, Haleakala National Park, Hawaii Volcanoes National Park, Kalaupapa National Historical Park, Kaloko-Honokohau National Historical Park, Pu`uhonua O Honaunau National Historical Park, Puukohola Heiau National Historic Site, USS Arizona Memorial (National Park Service, as of Apr 12, 2006).

On the island of Saipan, there is the perhaps lesser known American Memorial Park, also a facility managed by the U.S. National Park Service. This case study will briefly review two other national parks that are located in Western Pacific U.S. territories, one in American Samoa and the other in Guam, and compare how they approach the preservation and presentation of local culture.

Both Guam and American Samoa are influenced by tourism in vastly different ways. The islands' native cultures pride themselves in their beautiful natural environments and cultural identities, and both cultures persistently value and desire to continue their native traditions as they face the changes influencing their societies. On the one hand, Guam has the influences of a 500-year-long history of Spanish, German, Japanese and American colonial rule. American Samoa, on the other hand, has had far less external physical and cultural influences on the environment. The luring image of Pacific Island lifestyles draw visitors to both island destinations, where along with other features, it is their

traditional cultures and their tropical marine ecology attract tourists from around the region. First, a brief background review of American Samoa and its national park is in order.

The U.S. territory of American Samoa lies south of the equator in the central South Pacific Ocean. The American Samoan islands are small and steep, ranging in size from the populated island of Tutuila (80 square kilometers) to the smaller and sparsely populated islands in the Manua group (Ofu, Olosega and Tau). A maritime climate of tropical heat and rain prevails year-round. Typhoons hit periodically, the last six occurring in 1981, 1987, 1990, 1991, 2004, and 2005. The territory's population in 2004 was about 62,000 and is growing rapidly at a rate of 2.1 percent per year, with 96 percent of the population living on the southern side of Tutuila Island. Principal sources of revenue are federal grants and two of the world's largest tuna canneries (which process tuna mostly caught elsewhere in the Pacific). Together, the government and canneries employ two-thirds of the work force, over half of which was born outside of American Samoa, mostly from neighboring (western) Samoa. There are not many nearby islands except for Samoa which is approximately 112 km (73 miles) to the west of American Samoa and is 15 times larger in land mass (Hart 2005:1).

The National Park of American Samoa (NPSA) was established in 1988 by Public Law 100-571 with park units on the islands of Tutuila, Ofu and Tau in the Territory of American Samoa. The park's purpose is to "preserve and protect the tropical forest and archeological and cultural resources of American Samoa, and of associated reefs, to maintain the habitat of flying foxes, preserve the ecological balance of the Samoan tropical forest, and, consistent with the preservation of

these resources, to provide for the enjoyment of the unique resources of the Samoan tropical forest by visitors from around the world" (Hart 2005:1).

The Park was unable to purchase land outright due to the traditional communal land system. It was not until 1993 that the park became legally established with a 50-year lease agreement. This agreement, involving lands within eight villages, enabled the National Park Service (NPS) to begin managing lands and waters within the leased premises for National Park purposes. The park consists of 7,970 acres of land and 2,550 marine acres (The park's boundary extends approximately 400 meters offshore where water depths are about 30 meters). In 2002, Congress approved a 30 percent expansion on Olosega and Ofu islands.

NPSA's rainforests and Indo-Pacific coral reefs are unique to the NPS system, along with Guam's War in the Pacific National Historical Park (WAPA). The diversity of terrestrial species is low due to the isolation of the Samoan islands. The only native mammal species are the large pteropid fruit bats (flying foxes) that play an important role in forest pollination. Other important biological resources are birds, reptiles, and stream ecosystems. The marine system, in contrast, is highly diverse with about 890 fish and 200 coral species, as well as rare and endangered sea turtles and humpback whales. Over a hundred species are harvested for food (fish, giant clams, octopus, *palolo*⁸³, and other invertebrates).

The Samoan culture (*Fa'asamoa*⁸⁴) is of major significance to the national park. Because the environment intertwines with the *Fa'asamoa*; many Samoan proverbs, names, and chieftainship titles originated from the Samoan names for

⁸³ Any of more than a dozen species of segmented coral worm, considered a delicacy in Samoa. The worms are fried in oil or baked into a loaf with coconut milk and onions.

plants, birds, fish, air, and clouds. The archeological and historical context of NPSA is composed of *fale*⁸⁵ (house) foundations, and the fermented breadfruit/banana *masi*⁸⁶ pits, circular depressions, star mounds, grinding stones, adze quarries, oral history including myths/legends, traditional medicines, and the Samoan culture itself (Hart 2005: 5).

Some of the cultural issues focused on by NPSA include, oral history (myths and legends), traditional medicines, Samoan culture and archaeological sites (house foundations, *masi* pits, star mounds, grinding stones). Although the main focus of the park is on its natural resources, park personnel have exerted care in preserving its limited cultural elements. Just as with many of the small island cultures, the Samoan culture could vanish if the current generation ceases communicating and sharing their experiences and traditions. Management of NPSA acknowledges the importance of the Samoan culture and is documenting the history of the eight villages affiliated with the park. The data is being preserved by various methods (audio, digital, and hardcopy format) for future generations (Hart 2005: 9)

There are a number of other parks in the U.S. Park Service system that have described oral history as "essential" and often their "only source of information" about a particular event, site, or individual. In fact, the National Park Service devotes an entire section of their website on oral history in the National Park Service (<http://www.cr.nps.gov/history/oh/oh.htm>). The NPSA is one that has found oral history to be an invaluable resource for preserving the history of

⁸⁴ An often-repeated phrase in the Samoan islands, means the Samoan way, or "the way of our ancestors."

⁸⁵ *Fale* literally means "house" in the Samoan language and is also used as prefix in naming buildings in Samoa, for example: Falesa = Church.

Samoan natives, a history that has been retained primarily in oral traditions and is at risk of being lost (McDonnell and Weible 2002).

Dittmar, in *Tourism and Native Cultures* (2001), writes that contrasting responses to the tourist industry are apparent between American Samoa and Guam two Pacific islands whose native cultures both neighbor and interact with the U.S. National Park Service. On Guam, tourism has been established for the long-term, and has far-reaching consequences for the island territory. It is also tied to Guam's colonial past with the U.S. and Japan playing a large role in the industry. Although efforts to preserve the natural environment and traditional Chamorro culture are not easy, going as they do against the momentum already in place with what some would characterize as hyperdevelopment, the efforts have gained a foothold on Guam. In light of this, how does Guam's War in the Pacific National Historical Park (WAPA) represent traditional Chamorro culture and history to its visitors? How is this different from NPSA in American Samoa?

WAPA is comprised of seven noncontiguous units containing 1928 acres (1002 which are submerged), and is one of 385 different parks within the U.S. National Park Service. The historic park was established in August 18, 1978 "to commemorate the bravery and sacrifice of those participating in the campaigns of the Pacific Theater of WWII and to conserve and interpret outstanding natural, scenic, and historic values and objects on the island of Guam" (Duchesne 2004: 81). Within the park's boundaries are two historic battlefields, gun emplacements, memorials, monuments, trenches, and historic structures which all serve as silent reminders of the bloody battles that ensued on the island of Guam. In addition to the cultural resources, WAPA contains natural resources including limestone

⁸⁶ A fermented paste of banana and breadfruit is also called by names such as, *ma* in the (Continued on next page)

forests, wetlands, a mahogany forest, and a coral reef, which is one of the most diverse in the Park Service.

The park contains sites important to the 1944 invasion and recapture of Guam during WWII, and as a result, each unit contains some significant resources. The following are included on the National Register of Historic Places: Agat and Asan Invasion Beaches, Asan Ridge Battle Park, Hill 40, Matgüe River Valley Battlefield, Memorial Beach Park, and Piti Coastal Defense Guns. In addition to the WWII sites of cultural significance, there are sites of cultural importance for Guam's Chamorro resident population, many of these having marine-related importance (Daniel 2005: 5). Naturally, due to theme of Guam's national park, the focus of display is on areas relating to the Pacific War. However, as a national park, it does not neglect the cultural aspect of its historic location.

In the area of Chamorro culture, park management recognized that pre-war settings of the park's environment were difficult to ascertain, so they have relied on long-time residents to contribute to current knowledge. There are important traditional Chamorro sites located within the park units with significant areas primarily marine-based. For example, food was gathered from the reef flat in the Asan Beach unit. The Agat area was also used for subsistence-based fishing. Some legends are associated with Camel Rock in the Asan unit and the islets in the Agat unit. Prehistoric pottery was found in the Mt. Alifan Unit (Daniel 2005: 11).

Park management has also made concerted efforts to represent the natural settings of the park without any changes from the period it represents. Designated as a historical park, terrestrial systems are to be managed in accordance with

Marquesas, *mahi* in Tahiti, *maratan* in Ponape and *namandi* in Vanuatu.

conditions during the World War II time period (explicitly preserving features such as native plant communities and streams), while management of marine areas is intended to conserve the resources in a natural state (Daniel 2005: 19).

Events that keep reappearing in this research are Guam's most recent super typhoons and their deep effect on the island and its infrastructure. As in the case of the Guam Museum mentioned in the earlier case study, a similar situation exists with WAPA and its displays. On December 8th 2002, Supertyphoon Pongsona destroyed WAPA's T. Stell Newman Visitor's Center, which housed the park's museum, research library, and administrative offices. Since the closure of the museum and administrative offices in December 2002, the museum collection was forced into essentially "dead storage" and the extensive research library was made completely inaccessible to both the staff and the public (Duchesne 2004: 81). With the closing of the Visitor's Center, Guam lost one of the few facilities available for local residents and tourists to learn more about the local culture.

In response to this, park management has taken proactive measures to give access to cultural information via an alternative site. The park was able to design, launch, and establish a new website and "virtual museum" (<http://www.nps.gov/wapa/indepth/>) with the assistance of a grant from the Guam Humanities Council and funding from the Arizona Memorial Museum Association. The website was launched on July 19th 2004. Through this website, WAPA is able to make park resources available to the public through the website. In addition to this new site offering visitors virtual access to museum collection images and archival documents, the site is also a way to communicate with both people on and off Guam to inform them about the park's events and activities (www.nps.gov/wapa/pphtml/news.html).

Even though WAPA lacks a physical building to offer exhibits, interpretation and information about the park, and the events of WWII in the Pacific is available through the website. They are also able to reach a wider audience than ever before as visitors are not constrained by hours of operation, mobility, or geography. Given that in the past, the majority of on-site visitors were Japanese, the park has secured funding to translate selected pages of the new website into Japanese. To the park's knowledge, this will be the first time that any National Park Service website has ever been translated into Japanese. Future plans include translating the site into additional languages such as Chamorro, Chinese, and Korean (Duchesne 2004: 82-83).

In reviewing what the park currently offers, Guam's park appears to lack the more broad cultural approach taken by NPSA in their work in the representation of history and culture. To be fair, WAPA is a War in the Pacific Historical Park, and as such maintains its focus on the period of the Second World War. The importance placed on oral history by the NPSA park management appears to be less apparent in Guam's park and perhaps this is an area that can be further developed. Surely, Guam's oral history is just as important to preserve, especially with the scattering of historical artifacts and documents caused by war, typhoons and lack of funding for proper disposition of important items that can visually tell their stories.

The 60th anniversary of the liberation of Guam was marked in 2004, and many events were scheduled to commemorate the occasion. The park hosted "Movies in the Park" where *Tora! Tora! Tora!* was shown on a large tarp strung between two coconut trees in the middle of the Asan Beach Unit. Many families attended the free event and snacked on popcorn while watching the movie under

the stars while lounging on the park's lawn next to the ocean. Such events provide an opportunity for people to reflect on an important historical period on Guam and serve to create interest among park visitors to learn more about the history and culture of Guam during the featured period. With appropriate funding and coordination of other resources, more events highlighting Guam's culture and history can be hosted in the park's facilities for the benefit of residents and tourists.

The park in American Samoa naturally takes on a different focus as its purpose is not the same as that of WAPA's. The U.S. National Park Service has adopted the approach of eco-tourism with its mainstay concepts of sustainability and sensitivity to the cultural and natural environment. Park literature is used to adapt visitors to the native Samoan lifestyle by instructing visitors in how to not offend native residents and to have minimal impact on their traditional culture and natural environment. With their innovative Home Stay Program, the National Park of American Samoa invites tourists to participate in village life while Samoans associated with the park set their own fees for accommodations and accompanying traditional activities. The concept of eco-tourism in the Western Pacific is relatively new, but this practice at NPSA "represents native cultures seeking tourism on their own terms" and "perhaps the results will be a better response to the challenge of preserving native integrity and the natural world" (Dittmar 2001).

From reviewing the two Western Pacific national parks, it is apparent that the U.S. National Park Service is making efforts at the federal government level to preserve the local culture of the islands. The U.S. National Park Service is also working to contribute to the expanding of resources for cultural attractions, not only for tourists, but also for residents.

It is interesting to note a 2005 study about Guam's environmental issues, tourism and the military, as it relates to the topic of preservation. Blackford's (2005) research entitled *Tourism, the Environment, and the Military* reviews how the invasion of the brown tree snake on Guam (estimated to number 2 million in the mid-1980's on an island with 150,000 people) took on ideological overtones. Guamanians, and especially Chamorros, identified the snakes, a non-native species, with a colonial attack on their culture. This phenomenon is not unique to Guam. On Kaho'olawe (one of the eight major Hawaiian Islands, just southwest of Maui), natives recently won the right to restore the island to its pre-contact state after environmental damage caused first by Western ranching and then by use as a U.S. Navy live-fire range (Blackford 2005: 6). In contrast to this view of the invader, the federal government has taken on the role of preservationist, not only in the realm the national parks, but also in the area of wildlife preservation, as we reviewed earlier in the case of Guam's *Ko'ko* birds.

In reviewing the comparisons between national parks in Guam and American Samoa, we can see what more Guam's tourism industry stakeholders can do to support more local "grass roots" efforts to enhance the local cultural attractions that are available for residents and tourists to enjoy. This will require that conservation communities and tourism interests have a long-term view in planning and heritage resources protection (Jamieson, 1998).

Guam's culture, as with other Western Pacific island cultures, is closely tied to the environment. Tourists visiting Guam for the enjoyment of its environment will appreciate experiencing more learning opportunities about the relationship between Chamorro culture and the environment. American Samoa does have a culture and a history that was less influenced by external forces as

Guam experienced over the 500 years of colonial rule. American Samoa also has a less developed natural environment that is more conducive to fit the role as an eco-tourism destination. Despite these factors, Guam's tourism industry has an opportunity to do more in the sphere of cultural and historical attractions by showcasing its rich history and by putting to the forefront for visitors to appreciate the importance of the environment to Guam's native culture.

Summary

This chapter reviewed comparative case studies in the areas of Ecological Attractions, Man-Made Attractions, and Local Cultural Attractions as strategies that could possibly be adopted on Guam as possible ways to enhance Guam as a destination. These and other strategies need to be considered to meet the needs of the major source market made up of Japanese overseas travelers whose changing expectations are reflected by changes in Japanese society.

In Ecological Attractions, Pohnpei in the FSM and The Village resort were reviewed for their image as ecologically friendly destinations. In Man-Made Attractions, an examination of gaikokumura (or foreign villages) provided a glimpse of what a destination may offer in an establishment with the concepts of "theme within a theme" experiences and by utilizing a wide range of entertainment for the guests. In addition, the significance of stories behind retail products to add value and to enhance the shopping experience was briefly reviewed. Finally, in Local Cultural Attractions, the National Park of American Samoa was contrasted with Guam's War in the Pacific National Park to illustrate how cultural preservation can be enhanced. This can be done through the recording of oral history, careful preservation of archaeological sites, and the recounting of village history of villages included on the park sites, as well as the

preservation of the surrounding natural history, which is such an important aspect of Pacific island culture.

Chapter 7. Discussion and Implications

As mentioned in the first chapter, the aim of this study was to examine public and private sector collaboration in Guam's tourism industry and the role that stakeholders can play in managing the future of tourism given the changing relationship between Japan's changing society and Japanese overseas travel. This chapter sums up the level of public and private sector collaboration in Guam's tourism industry based on the major findings of the thesis. It also presents the implications this level of collaboration holds for the future of Guam's tourism industry. The chapter will begin by addressing the major findings of the thesis, followed by a discussion of Guam's public and private sector collaboration in the tourism industry covering the environmental, cultural, political, and economic dimensions as they relate to the Island. This is followed by recommendations for Guam's tourism industry stakeholders on how to prepare for the future based on current and foreseeable trends in Guam's major source market of Japan. And finally, the chapter will conclude with limitations of the study, areas for further research, and concluding remarks.

Major Findings

At the outset of this thesis, the following list of questions were presented as a way to research the shared level of awareness of trends among Guam's tourism industry stakeholders. The questions were also used to examine what is being done in a collaborative effort between sectors to prepare for the future of Guam's tourism industry. In this section these questions will now be used as a starting point for a discussion of the main findings of the thesis:

- What steps are being taken to improve Guam's visitor product?

- Do industry leaders receive and share information about Guam’s fragile tourist economy, which relies predominantly on one source market as well as being vulnerable to a variety of external factors?
- Do they communicate across sectors to address immediate and long-term issues?
- Are industry leaders aware of trends that directly affect Guam’s tourism industry from major markets like Japan?
- Do Guam’s industry leaders understand what they can and cannot control when it comes to increasing visitor arrivals and what is currently being done in this regard?

What steps are being taken to improve Guam’s visitor product?

This research has shown that a number of steps are being taken in the areas of culture and the environment to improve Guam’s visitor product. Comments about improvements in these areas came mainly from public sector stakeholders who were directly involved in making improvements as part of their primary work responsibilities.

In the area of culture, the Cultural Institute was mentioned as an organization that was being formed to set parameters and guidelines as to how Chamorro culture is to be depicted in the tourism industry. According to the stakeholders commenting on this institute, one of its main functions is to ensure the authentic and accurate portrayal of culture. In an effort to be consistent and accurate in the presentation of culture to tourists, the answer to the question of “What is Chamorro?” is to be addressed to showcase the uniqueness of Guam’s culture, which needs to be distinguished from that of other Pacific area islands.

Responses describing improvements in the environmental aspect of Guam's tourism product included the establishment of the Tumon Bay Marine Preserve with the financial assistance in the form of grants from the U.S. Federal government. Efforts at island beautification and clean up were also commonly referred to as positive steps taken to enhance Guam's product as a tourist destination.

Do industry leaders receive and share information about Guam's fragile tourist economy, which relies predominantly on one source market as well as being vulnerable to a variety of external factors?

The Japan market is unanimously viewed as the number one visitor-generating market for Guam and most stakeholders agree that it will continue to be for the future. Japan was described as "the rational nexus," "the primary market," or "the number one market" by the vast majority of stakeholders. The findings in this study also showed that almost half of the interviewed stakeholders are not all confident about other stakeholders' knowledge of this market, indicating a need to find better ways to share key market information as well as general educational information on tourism management.

More educational efforts are necessary throughout the island, not just with industry personnel, but also with residents, to make all more aware about Guam's guests and about managing Guam's future. Hosts have an obligation to learn about their guests, especially if their economic survival depends on having satisfied visitors. Although Guam has made some efforts for educating the public about tourism in the past through the VIEC (Visitor industry Education Council), the flow of information has been inconsistent and the newer generation of young residents has grown up with little awareness of how tourism affects their lives.

Lack of information was mentioned by one stakeholder as a possible reason for lower levels of stakeholder knowledge in matters concerning tourism and the primary market of Japan. This can be overcome with collaborative educational efforts that can foster a culture of learning among residents and industry leaders so that they can be more knowledgeable about Guam's major source market, the dynamics of tourism, new concepts or ideas, new competencies and new ways of creative collaboration.

Do they communicate across sectors to address immediate and long-term issues?

According to the interview results in this study, Guam's tourism industry stakeholders from various backgrounds in both private and public sectors all appear to be great supporters of tourism and they appear to communicate effectively for short-term issues. However, one critical component that is missing in the collaborative relationship is the sharing of a common vision for the future of the Guam's tourism industry.

There have been recent efforts by the Camacho administration to get stakeholders together in order to plan for the future and to this end a first step was taken in January 2004 with the Tourism Summit. While this is a small step and will eventually lead to a White Paper outlining a 3-year plan, it appears to be a step in the right direction. There has been a renewed sense of urgency among stakeholders, mainly due to adverse economic conditions brought about by uncontrollable factors such as September 11, Japan's economic slump, SARS, the Iraqi War, and two major typhoons in 2002. Undoubtedly, stakeholders are aware that the more recent concerns about the Avian or Bird Flu and a possible pandemic have the potential to curtail Japanese outbound traffic again as SARS did earlier in 2002 and 2003. Stakeholders and the island's population in general

now have a better understanding of how closely their lives are tied to tourism and that both private and public sectors need to work together to make Guam a desired destination.

The almost unanimous response that there is no common vision among stakeholders was one that was somewhat surprising. However, considering the turnover of individuals making up the group of stakeholders and the lack of a central body that is held accountable for the long-term success of Guam's tourism industry, it is understandable. What is most necessary in this regard is that a vision is created with input from people with long-term interests apart from their basic livelihood. This could best be accomplished with local residents via village meetings. Their input is critical for community buy-in for Guam's long-term vision, as they will be the ones in place even if stakeholders change. Stakeholders will also be more in tune with what their constituents desire for the island as it relates to tourism. To create such a vision, a skilled facilitator must be engaged to bring the major players together to iron out this vision. After creating the vision, probably the most important component will be in creating an organization with the resources and authority to see that this vision is driven through by all the key players in the industry. Additionally, it must be held accountable for the successes and failures in its mission.

Once the vision is identified and communicated to residents, Guam's stakeholders will know where the focus should be in rebuilding the industry. In this study's interviews concerning preparedness, stakeholders spoke of both hardware (physical structures, infrastructure,⁸⁷ etc.) and software or *humanware*⁸⁷ (people and their service skills) issues, both very important in the tourism

industry. Based on the responses, it is evident that tourism industry stakeholders believe basic services need to be improved not only in tourism precincts, but also throughout the island if tourism is to recover to previous levels. Additionally, Guam can benefit in the area of preparedness by examining “opportunity share” versus the traditional market share to take a more proactive approach to attract more guests. Data collection and analysis of today’s and yesterday’s tourists are fine, but what about gathering information about those who are not yet traveling to Guam? To accomplish this, Guam’s stakeholders must look past data of people who have already traveled to Guam, and examine trends happening in the country of origin such as the changing demographics of Japan.

Are industry leaders aware of trends that directly affect Guam’s tourism industry from major markets like Japan?

We have seen via the responses to the questions in this study that various stakeholders also have differing views about identifying critical factors necessary for the success of tourism in Guam. However, one of the most positive findings in this study is that these stakeholders are at the very least communicating and sharing information about industry trends. Stakeholders have some knowledge about trends and the mentioned trends generally have a link to each stakeholder’s area of work responsibility.

The combined knowledge of stakeholders is what is of most value, and it would be better yet when the information is consolidated and used to provide clues as to the direction Guam can go to improve the state of the industry. What Guam lacks at the moment is an independent clearinghouse or “think tank” where this information can be gathered, analyzed, and shared with stakeholders. This of

⁸⁷ A term borrowed from the Japanese auto industry that refers to the organization of work and the skills of service managers and workers.

course would be for a much wider scope to benefit the entire island, apart from the marketing focus that is principally the mission of the Guam Visitors Bureau. The benefit to the island will not only be in economic terms, but also in the enhancement of culture and the preservation of the environment.

Do Guam's industry leaders understand what they can and cannot control when it comes to increasing visitor arrivals and what is currently being done in this regard?

Guam's stakeholders saw Product Improvement / Development and Infrastructure as the main priorities for the industry, areas that they can control to a degree to increase visitor arrivals. A majority mentioned the need for improvement in basic services, such as water, power, and waste removal to improve the satisfaction level of not only the visitors, but also for the island community as a whole. In the area of environment and sustainability, most stakeholders tended to talk more about the visible issues such as graffiti and litter, while avoiding the more critical environmental issues. The rejuvenation of coral reefs in Guam's surrounding waters is a significant success and more of such accomplishments can help generate further interest in Guam's ecology with visitors and residents alike. The establishment of a vision should help refocus the stakeholders' attention on long-term environmental issues.

In addition to the sustainability of the environment, the relationship between traditional culture and tourism was included in responses relating to product improvement. This is another area that is viewed as one that is controllable by the stakeholders, pointing to a need to examine ways for traditional cultural groups to improve the relationship with tourism industry personnel to enhance the awareness, both locally and internationally, of the destination's unique traditions.

In reviewing the case study of Yap, we were able to see on a smaller scale how an island community in Micronesia is undergoing changes through influences from a different form of economy. The struggle between sustaining traditional culture while striving for self-sufficiency is surely a challenge in today's world. The challenge for destinations with such a dilemma will be met only by having stakeholders from both public and private sectors participate in discussions about the direction of the tourism industry. Stakeholders need to be involved in reaching a consensus for a shared vision that will be based on a balanced strategy that does not neglect tradition, for it is the tradition that enhances the value of a destination to both visitors and residents.

Finally, there is the realization among stakeholders that Guam as a destination cannot compete with nearby destinations, such as Bali and the Philippines, with product based solely on price. As a destination, Guam is not at all competitive in the pricing of products and services that are offered in these destinations. This is an area that is beyond the control of the stakeholders, and stakeholders understand that value for price in the form of offering a *unique* Guam experience to its Japanese visitors is what will allow Guam to maintain its position as a desired destination.

Public and Private Sector Collaboration

In the area of Public and Private Collaboration, there was a unanimous agreement among Guam's tourism industry stakeholders that there must be at least some collaboration to make things work in the industry. The only differing factor was in the desired degree of collaboration between the sectors. It was evident from the responses that stakeholders felt that short-term interests dominated in collaboration efforts and that controversial and harder issues that should have been

tackled were avoided. Because of this, it is even more important to pursue community involvement in major tourism-related issues that have intergenerational implications (Ritchie 1999: 273) so that the long-term perspectives are not neglected.

The Environmental Dimension

The stakeholders' responses concerning environmental issues indicated that there was very little involvement of a critical component of the island's conservationists -including local citizens and citizen groups and the Guam Environmental Protection Agency. The voices of their groups appear to not be heard or included in planning processes (other than in hearings required by law), while topics of island beautification efforts and the new marine preserve were commonly referred to in the responses. Although some reference were made by individual stakeholders on the denigration of the coral environment and sewage overflow in Tumon, the collaborative efforts focused on the rehabilitation of the tropical environment via beautification efforts.

The political domain of tourism planning and development, where power and legitimization interrelate with the process, where a "consensus" process is no guarantee that the voices and words of a participant will necessarily be heard or incorporated into the decision-making (Jamal and Getz, 2000), is apparently no different on Guam. The challenging issues concerning the environment were rarely mentioned in the interviews. Collaborative efforts concerning the environment involved the relatively easily tackled issues such as island beautification and on the marine preserve in Tumon, both areas that can quickly produce positive results in visitor satisfaction and ultimately to increased visitor arrivals. The more difficult environmental issues, such as those concerning

Guam's landfill and contamination of water, were not addressed or did not appear to be addressed in discussions between stakeholders.

Interview responses indicate that private sector stakeholders' interests appear to dominate in matters concerning tourism and the environment, with the public sector focusing merely on enforcement of laws should any violation be committed. Responses indicated that little is being done by stakeholders in the area of public education on larger issues concerning Guam's environment and public input on projects involving major environmental impacts is seldom solicited.

In such a case, the use of Gregory and Keeney's (1994) focus on articulating stakeholder values and using them as the basis for creating an improved set of policy alternatives would be of great value to stakeholders. With a structured methodology to reach decisions based on stakeholder values and by being more inclusive in the decision-making process for tourism related matters, there can be more balance in matters that may involve conflict between environmental and economic factors. There is also the issue of addressing the cultural basis that frames our perspectives on the environment-economy relationship (Robinson 1999). Guam's stakeholders have yet to formally examine the perspective of the local Chamorro culture in how the environment-economy relationship should work in the context of the tourism industry. For addressing this issue, collaboration is not only a useful mechanism for problem solving, but it is also a legitimate and important policy goal of sustainable development.

Interview results also indicated that public sector education in the tourism industry may be lacking, in that the relationship between public sector services and tourism were not clearly understood. Frustration voiced by private sector

stakeholders when public services were not available made this apparent. Monitoring tourism's impact typically becomes an issue in only a few areas where major segments of the public have been aroused to question tourism's costs and benefits is worth noting (Richter 1985: 835). As mentioned earlier in this thesis, the social implications of greater involvement and/or collaboration of the public sector in tourism development are substantial in small island destinations where, in many cases, government currently plays a minimal role. Guam industry stakeholders need to recognize that the public sector has a vital role to play in seeing that tourism's potential is realized (Richter 1985: 838) and that tourism has the potential to contribute to heightened public pride, to better education, enhanced cultural facilities, and economic well-being.

The Cultural Dimension

Interview results indicated that both public and private sector stakeholders are aware of exit survey results, which indicate tourists to Guam view that there is a visible lack of culture on the island. It is also understood among the majority of stakeholders that this view is especially relevant with the senior citizens from Japan who generally have a stronger interest in both history and culture of their travel destination. Guam's stakeholders as indicated by their responses recognize the importance of sustaining the culture and character of host communities as one of the principles of sustainability (Lane 1994).

Discussions among the stakeholders have focused on determining the authenticity of what is represented to tourists as Chamorro culture. Earlier in this study, it was mentioned that one of the main objectives of the Guam Visitors Bureau is the promotion and presentation of Chamorro culture. To that end, the public and private sector have been working together to inventory and authenticate

all cultural assets to figure out which of them can be commercially promoted to reinforce a brand image for Guam that is unique. While a few stakeholders mentioned that all Guam has is commercial culture, there is a strong collaborative effort to establish standards on authentication to be consistent throughout the island in accurately portraying what is the unique culture of Guam.

There is recognition among stakeholders that Guam's presentation of culture in the tourism industry from the early years has been a more generic Polynesian-style of island culture, with little or no authentic Chamorro culture being offered to the island's visitors. Unlike Picard's (1990) description of how Bali has borrowed whatever foreign influences suited them and maintained their identity over time (p. 37), this has not been the case for Guam. Guam has yet reached the point as the Balinese have in dealing with their culture in tourism. Bali has, on the one hand, what characterizes them as a specific society, and on the other hand, what provides their tourist product with its distinguishing features, as Picard describes, are both an identity marker and a trademark (Picard 1990: 74). This appears to be the direction that Guam's stakeholders want to take in matters concerning tourism and culture. Whether or not this is "authentic" is subject to debate and is beyond the scope of this study. However, the collaboration between Guam's stakeholders have resulted in a strategy to do a better job of representing Chamorro culture to the tourists and this appears to be a positive move in comparison with previous practices.

Collaboration between the public sector, business, and cultural preservationists is taking place with the perspective of "enlightened community involvement and an understanding of partnership approaches" described by Jamieson (1998: 65). A number of the large international hotels catering to tourists

now offer cultural activities, such as weaving, dancing, and other forms of art. Coordinated efforts between the sectors, including cultural groups from the community, are resulting in enhanced cultural activities. Stakeholders have collaborated with success in this area. Interviews results indicated a consensus in the belief that culture presented to tourists is now more representative of Guam's Chamorro culture than what has been offered in the past. In addition, opportunities for cultural activities are now offered for all ages in the lobby and outdoor areas of Guam's most popular hotels.

Expertise in the cultural dimensions appears to lie mainly within the public sector stakeholders who represent organizations like the Department of Chamorro Affairs and Guam Visitors Bureau, who work directly with traditional cultural groups for input on authenticity and cultural representation. This again emphasizes the importance of public sector education in tourism (Richter 1985) to help the island realize the full potential of benefits that may accrue from the tourism industry, where it traditionally has played a minor role on Guam. While collaborative efforts in presenting culture in the tourism industry are producing positive results, the private sector stakeholders in the interviews had little to say about the identification and classification of culture, due to their lack of direct involvement in this area.

The Political Dimension

In interviews with stakeholders, comments concerning a lack of understanding of perspectives between public and private sector stakeholders were shared. The responses included comments such as the private sector not being inclusive on matters concerning tourism, and accusations of public sector officials in the legislature being confrontational towards those representing the private

sector in the tourism industry. Power and political struggles such as these are described by Jamal and Getz (1995) as undesirable and unavoidable, but there is a need recognize that they happen and processes should be in place to help achieve consensus in decision-making.

The important challenge of building trust between the stakeholders and a recognition that there is a shared problem (Bramwell & Sharman, 1999; Jamal and Getz, 1995) was indicated by the responses that pointed to shareholders prioritizing their own agendas. Comments from stakeholders claiming that others are being myopic or not sensitive to tourism illustrate the perception among many stakeholders that personal agendas are taking priority over the broader picture of benefiting Guam. The willingness to strive for a 'common good' is the essential precondition to the development of a collaborative approach.

A review of interview responses among stakeholders reveals that one of the most critical barriers to a higher level of collaboration between the public and private sectors on Guam, leading to political and power conflicts, is the lack of long-term or strategic planning. The sociopolitical factors, considered the most important reasons for lack of cooperative tourism planning (Timothy 2000), are being influenced by this lack of a long-term vision. With proper visioning and a clear direction of where Guam is to be as a destination, the perceptions of misunderstandings and lack of sensitivity to other parties will most likely not be eliminated, but can be minimized.

Perceptions among stakeholders concerning how they feel about the cooperative level of stakeholders from the other sector are very important in determining the quality of collaboration. When tourism stakeholders mention that it appears the private sector stakeholders believe they are the only ones that have a

stake in tourism, and when private sector stakeholders question any form of public sector involvement in tourism, it is obvious that a political struggle exists among stakeholders on Guam. This naturally will hinder collaborative efforts. The private sector, which is more directly involved in the day to day operation of the business of tourism that is in effect confined in the tourism precinct of Tumon, is perceived by a number of public sector stakeholders to dominate in decisions concerning the industry. The views of Hall (2000) on the need to see partnership and collaboration within the context of the public interest as opposed to the market interest (p. 285) take on significance on Guam, considering the perceptions expressed by these stakeholders in the public sector. Unfortunately, the questions concerning long-term public interests cannot be answered as of yet, due to the lack of long-term planning for the future of tourism.

The fact that Guam's public and private sector stakeholders come from a variety of cultural and ethnic backgrounds may also have an effect on their level of collaboration. Because of differences in cultural perspectives, stakeholders may be more susceptible to the conflicts that can arise from settings where various interests may not mesh. Timothy (1999) calls for more research on local and indigenous approaches to tourism planning in a variety of socio-political contexts. In the case of Guam and other island destinations where multi-ethnic stakeholders are involved, the dynamics of political dimensions in tourism collaboration may be worthy of further research.

The Economic Dimension

A limited amount of discussion concerning encouraging the involvement of small local businesses in Guam's tourism industry appear to be taking place amongst a few public and private sector stakeholders, but a strong collaborative

effort with concrete plans have not yet materialized. These discussions have centered on local farmers growing produce for the industry and on the University of Guam preparing students with knowledge for small business marketing in Guam's tourism industry. While some stakeholders were familiar with the One Village One Product movement (Sawaji 2000) reviewed in this thesis, the concept has not yet been discussed among stakeholders as a possible strategy for Guam.

The most apparent gap seen in collaboration between public and private sector stakeholders is the lack of a long-term view for the future of Guam's tourism industry. Ritchie (1999) argues that tourism planning and development horizons must by necessity take an increasingly longer look into the future, and the magnitude of today's development decisions and their associated investments infers they will have impacts well beyond the lifetimes of those making the decisions (p. 273). Guam's stakeholders have yet to take the most significant step in the process of planning as it relates to tourism development. This involves the formulation and acceptance of a common, idealized vision as to what the population believes the future of the destination should be (Ritchie 1999: 274). Responses from stakeholder interviews indicate that the planning process in the past was not taking advantage of more extensive public involvement in key decisions that affect not only the economic, but also the social well being of the island. The exception to this, which may be an indication of positive change, is the public input solicited in a poll concerning casino gaming on Guam after holding a public forum on the issue.

To further capitalize on the economic benefits of tourism through effective collaboration between stakeholders, there is a need to reinforce the explanations provided by Kotler et al. (1993) on the difference between the promotion and

marketing of a destination. Interviews revealed such a gap in knowledge and understanding among stakeholders, making it a challenge for those tasked to promote a destination with positive results, when the “place buyers” are not being provided with what they are seeking in the destination. A good example of this was illustrated in the responses concerning the role of the Guam Visitors Bureau. Collaborative efforts in marketing a destination where stakeholders can work together to help design the destination “place buyers” find appealing will lead to a more sustainable outcome. In Guam’s case, collaborative efforts in preparing for the future with Japan as its major source market is important. This can be accomplished by adopting the concept of opportunity share (Hamel and Prahalad 1996) to prepare for the long-term.

This study illustrated how harsh economic realities can strengthen and further encourage collaborative efforts between the public and private sectors in the tourism industry. Stakeholders from both sectors provided examples of how they each supported one another to hasten the recovery of tourism after the major downturn in arrivals resulting from September 11 in 2001, two super typhoons in 2002, the War in Iraq and the SARS epidemic in 2003. One can argue as some stakeholders did in their responses, that collaborative efforts improved drastically compared with relatively low collaborative efforts when tourism arrivals were reaching record high levels, after these world events negatively affected Guam. This scenario reinforces the fact that stakeholders must recognize and deal with change, complexity, uncertainty and conflict to develop tourism within community settings (Reed 2000: 268), as well as determine other, more positive situations that can improve the quality of collaborative efforts in the non-economic dimensions.

Summary

This section reviewed the environmental, cultural, political, and economic dimensions of collaboration in the tourism industry as they relate to the situation on Guam among stakeholders in the public and private sectors. Collaboration among Guam's stakeholders in areas within these dimensions is critical to prepare Guam to meet future challenges resulting from the changing profile of its major source market. This section also reviewed how the findings were embedded within the literature previously cited, applying it to Guam's current situation in the tourism industry. At the present time, no other academic literature is available that addresses the issues mentioned above in the context of Guam, resulting in the findings from this study to be an original contribution to the literature.

Additionally, the interview questions addressing the topics of collaboration and the existence of a long-term vision for the tourism industry on Guam were for the first time broached to the stakeholders to gather data on these topics. These areas are of extreme importance to the future of Guam tourism industry that the island's residents depend on for the majority of its government revenues. By confronting the issues of collaboration between the public and private sector stakeholders on Guam with each of the stakeholders identified in this study, it has initiated, or in some cases reestablished, dialogue on issues between stakeholders to consider ways to improve collaboration for the benefit of the community. In such a way, this research may also be viewed as an original contribution to encourage the collaborative thought process among Guam's tourism industry stakeholders to better prepare for the future.

Recommendations

A common and recurring theme in the study of tourism is Change (Pigram and Wahib 1997: 19). Tourism can be better understood as a social and cultural phenomenon with reference to the social and cultural contexts within which it is produced (e.g. Shono et al. 2005, Urry 2002), and both society and culture are subject to change. Desired destinations and activities, visitor profiles, attractions, consuming habits, etc. do not remain constant over time. As a result, destinations must continuously reinvent their product to remain attractive to visitors in a highly competitive industry, which has been further subjected to change due to globalization processes. This is especially true for Guam and its tourism industry, which has experienced some major challenges due to internal as well external factors. While Guam's leaders consider the diversification of industries for the future of Guam, tourism still remains the bread and butter of Guam's economy. Japan has been the major source market for its tourism industry and now new overseas travel trends are emerging within this important market. Because of Guam's proximity to Japan, this country is and will continue to be Guam's major visitor market. Tourism industry stakeholders from both the public and private sectors, who all agree that Japan will continue to be Guam's primary source market, must examine the implications of changing trends in Japanese overseas travel as they are reflections of changes in Japanese society (Shono et al. 2005: 240).

Based on the in-depth interviews conducted with the island's tourism industry stakeholders in the public and private sectors, common themes appeared as possible strategies to better prepare for Guam's future in welcoming visitors

from Japan in particular. The following recommendations are presented based on the findings in this thesis.

1. Examine Trends to Prepare for the Future

The concept of gaining *opportunity share* (Hamel and Prahalad 1996), as opposed to *market share* was mentioned earlier in this paper as a concept worth exploring. In order to do this, Guam's tourism industry stakeholders should look to the origin of its number one source market, Japan, and the changes occurring in Japanese society. Qualified individuals who have spent their professional lives studying Japanese society and travel are excellent sources that can provide research data, trends, and an interpretation of how these factors in Japanese domestic society will impact travel. These include demographers, cultural anthropologists, individuals from public and private research organizations, and business people who have focused on trends relating to their customers from Japan. Tourism industry stakeholders cannot rely on what they perceive as their own "expertise" based on limited experience in travel, discussions with advertising agencies, and short periods of time spent visiting the source market of Japan.

With limited tourism industry research being conducted on Guam, especially for potential tourist market segments from Japan that have yet to be targeted, there may exist a bias against this form of research. This can be widening the gulf between research providers and users, and needs to be overcome on Guam if the destination is to properly prepare for the future. Research providers must address whether or not a communication breakdown in which research outcomes and their value are not made clear to the potential research users. This may partly

be due to a limited awareness in the research community regarding the nature of issues which are relevant to users of the research (DeLacy and Boyd, 2000).

There is also the need for all stakeholders in the tourism industry on Guam to develop the culture of learning. This learning must not be seen as an event, but as a habit, as a way of life, as a part of the strategy of growth as advocated by Raka (1999) in his work on Indonesian tourism. There is a need for learning to make the stakeholders more knowledgeable about the dynamics of tourism, new opportunities, new concepts or ideas, new competencies and new ways of creative collaboration (Raka 1999: 32).

The combination of tourism industry research and an enhanced culture of learning will create an environment among stakeholders to more easily recognize trends in Guam's major source market. A number of these trends have been described by leading travel experts in Japan and have been observed by many overseas industry personnel. A key trend among them is the changing demographics in Japan leading to the growth of the senior citizens or the "Silver Market." This is affecting outbound travel and consumption not only in Japan, but also in overseas destinations that Japanese travelers choose to visit. Other trends mentioned in this paper include Mother-Daughter and Three Generational travel, overseas weddings, the growth of FIT and Repeaters, and the increase of *Freeters* and NEETs among the younger population. According to this study, Guam's public and private sector stakeholders as individuals are aware of some of these trends to different degrees. A more cohesive understanding and exchange of information concerning trends are necessary for effective collaboration. Only after this knowledge is shared and understood, can there be productive discussions on the future of Guam's tourism industry based on relevant and accurate information.

What is happening in the workplace and in the home usually has a great influence on how one determines the use of leisure time. Examining Japan's workplace and workplace issues can provide valuable insight as to how to better prepare for Japan's overseas visitors. This research reviewed some of the workplace issues in Japan, including compensation and benefits, and the changes occurring in the family support systems as they are provided by employers and by the national government. Hosts of overseas visitor destinations like Guam have been affected in many ways by the Japanese workplace and family support systems, and will continue to be impacted by these factors.

As an example, the trend towards shorter working hours have given more opportunities for workers and their dependents to enjoy time for vacation overseas, and the changes in family support regulations are allowing for time and financial support that make it possible for families to travel together. The utilization rate for paid time off still remains low in comparison with other industrialized countries, so this will most likely continue to increase over time. This information can be used by stakeholders to better understand the availability of time and the tendency for workers not to use the time off as frequently as workers in other industrialized nations like the U.S. and Germany. In order to encourage Japanese overseas travelers to visit more easily during non-peak seasons, a long-term marketing campaign can be developed targeting workers who may be more willing to utilize their leave time during the shoulder seasons or off seasons. This is as opposed to marketing campaigns for the peak seasons, for example, to attract senior citizens whose time away from home are not restricted by work schedules.

The growing numbers of women in the workforce, although in part time non-regular positions, the government's efforts to decrease work hours, and the diversification of the employment structure all have an affect on how Japanese citizens choose to use their leisure time. Understanding the slowly changing compensation structure, how and when workers are paid, and the tendency of workers to utilize benefits, such as vacation leave, with their families are also not to be neglected in learning about the source market. Guam's tourism industry leaders should closely examine the trends in paid time off and family support systems for Japanese citizens to use the advantage of Guam's geographic location to improve the record of visitor arrivals from Japan. In this case, Guam's tourism industry stakeholders will have an easier time of decision-making in matters concerning family services and activities by establishing in the long-term vision, whether or not Guam is to be known as a family destination.

With the large percentage of visitors in the 18-29 year age group, Guam is becoming better known as a *Freeter* and NEET destination. (In an attempt to counter this image, the past administration at the Guam Visitors Bureau in 2002 instituted a very ineffective campaign issuing \$20 coupons to visitors arriving from Japan⁸⁸). The price for a tour package to Guam had even gone down to as low as 19,800 yen in early 2003 in an effort to lure back visitors after Typhoon *Pongsana*, which happened in late 2002. Advertisements for tour packages were still appearing in Japanese newspapers in 2005 for as low as 29,800 yen, including airfare and hotel costs. Destinations can very easily lower prices temporarily, but that rarely leads to long-term success. Guam, as a U.S. territory with the Federal

⁸⁸ From the May, 27, 2002, *TJI*, (Travel Journal International: "The campaign will give USD\$20 in coupons redeemable on Guam to families who bring their children (between 2 and 11 years of age) (Continued on next page)

Minimum Wage Law, will never win the price war for local products and services against other resort destinations like Phuket, Bali and Cebu, which have significantly lower wage structures. Other methods of competition are necessary for successfully attracting targeted visitors from Japan. These include the offering of special interest tours and activities, unique cultural experiences, sporting events, and a spirit of hospitality that is unmatched in other destinations.

2. Develop a Vision and Long-term Strategy

To get the most effective strategy for a destination, it is not enough to just rely on marketing personnel with short-term goals. This is the method that has been relied on in Guam and in many other destinations that appoint an advertising agency and then select marketing campaigns devised by agency personnel. Instead of relying only on Japanese advertising agencies contracted to promote Guam for short 1-2 year periods, experts on travel and Japanese society can be retained to contribute information on trends that can be crucial to determining the future direction of Guam's tourism industry. Even with a well-established destination like Hawaii, the effects of inconsistent funding can be detrimental while other destinations become increasingly aggressive through the establishment of consistent and sustained marketing strategies. A Hawaii Tourism Authority report mentions that travel professionals in markets around the world have noticed the inconsistencies in Hawaii's market presence, promotions, brand image, and product message (Hawaii Tourism Authority 1999: 10). Both Hawaii and Guam have to compete for the same Japanese tourists against organized, well-funded competitors in other destinations. What is important is not simply to increase

to Guam." The campaign refers to the "Guam Big Summer Festival" promotion aimed at the
(Continued on next page)

marketing budgets to match those of competitors, for that is not realistic; but what is key is that a consistent, visible, and sustained message is presented to the marketplace with properly planned strategy.

The first step is to do a place audit as recommended by Kotler et al. (1993) and a useful method in accomplishing this is the SWOT Analysis as reviewed in Chapters 3 and 4. Figure 10 shows an example of a SWOT Analysis for Guam and can help provide direction in planning strategy. Properly planned strategy can help target marketing efforts that have the potential to produce desired results. Kotler et al. (1993) mention in *Marketing Places*, that to attract Japanese tourists, residents of Newport, Rhode Island, promoted a festival celebrating Newport native Commodore Matthew C. Perry's opening trade with Japan (p. 182). Guam also has some strong and historically interesting ties with Japan and these can be used to market Guam with Japanese tourists. For example, John Manjiro, who was the first Japanese to be educated in the United States (in 1841), is recognized as a symbol for U.S.–Japan friendship (Spinner Publications 2006) and is credited as the man who introduced Western culture to Japan. Manjiro was largely ignored in America, but is legendary in Japan for being the first known Japanese visitor to the United States who was allowed to return to Japan without facing harsh punishment for breaking the *Sakoku* law. Manjiro's original account of sailing to the United States after being shipwrecked and rescued by an American whaling ship was completed just nine months before Commodore Matthew Perry's "Black Ships" armada arrived in Japan, and became very popular with high-ranking Japanese officials and samurai leaders. Manjiro was a frequent visitor to Guam and the Marianas Islands and has left an account of his visits in his book, *Drifting*

family market from July 1 through Sept. 30.

Toward the Southeast (Nakaguni and Kitadai 2003), which include numerous drawings and descriptions of life on Guam and the Marianas. The close ties of Guam, Japan's closest U.S. territory, and the legendary John Manjiro, the man who symbolizes U.S. and Japan friendship, have not been fully capitalized on by Guam's tourism industry.

Guam also has little known, but strong ties with Chichijima, one of the Bonin Islands as today's Ogasawara Islands were called in the U.S. This island was once inhabited only by the shipwrecked whalers from New Bedford, Massachusetts (in 1830), and had as its first Chief Magistrate, Nathaniel Savory. Savory and his crew visited Guam on many occasions to purchase supplies in the mid-1800's. On one of these trips, a young woman named Maria Del Los Santos Y Castro (generally written Maria Dilessanto) who was half Spanish and born in the Island of Guam in 1828 was taken on board the ship to relocate (unknowingly to her) to Chichijima and eventually marry Nathaniel Savory and bear ten children (Cholmondeley 1915). Although Matthew C. Perry later landed on Chichijima and purchased a plot of property to help claim the island for the U.S., this action was repudiated by President Franklin Pierce's administration. Later, large numbers of Japanese began relocating to the island in the Meiji period and today the Japanese Ogasawara islands are politically a part of Tokyo. Although this is little known outside of Chichijima, many of the residents of Chichijima have blood ties to Guam, hold Japanese citizenship and have last names such as Savory, Washington, and Adams from the original settlers of shipwrecked sailors. A recent anthropological study (Konishi 2005) has also traced many of the Ogasawara Islands dances to the Marianas. Guam has the opportunity to capitalize on these links to create a greater interest in the historical ties between Guam and Japan, as

well as sister-island relationship with Chichijima, which has become a popular dive destination for Japanese from the mainland. A strategy integrating the unique ties Guam has to its major source market as the ones mentioned above, can provide the type of competitive edge over other destinations that will be difficult to duplicate.

The Australian approach provides a good example of a destination that is aggressively targeting Japanese overseas travelers with an integrated strategy focused on trends. The Hawaii Tourism Authority (HTA) views Australia as a major and formidable competitor destination for the Japanese as well as for other Asia markets (Hawaii Tourism Authority 1999: 6). The country has substantially improved its tourism product and distribution through a highly coordinated tourism strategy plan along with aggressive tourism policies, and more recently, by proactively addressing changing trends related to Japanese arrivals (Morrison 2005).

Tourism Australia officials have reviewed the current situation and what appear to be forthcoming trends and asked themselves the question “So what do we do about it?” prior to coming up with some key points for strategies going forward. Other than the traditional marketing efforts conducted in the past to attract Japanese overseas travelers, Australian industry leaders have identified strategies that are more targeted towards attaining specific results. They have received a support from the government financially and in the form of a White Paper commitment. Australia has also made it a policy to compete on attractions and not on pricing, because price is certainly not a strength for them either when comparing with competing destinations. Another example of a practice that can be emulated in other destinations is Australia’s commitment to better understand

their source market, in this case Japan, and to protect their base market segment among Japanese tourists while identifying opportunities of other segments within this important market. It is obvious that Australian tourism officials do not simply review the previous year's visitor arrival data and make small adjustments in marketing for the next year. They are keyed into the trends in their source market and are trying to use this knowledge to their advantage.

Although Guam is at a much smaller scale in terms of geographic size and the number of visitor arrivals from Japan, there is a need for industry officials on Guam to have strategies with targets to achieve specific results. Just as in the case of Australia, there is a need to conduct an environmental scan of what is actually happening today, what is on the horizon and what can be done about the situation to make things better for the future. As mentioned earlier, knowledge of trends occurring in the source market is an important consideration in preparing Guam's tourism industry for the future.

3. Improve the Integration of Small Businesses and Local Community

The overall perception of a destination or of its component parts by the visitor is very critical to the success or failure of a destination. Small businesses, in particular, are extremely vulnerable to changes in visitor or potential visitor perceptions. Fortunately, Guam is ranked by Hakuhodo, a leading Japanese advertising agency, as one of Japan's top five destinations in terms of overall tourist destination brand equity. According to Hakuhodo's 2004 survey of brand strengths of international tourist destinations, Guam is extremely convenient for Japanese travelers as an overseas destination due to location and ease of accommodations (Hakuhodo 2004) but this is a factor that cannot be controlled. To maintain destination brand equity Guam must look to other *controllable*

factors that can be improved, such as basic infrastructure, safety, cultural events and activities, etc.—factors that require both concerted efforts to achieve high quality and a vision that reinforces the need for this.

A proactive measure, one that is controllable and one that has improved the range of tourism activities through encouraging more community involvement in improving Guam's tourism product is the One Village One Product concept that was reviewed as a collaborative measure to encourage the development of small businesses. A movement such as this one has the potential to give a boost, not only to Guam tourism, but also to Guam's overall economy. Over the last 20 years, the One Village, One Product movement has had a noticeable impact on the Oita Prefecture (Japan) economy. It has also contributed to local human resource development and the prefecture's increased popularity as a tourist destination. Oita continues to receive visitors from other parts of Japan and around the world who want to know more about the movement, and has held annual training seminars in the popular hot springs resort town of Yufuin, one of the greatest success stories of the movement in Oita. These training seminars are held by the prefectural government, in conjunction with JICA (Japan International Cooperation Agency), guiding a number of overseas communities to actually put the Oita idea into practice. "One-Factory, One-Product" in Shanghai, China, "Back to the Village" in East Java, Indonesia, and "One-Parish, One-Product" in Louisiana, U.S.A., are all programs that have drawn on the Oita idea (Sawaji 2000).

There are small businesses and individual entrepreneurs that are making efforts in this way to share Guam's culture with visitors and with residents. In a

recent issue of *Pacific Magazine* the *Che'lu*⁸⁹ store in Hagatna, Guam was recognized as one of the top ten companies changing the Pacific in one of their feature articles concerning the theme of Vision. This store sells the traditional tee shirts, caps, stickers and key chains, but it also allows visitors a chance to purchase pieces done by a number of Guam artists, see cultural artifacts on display and engage in conversation about the products as well as Guam's culture and history. The logo for the *Che'lu* store combines a traditional fishhook, sling stone and Chamorro chief's head into a simple, contemporary design. The company has expanded since it opened a store in 1995 and now operates a Web site <http://www.chelugam.com>. Customers from Japan and other countries often seek out the store after viewing it online or hearing about it from friends. After several years of surviving Guam's recent economic downturn, 2004 saw a 25 percent increase in the company's sales (Whitman 2005). More entrepreneurial operations like this one started by the Rosario family can thrive in Guam's environment when they are provided with the awareness of Guam's direction and priorities that based on the common vision shared by tourism industry stakeholders. As Lee, a member of the Rosario family was quoted in the article, "*Che'lu* is not just for us. It's for everyone." The development of small, local businesses such as this one, which encourages local families to directly benefit economically while sharing Guam's culture, may be considered as an integral part of the long-term vision for the sustainability of Guam's tourism industry.

The three brief case studies reviewed in Chapter 6 provide some hints on what Guam can adopt from attractions in other destinations to enhance the tourism product that Guam offers to its visitors, particularly for those from Japan. The first

⁸⁹ *Che'lu* is the Chamorro word for brother, sister or friend.

was Ecological Attractions, which examined the focus on ecotourism and the efforts to maintain eco-friendliness in the FSM approach to tourism. Next, in Man-made Attractions, the function of *gaikokumura* and its various components in the pursuit of leisure for its many visitors in Japan were reviewed. Finally, in Local Cultural Attractions, a comparison was made of the varied, but important approach to cultural and historical preservation in the U.S. National Parks located in American Samoa and Guam. All three cases present ideas that Guam's tourism industry stakeholders can use to strengthen the island as a destination.

Guam's tourism industry stakeholders need to wisely use its resources to examine the changing trends in Japanese overseas tourism. Most importantly, Guam's tourism industry stakeholders must establish a shared vision, one that is formed with the input of key representatives of the community, including the local population (e.g. Ritchie 1993, 1999; Cooper 2002). Industry stakeholders with input from village public meetings can work to establish a vision and an accompanying mission statement for the future of Guam's tourism industry. Once this vision is established, Guam's tourism industry stakeholders will be better prepared to make decisions on how to attract and maintain visitor arrivals. In this way, marketing efforts and future developments can fall in line with a strategy based on local participation and sound research of Guam's major source market. With a clear vision of what Guam is to be as a destination, Guam tourism industry leaders will also be able to clearly see what it can and cannot be to the number one source market of Japan, based on the changes occurring in Japan's society. Taking proactive measures and preparing for future opportunities now will be the key to Guam's survival as one of Japan's popular overseas destinations.

Limitations of the Study

In addition to the limitations of scope mentioned in the opening chapter of this thesis, there are limitations to this study that warrant mentioning. These limitations do not change or negate the results of this study. However, they indicate the importance of establishing long-term vision, while at the same time, being able to adapt to change that is such a common occurrence in the tourism industry.

First, there has already been a change in actors since the interviews for this thesis took place in 2004. The stakeholder from the Guam Economic Development and Commerce Authority has been moved to replace the Director of the Guam Visitors Bureau (reassigned to another position unrelated to tourism in the Government). The Director of the Department of Chamorro Cultural Affairs has also been replaced. With new actors in major stakeholder positions, their personal values may have an effect on how they view their functions, making their contributions in collaborative efforts with other tourism lead to different results. Even if the same people are being reshuffled as in the case of GEDCA and GVB, the focus of the individual may change due to position and the different responsibilities that come with it. Therefore, the importance of a clear vision is apparent in the case of Guam and other destinations where stakeholders may change frequently due to political reshuffling or the transitory nature of private sector positions that affect important decisions for the future of the island's tourism industry. A common vision may not obtain the unqualified support of all stakeholders, particularly with respect to the details of implementation as a result of such movements. However, it should provide a developmental framework where none of the key components are judged to be unacceptable by any

significant stakeholder group (Ritchie 1999: 274) or any replacements of stakeholder group representatives.

A major development that will significantly impact Guam in the next decade was recently announced in the media, further complicating issues concerning tourism on the Island. News of the relocation of 8,000 U.S. Marines from Okinawa to Guam was formally announced in April 2006. An agreement in principle for the move was made in October 2005 with the Security Consultative Committee Report. It was finalized April 23, when U.S. Defense Secretary Donald H. Rumsfeld and Japanese Minister of State for Defense Fukushima Nukaga met at the Pentagon to work out cost-sharing particulars (Smith 2006). Although the actual relocation will be phased in gradually over a period of 8 years, the likely impact of this move has yet to set into the minds of residents and tourism industry stakeholders, therefore it is still too early to tell what the impact of this new development will be on the focus of tourism industry stakeholders. However, with concerns about infrastructure, changes in Guam's physical layout to provide housing for a substantial percentage of new residents and the social ramifications of this change are not reflected in this study.

Further Research

The recent news of the relocation 8,000 U.S. Marines and 9,000 of their family members from Okinawa, Japan to Guam has contributed to a lot of speculation about the impact of this move on the quality of life for Guam residents. Discussions about the positive economic ramifications of this move have been most popular, with Guam poised to see USD\$15 billion of military-related spending on Guam over the next 10 years. This will be at a rate of USD\$1.5 billion per year, which is almost half the size of the Guam economy last

estimated around USD\$3.7 billion by a federal report in 2006 (Dumat-ol Daleno 2006). Other benefits discussed by residents include an increase in jobs, higher real estate values, and greater opportunities for social interaction.

At the same time there are residents, including some of the island's lawmakers, who are concerned about the possible negative impacts to the community (Maratita 2006). These include a strain on Guam's already stressed infrastructure, further dilution of local Chamorro culture, and the growth of undesirable entertainment facilities, also known as R&R sites for U.S. military soldiers. Some other destinations in the Pacific area that have had a large influx of U.S. military personnel have been cited as examples of how a military presence can contribute to undesirable effects in a community and can be referenced. Examples of these works include Japan (Dower 1999) and Okinawa (Molasky 1999), South Korea (Moon 1997), Thailand (Barry 1995), and Philippines (Enloe 1990). A study concerning this topic on the U.S. territory of Puerto Rico (Briggs 2002), which also serves as a popular tourist resort destination, is also available for reference.

In Okinawa, tourism has surpassed agriculture as a pillar of the economy and the other main economic sector of the island is money poured into it by the U.S. military presence (Maratita 2006), a situation mirroring Guam. Guam senators Judith Won Pat and Joanne Brown referring to discussions concerning crimes associated with the military have expressed fears in the media about the possible social impacts on Guam. However, the media relations officer of the Marine Corps bases in Japan claims that crime committed by U.S. military personnel and civilians working for the Department of Defense in Okinawa numbering 66 was just under 1% of total 6,675 cases in 2005 (Maratita 2006). At

the same time, Okinawa is ranked highest of all prefectures for alcohol-related traffic accidents, and Okinawa Governor Keiichi Inamine has cited traffic and aircraft accidents caused by U.S. personnel as a problem for the island (Rhem 2003). There are a number of potential issues similar to those addressed in Okinawa that Guam's residents and tourism stakeholders must consider with the scheduled relocation of U.S. Marines.

In light of these new developments for Guam, research on the impact of this move on the tourism industry and how public and private stakeholders have responded to the decision will provide valuable insight on collaborative efforts to resolve any difficulties. The collaboration that has to take place to prepare for the influx of a large non-indigenous U.S. military population to an island resort destination and its impact on tourism provides for a research topic that can apply to other destinations facing similar circumstances. One can argue that there is an even greater significance for current studies in this area due to the realities of the world in the post-September 11 era.

Research should be conducted to address some of the following questions: How are tourism industry stakeholders reviewing or making plans to review potential implications of the relocation to industry? How varied are reactions to the news? Are there any power struggles in reaction due to varied interests? An assessment of managerial awareness on the concept of collaboration among tourism industry stakeholders, and the identification of the perceived barriers to collaboration would be of great benefit in order to help destinations in the future eliminate, or at the very least minimize such barriers.

Ultimately, because Guam is a U.S. territory, decisions made by the federal government can override any collaborative decision-making or efforts put

in place through well-intended professionally managed collaboration. Despite this reality, it is in the best interests of Guam's industry leaders to take proactive measures now through collaborative efforts to shape the future of Guam in the way its long-term residents desire.

Concluding Remarks

Stakeholders who participated in this study varied in the way they responded to questions. Some were very passionate about their beliefs on what has to be done for Guam to become a better destination, and seemed determined to do their part to help the community. Others were a little less enthusiastic and seemed to view many of the issues as being at the mercy of political maneuvering. For Guam's stakeholders to be effective in shaping the destiny of the tourism industry, they must have faith in their ability to affect change. In addition, by having stakeholders collaborating between sectors with the attitude that they all have a role in making a difference, Guam's tourism industry will benefit with individuals that are open-minded to new ways of approaching familiar issues to achieve specific results. Stakeholders from both sectors will also be more inclusive rather than exclusive by allowing others to be a part of the decision-making process.

It is often mentioned by Guam's stakeholders that Guam aims to be a world-class destination. This will not happen without proper preparation, just as an athlete will not become world-class just by going through the motions of training—he or she must have a clear vision of what their goal is, then do the proper planning and follow through by executing the plan. With the current leadership and stakeholders in place, Guam tourism has the opportunity to rise up to the challenge of becoming world-class, but this will happen only with the

establishment of a clear vision shared by the main decision-makers in Guam's tourism industry.

Appendices

A. Chronology of Japanese Travel & Tourism

- 742** The world's first museum is built, the Shôgô-in, next to the extant Tôdaiji Temple in Nara
- 1635** Japanese are forbidden to travel abroad or to return from abroad
- 1638** Construction of boats over 100*koku*⁹⁰ banned
- 1639** Japan begins 215-year period of self-imposed isolation from the rest of the world
- 1718** Around 2.25 million Japanese (5 percent of total population) visit the Grand Shrine of Ise on mass pilgrimage
- 1830** Up to 5 million Japanese visit the Grand Shrine of Ise on last great mass pilgrimage of Tokugawa Era
- 1841** Thomas Cook establishes the world's first travel agency and organizes group tour to temperance meeting in England
- 1845** Thomas Cook sells his first package tour (between Leicester and Liverpool)
- 1853** Ban lifted on construction of boats over 100*koku*
- 1866** Japan's first recorded honeymoon: Sakamoto Ryoma takes his geisha bride on a Kagoshima *onsen* (hot springs spa) tour
- 1869** *sekisho* (barrier station) system abolished; opening of telegraph line between Tokyo and Yokohama
- 1872** Japan's first railroad - between Shinbashi and Yokohama - commences operation, heralding the birth of modern domestic travel
- 1873** Thomas Cook arrives in Yokohama to promote round-the-world cruising; the first Nara Grand Exhibition, displaying religious art treasures, held to attract sightseers

⁹⁰ A *koku* is a quantity of rice, historically defined as enough rice to feed one person for one year, then as 180.39 liters, or about 5 bushels (48 gallons). *Koku* was also used to measure how much a ship could carry when all its loads were rice. Smaller ships carried 50 *koku* while the biggest ships carried over 1,000 *koku*. In the Meiji period, the *koku* measurement was abolished and the metric system was installed.

- 1875** The first recorded *shugaku ryoko* (school trip) takes place when 45 elementary school pupils from Tochigi Prefecture visit Jisan Kannon
- 1876** Railroad opens between Kyoto and Osaka
- 1885** Japan's first *eki-ben* (boxed lunch sold on railway platforms) is sold at Utsunomiya Station
- 1889** Tokaido Railway Line from Yokohama extended to Kobe
- 1891** Tokyo's Ueno Station and Aomori (in northern Japan) linked by rail
- 1893** Meiji Government and business world unite to establish "Welcome Society" for inbound tourists and foreign residents of Japan
- 1895** Nippon Yusen steamship company begins voyages to the United States
- 1896** The first express train runs between Tokyo and Kobe
- 1903** Minami Shinsuke, a *bento*-seller at Kusatsu Station on the Tokaido Line, organizes the first group tour in the modern era
- 1905** The first express train runs between Tokyo and Shimonoseki; Minami Shinsuke establishes Nippon Ryoko, Japan's first group travel business
- 1906** Japan's privately owned railways are nationalized
- 1910** Lunar Park, an American-style amusement park, opens in Asakusa Park Enoshima (popular for pilgrimage) and Kamakura linked by rail
- 1912** Japan Travel Bureau established to service the inbound travel market; Japan competes in its first Olympic Games (Stockholm)
- 1913** JTB opens its first overseas office, in New York; First Asian Olympic Games is held in Manila
- 1918** Opening of Hakone Mountain Railway sparks Hakone's conversion from *onsen* to tourist resort
- 1925** JTB extends its business activities to incorporate domestic and overseas travel
- 1930** The International Tourism Department is established within the Ministry of Transport
- 1931** Haneda International Airport opens
- 1932** JTB commences selling government rail tickets
- 1933** Japan's first recorded package tour, a 3-day rail tour from Tokyo (or Yokohama) to Gifu with a limit of 50 customers
- 1936** Foreign exchange earnings from tourism make it Japan's fourth largest industry (after cotton goods, raw silk, and rayon)

- 1940** Domestic travel, unless for exceptional reasons, is discouraged by the government
- 1941** JTB is forced to change its name to Tôa Ryokôsha (East Asia Travel Company) when foreign loan words are banned; it becomes the government's sole travel agent throughout the war years, with all other travel agents being banned.
- 1943** Government orders Tôa Ryokôsha to change its name to Nihon Kôtsu Kôsha (Japan Transport Public Corporation), deeming the expression 'travel' too frivolous for wartime.
- 1945** Tourism Section in the Ministry of Transport established in November; Nihon Kôtsu Kôsha begins using original JTB name again.
- 1946** Tourism Business Council established as advisory body to the Prime Minister to examine domestic and inbound tourism promotion policies
- 1947** Pan American and Northwest commence trans-Pacific flights; seven travel agents commence selling international air tickets
- 1948** Japan National Railways and travel agents cooperate to promote domestic group travel; Nihon Tourist (predecessor to Kink Nippon Tourist) and Hankyu Kôtsusha established; Seven travel agents - JTB, Keihanshin, Nishitetsu, Hanshin, Kintetsu, Nittsu and Jardine Matheson - given IATA accreditation to sell airline tickets
- 1949** Hato Bus city tour in Tokyo begins operation; NTA (Nippon Travel Agency) recommences business after WWII; Tobu Travel is established
- 1950** Occupation authorities allow Japanese to overseas travel for business purposes
- 1951** JAL established, commences regular flights between Tokyo and Osaka; the first overseas group tour of the post-war era occurs when Japanese athletes attend the First Asian Games in New Delhi
- 1952** Bilateral Air Service Agreement signed between Japan and the U.S.; Travel Arrangement Law is passed
- 1954** JAL commences flights to Okinawa (then a U.S. protectorate) followed, two days later, by the first services to Hawaii and San Francisco (February 2).

- 1955** Lufthansa becomes first European airline to fly into Japan; Kinki Nippon Tourist established (September 1)
- 1956** The Government's economic white paper declares the end of the "post-war reconstruction" period; Tokyu Kanko established; authority to fly international flights returned to Japan.
- 1958** Haneda Airport returned to Japanese jurisdiction from American administration.
- 1959** Introduction of jet liners on the Pacific route (Qantas B-707); Japan awarded the 18th Olympic Games; Japan Association of Travel Agents (JATA) established with 26 member companies under the name of the Overseas Travel Agents Association; JAL commences flights between Tokyo and Beijing and Hong Kong.
- 1960** Nittsu commences tourism business, targeting inbound market
- 1961** Ministry of Transport releases the first "Tourism White Paper"
- 1962** Ministry of Transport instructs tourism industry to adopt a 'no tipping' system
- 1964** *Shinkansen* ("bullet" train) begins service; Tokyo Olympic Games; liberalization of overseas travel with removal of restrictions on travel (once per year with limit of U.S.\$500 per time); JTB International established, JTB sets up subsidiary in the U.S.; Swiss Air launches Japan's first overseas package tour, 'Push Button' (19 days, 7 countries, \$500); 127,749 Japanese travel overseas

Source: Roger March (2004) "The Historical Development of Japanese Tourism," Asia Pacific Tourism Association 10th Annual Conference Proceedings, pp. 854-855

B. Questions For Tourism industry Stakeholders

1. What are some of the latest major trends in Guam's tourism industry?
2. Are you aware of any changes in the Japanese overseas travel market?
3. How do Guam's public and private tourism industry stakeholders view the Japan overseas travel market? Is the market still important, or does it take a back seat to other emerging or established markets?
4. Do you believe that industry leaders aware of the major trends in Japanese overseas travel? If not, do you think they care to know about them?
5. In your mind, what is the long-term vision for Guam's tourism industry? (In other words, where will Guam's tourism industry be 20-years from now?) Do you believe that public and private sector leaders of Guam's tourism industry share the same vision? Do they share information about visitors to Guam? Do they have the same goals for the industry?
6. Do you believe that Guam is prepared to welcome a larger market share of Japanese visitors? If not, how can Guam's tourism industry leaders address the deficiencies?
7. In your opinion, what are some of the priorities for Guam's tourism industry?
8. If there is one thing that Guam's leaders can do to improve the tourism industry, what do you believe that would it be?
9. Are environmental issues (natural, cultural, local community's) ever discussed with other tourism industry stakeholders?
10. What are your thoughts about public and private collaboration in the tourism industry?

11. (To the Public Sector) What kinds of the future strategies and plans do you have in order to promote Guam's inbound tourism? (For example, Tourism Promotion Laws / Regulations, Tourism Promotion Master Plan, Five-year Plan, National Ecotourism Plan, etc.

C. Interviewees with Position Title and Affiliation

Private Sector

Baza, Eloise.	Executive Director of Guam Chamber of Commerce.
Dias, Wally.	Vice President of Marketing, Continental Micronesia Airline.
Mamada, Isao.	General Manager of Pacific Micronesia Tours, JTB Guam Office.
Merrill, Jay.	Executive Director of Citizens for Economic Diversity (Pro-Casino Gaming Organization).
Tydingco, David.	Executive Director of Guam Hotel & Restaurant Association.
Ysrael, Michael.	General Manager of Tanota Partners (Developer and Owner of Outrigger Guam Resort and Ohana Bayview Hotel).

Public Sector

Camacho, Felix.	Governor of the Territory of Guam.
Cruz, J. Lawrence.	Director of Department of Chamorro Affairs.
Lamorena, Tony.	Director of Guam Visitors Bureau.
Pangelinan, Ben.	Speaker of the Guam Legislature.
Perez, Gerald S.A.	Director of Guam Economic Development and Commerce Authority.
Salas, John C.	Head of International Tourism Program, University of Guam.

Glossary

Ainu – An ethnic group indigenous to Hokkaido, the northern part of Honshu in Northern Japan, the Kuril Islands, much of Sakhalin, and the southernmost third of the Kamchatka peninsula. The word "ainu" means "human" in the Ainu language; *Emishi*, *Ezo* or *Yezo* are Japanese terms; and *Utari*, (meaning "countrymen" in Ainu) is now preferred by some members.

Arubaito – Taken from the German word, *arbeiten*, for work. In Japan, *arubaito* refers to temporary status work, and not one that is full-time, regular, as with the *seishain*.

Baumkuchen – A German sweet cake that was introduced in Japan in the early 1900's and has been enjoyed as a snack with tea. This is usually found in the basement gift sections of department stores.

Bento – Japanese word for Lunch Box, usually consisting of rice, vegetables, and an assortment of other items.

Bungo – The historical name given to the Oita region in Kyushu, Japan. It is also the name given to the type of beef originating from the Oita region as part of the One Village, One Product movement.

Castella – Portuguese block cake that was introduced over 400 years ago and is now a part of the Japanese assortment of sweets and gifts. It is usually associated with the Nagasaki region, where the Portuguese first began trading with Japanese merchants in the 1500's.

Chamorro – The indigenous population of Guam and the Marianas islands. The native Chamorro population has been reduced in recent years due to migration to the U.S. mainland and the great influx of other ethnic groups. The Chamorro inhabited Guam before its European discovery by Ferdinand Magellan on March 6, 1521.

Chata'an – Supertyphoon that devastated Guam in July 2002. It was one of the direct hits from two highly damaging typhoons on Guam that year. Typhoon *Chata'an* caused extensive damage in all sectors.

Che'lu – The Chamorro word for brother, sister or friend, and also the name given to the entrepreneurial Guam business that shares the Chamorro culture with visitors and residents of Guam.

Dankai no Sedai – Japanese term referring to "clumped generation," or the large group making up the generation of baby-boomers in Japan preparing to retire. This term is attributed to Taichi Sakaiya, who wrote the book titled *Dankai no Sedai*. In 2007, the bulge in the population making up the *Dankai no Sedai*, born from 1947 to 1949, will begin to reach retirement age.

Dayif – Yapese term for raised stone platform used for a home or a central stone foundation.

Ecotourism – Environmentally responsible travel and visitations to natural areas, in order to enjoy and appreciate nature (and any accompanying cultural features, both past and present) that promote conservation, have a low visitor impact and provide for beneficially active socio-economic involvement of local peoples. (Definition by the World Conservation Union *IUCN*, adopted in 1996.)

Eki-ben – Japanese word for Lunch Boxes sold at the train station. It is an abbreviated combination of the two words, Eki (station) and *Bento* (Lunch Box).

Freeter – Taken from the English word, free, for workers that could not assume or find a full-time job. Also refers to a growing number of youngsters, fresh from college, who want to move from job to job, earning what they need and then taking a break.

Fa'asamoa – An often-repeated phrase in the Samoan islands, means the Samoan way, or “the way of our ancestors.”

Fale – Literally means “house” in the Samoan language and is also used as prefix in naming buildings in Samoa, for example: Falesa = Church. The Tufuga Fau Fale is the name given to the builders of the fale. There are a few traditional types of Samoan Fale, each with its own name and function (Pasefeka Culture, 2006).

Furita – See *Freeter* above.

Fuyu no Sonata – Japanese for “Winter Sonata.” This is the title of the Korean tearjerker drama that was a huge hit in Japan after it was introduced to the Japanese audience by NHK in 2003. It has been partly credited for *Hanryu* or “Korean Boom” that has been instrumental in attracting large numbers of Japanese visitors to South Korean cities. The shortened form of “*Fuyu Sona*” is sometimes used in conversations about this drama.

Gaikokumura – Foreign villages, often depicted in theme parks across Japan.

Guamanian – Term referring to those who are long-term residents of Guam, usually holding U.S. citizenship. These include people from one or a mixture of a variety of ethnic backgrounds, such as Filipino, Caucasian, Chinese, Korean, Japanese, Chamorro, etc.

Hafa Adai - A Guam greeting for "How are you?"

Hakusho – Government-issued White Paper, as in *Kankou Hakusho*, for White Paper on Tourism.

Hanryu – Japanese term for “Korean Boom” or faddish popularity in everything Korean. The term comes from the words *Han* for Korean, and *ryu*, a shortened form or *ryuukou*, which is the Japanese term for popular or fad. Part of this renewed interest can be attributed to Japan’s co-hosting with South Korea of the

Soccer World Cup in 2002 and the introduction of Korean television dramas to Japan including the hugely popular *Fuyu no Sonata*.

Hoteru Sensou – Literally “Hotel Wars,” in reference to the opening of new luxury-brand international hotels and the upgrading of existing hotels in Tokyo by the end of the year 2008.

Humanware – A term borrowed from the Japanese auto industry that refers to the organization of work and the skills of service managers and workers. This term is sometimes used in place of software, when referring to people-side of a business as opposed to the hardware, or the physical infrastructure aspect of a business.

Ifit – An extremely hard wood indigenous to Guam and is prized as a carving medium. It is long lasting and becomes darker and harder with age and it has become quite scarce.

Isson, Ippon – Japanese for One Village, One Product. (See entry below for One Village, One Product).

Jidai – Japanese for Era, as in *Nenshu 300-man En no Jidai* (Era of 3 Million Yen Salary).

Juerii, Jetto, Juutaku – The 3 Js for jewelry, jet (as in jet airline tickets) and home ownership, also known as “my-home” in Japan. These 3 J’s were the focus of advertising in Japan during the high-growth economy period of the 1970’s.

Jukunen – Japanese term for active seniors, usually referring to those over the age of 55, who now have time to pursue hobbies and outdoor interests. This term is recognized and used frequently by Australian tourism officials.

Kaa, Kuuraa, Karaa Terebi – The 3 Ks for car, air conditioner and color television in Japanese. These were the products that were heavily advertised in Japan during the 1960’s.

Kankou – Japanese word for tourism, or anything related to the tourism industry.

Kankyo, Kaiteki, Kyuka, Kane – The 4 Ks making up the conditions desired by Japan’s job seekers in recent years. They are: pleasant environment, comfortable conditions, plenty of vacations and money.

Keitai – The cellular telephone, in Japanese.

Kinen – A legitimizing mark, usually on a gift from a famous travel spot or event, which proves that the item was purchased on-site.

Kitanai, Kiken, Kitsui – The 3 Ks making up the conditions that more recent Japanese job applicants tend to avoid when searching for employment. They are: dirty, dangerous and demanding.

Ko'ko – Chamorro name for the Guam Rail a secretive, flightless, territorial species. Before the 1970s, the Guam rail occurred island-wide and distributed in all habitats except wetlands. The population declined severely from 1969-1973, and the rail disappeared from southern Guam in the mid-1970s (U.S. Fish and Wildlife Service).

Masi – A fermented paste of banana and breadfruit is also called by names such as, *ma* in the Marquesas, *mahi* in Tahiti, *maratan* in Ponape and *namandi* in Vanuatu.

Meibutsu – In Japanese, a specialty item from a certain locale, such as the *Oita Mugi Shochu* (Oita Barley Liquor) that originates in Oita.

Mikan – Japanese for mandarin oranges. *Mikan* produced in Oita prefecture are branded as unique products in the One Village, One Product movement.

Mwarmwar – A flowered head dressing found in Micronesia.

Nan'yo – Japan had been active in the *Nan'yo Gunto* (South Sea Islands) since the 1880s. Islands included the German possessions in the Marianas, Carolines, and Marshalls at the outset of World War I in 1914. A League of Nations mandate in 1920 confirmed Japan in control of most of Micronesia, except the U.S. territories of Guam and Wake Island, and the British colonies of the Gilberts, Nauru, and Ocean Island.

Nenshu – Japanese for Annual Salary, as in *Nenshu 300-man En no Jidai* (Era of 3 Million Yen Salary).

NEET – Acronym for “not in education, employment or training.” The term generally refers to youths among the non-labor force population, of individuals between the ages of 15 and 34 (unmarried school graduates who neither help with the housework nor attend school). NEET youths are generally classified into four categories, (1) youths who withdraw from society, (2) youths who spend time with friends after graduating or dropping out of school, (3) university graduates who cannot decide on a career path, and (4) youths who previously had a full-time job, but left their job due to a lack of confidence.

Nisen-Nana Nen Mondai – The Year 2007 Issue, referring to a crossroads year in Japan when many problems will appear, including the retirement of the baby boomer generation, the beginning of a decline in Japan's population, and the decline of student applicants for universities. Naturally, there is growing concern about the negative impact on Japan's economic growth and the severe financial problems caused by these factors.

O.L. – “Office Ladies” in Japan who have in recent years been viewed as a desirable market with large amounts of disposable income, due to their single status and stay with parents lifestyle.

Obon – Japanese summer holiday period in honor of deceased family members. Many Japanese travel domestically or internationally during this busy August holiday.

One Village, One Product – A movement introduced by Morihiko Hiramatsu took the post of Oita governor in 1979. The movement's aim is to encourage local people to produce their own goods using local resources and to market them throughout Japan and the world. Each village, town, and city in the prefecture is responsible for at least one local "product," which term includes historical sites, cultural activities, and tourist attractions. A number of overseas communities have put the Oita idea into practice using their own unique culture and society, but maintaining the universal essence of the One Village, One Product movement. This is called *Isson, Ippin* in Japanese.

Onsen – Japanese word for Hot Spring. Japan has numerous *Onsen* areas scattered around the country, with Beppu being one of the most famous for its numerous hot springs of varying types.

Opportunity Share – A business concept described by Hamel and Prahalad (1994) that encourages business leaders to look not only at gaining market share, but to also study trends to capitalize on opportunities that will help businesses maintain competitiveness in the future.

Paka – SuperTyphoon that destroyed much of Guam's physical infrastructure in 1997. With sustained winds reaching 150 MPH (240 KPH) and gusts recorded up to 236 MPH (387KPH), Supertyphoon Paka caused more than \$200 million in damages, destroying homes, businesses, and almost everything else in its path.

Palolo – Any of more than a dozen species of segmented coral worm, considered a delicacy in Samoa. The worms are fried in oil or baked into a loaf with coconut milk and onions.

Pongsana – The 2nd Supertyphoon to hit Guam in the year 2002 (December). This Supertyphoon hit Guam while the island was still beginning the recovery process from Supertyphoon Chata'an that was a direct hit in July. That Dec. 8 storm and its 140 MPH (224 KPH) sustained winds and gusts to 180 MPH (288 KPH) parked atop Guam for almost a full day, leaving almost 4,000 people left homeless.

Reikin – Non-refundable refundable “thank you money” that is customarily paid to landlords in Japan when a new tenant moves in.

Risutora – Term in Japanese referring to the laying off of employees. Comes from the English word, restructure.

Sakaya – Traditional Japanese rice and liquor store in neighborhoods that are fast disappearing to be replaced by discount liquor shops and supermarkets. *Sakaya* delivered rice and sake to regular neighborhood customers.

Sake – Japanese rice wine, traditionally purchased from the neighborhood *Sakaya*.

Sakoku – National Seclusion Policy (1639 - 1854) adopted by the Tokugawa Shogunate (1603 - 1867) in an effort to legitimize and strengthen its authority both domestically and in East Asia. The term *Sakoku* (literally "closed country") did not come into use until the early 19th century when it was coined by a Japanese scholar of Western Learning. The main elements of the policy were the exclusion of Roman Catholic missionaries and traders, the proscription of Christianity in Japan, and the prohibition of foreign travel by Japanese. The seclusion was not total, because the Dutch, Chinese and Koreans were permitted access to Japan and designated officials and traders from certain domains were allowed to go to the Ryukyus and to Korea, respectively.

Seishain – Regular, full-time employees in Japan that are entitled to benefits, such as retirement pay and substantial bonus payments that are usually paid two to three times a year. The traditional bonus in Japanese companies is more of a deferred payment of salary rather than a bona fide bonus.

Seki – Japanese unit of measurement for the size of transport vehicles, as in 100 *seki* for a ship that has a capacity to carry 100 people.

Sekisho – Travel in Tokugawa Japan was officially controlled by *bakufu* (literally "tent government", meaning a military rule) and domainal authorities via an elaborate system of these barriers and travel permits.

Sembetsu – Japanese system of gift-giving, which obliges the traveler to repay a monetary farewell gift with a return gift that conform to a certain set of rules: it must be worth half the yen value of the original gift; be a specialty of the locale visited on the trip; and have a legitimizing mark such as a tag or wrapper proving that it was purchased on-site.

Senpuuki, Sentakuki, Suihanki – The 3 S's for electric fan, washing machine and rice cooker. These were the products that were heavily advertised in Japan in the 1950's.

Shiitake – Japanese term for mushrooms. These Japanese mushrooms produced in the Oita region are included in another range of unique items offered as part of the One Village, One Product movement.

Shimbun – Japanese term for newspaper. Some of the more popular daily newspapers in Japan are *Asahi Shimbun*, *Yomiuri Shimbun*, *Mainichi Shimbun*, and *Nihon Keizai (Nikkei) Shimbun*.

Shinkansen – Japanese "bullet train" that was introduced in the same year that Tokyo hosted the Olympic Games in 1964.

Shugaku Ryokoo – School trips, typically taken during the last year before moving on to the next level of schooling. In recent years, a number of Japanese schools have been sending students to overseas destinations like Australia and the United States for their school trips.

Silver Market – Group of consumers in the senior age groups, generally fifty and over. Not to be confused with the precious metal, silver in this case conveys the image of the hair color of senior citizens.

Souvenir – French for “remember,” acquired its English meaning in the mid-19th century when large numbers of English began visiting Paris (Leiper 1995).

Sustainable Development –Development that meets the needs of the present without compromising the ability of future generations to meet their own needs (Definition by the United Nations Brundtland Report, “Our Common Future.”)

Tabinaw – Yapese term for landed estate. It is also used for the traditional Yapese family unit that is a patrilineal group (not matrilineal as in most other parts of Micronesia). The family unit ideally consists of an older couple, their children and sometimes their married sons' children. Married daughters ordinarily leave to take up residence on their husband’s land (Micronesian Seminar 1998).

Tourism Precinct -- A tourism precinct is defined as an area in which various attractions such as bars, restaurants, places of entertainment, accommodations and other facilities designed to be used by tourists are clustered (McDonnell 1997: 191).

Tuba – A local Guam alcoholic drink made from the fermented sap from a young coconut tree.

White Spaces -- Business, research and investment opportunities that emerge in the areas between or in the overlapping of existing core business activities and competencies of regional firms and industries. The stretching, leveraging, redeployment and recombining of core competencies, strategic infrastructure and endowed capital leads to the creation of white space opportunities. These frontier zones were named white spaces by Hamel and Prahalad (1994).

Yakuza – Japanese mobsters linked with large organizations or *gumi*, such as the *Yamaguchi-gumi*. Many operate via funds collected through extortion and other illegal activities.

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