

Tourism 301

Scenarios for Planning in Tourism

References

- ◆ Goodwin, P. & Wright, G., Decision Analysis for Management Judgement, Ed 3, 2004, Wiley & Sons, UK, HD30.23 G657 D 3ed
- ◆ Short Sharp Shock or Lower Growth Output, Tourism Forecasting Council Special Report #1, Dec 1997, VUW G155 A9 S741 1
- ◆ Yeoman, I, Scottish Tourism; Scenarios and Vision, Journal of Vacation Marketing, Vol 11 No1 2005, pp71-87, Sage, London.

Context

- ◆ Valid assessments of unique future events often unable to be made
- ◆ Accounting for the unknown in an analysis
- ◆ Multiple feasible options are available to planners or policy makers

Scenarios

- ◆ NOT forecasts of the future
- ◆ ARE portraits of a range of plausible future states
- ◆ Probability of the occurrence of a particular future state is low
- ◆ Probability of the occurrence of a range of future states is higher.

Scenarios ..

- ◆ Based on a known starting point, scenarios focus on HOW the future could evolve to a point in the future – the scenario horizon.
- ◆ Evolution will contain several components of knowledge:
 - Critical uncertainties (feasibilities, not probabilities)
 - Predetermined trends (e.g. demographics)
 - Behaviour of actors (who have a stake in a particular future)

Scenario Construction

Consider two techniques for policy and planning scenarios: (Goodwin & Wright, 2004)

- ◆ Extreme World method
 - Seeks to examine viability or survival concerns.
- ◆ Driving Forces method
 - Seeks to examine the outcome from forces or drivers currently present or will emerge with some degree of predictability

Extreme World

- ◆ Seeks to examine viability or survival concerns.
- ◆ Polarises choices into totally positive or negative outcomes versus neutral 'business as usual' outcomes
- ◆ Very useful for highlighting behaviours but runs the risk of being contrary to human experience where extremes can be perceived as implausible.

Extreme World Methodology

1. Identify issues of concern and the horizon year which will be captured
2. Identify predetermined trends that impact on the issues
3. Isolate the critical uncertainties which when resolved (one way or another) impact the issue of concern
4. Isolate the trends and resolved uncertainties into positive or negative impacts on the issue of concern.
5. Create extreme worlds by placing all positively resolved uncertainties into one scenario and the negatives in another
6. Combine pre-determined trends to both scenarios
7. Check for coherence & plausibility. Could the trends and resolved uncertainties coexist in a *plausible* future scenario?
8. Combine the actions of the Actors who will be impacted by the future scenario and consider what actions they will take to satisfy their own interests.

Scenario Storylines ...

- ◆ Inconsistencies must be identified and removed because conflicts are implausible and undermine the credibility of the scenario.
- ◆ Gaps that arise from the storyline must be reviewed and missing information added to either the predetermined trends or key uncertainties.
- ◆ If the scenario does not convey causality it must be revisited!

Feedback.

- ◆ Scenario storylines help identify feedback mechanisms: relationships that produce either reinforcement or reduction in overall impact (or outcomes)
- ◆ E.g.
 - **Positive Feedback**: Increased revenue provides increased profits which enables better resources to be deployed improving product attractiveness that increases revenue!
 - **Negative Feedback**: Increased revenue attracts new entrants that increases product availability and diversity that reduces sales that reduces gross margin and overall investment on better resources that decreases product competitiveness that reduces sales!

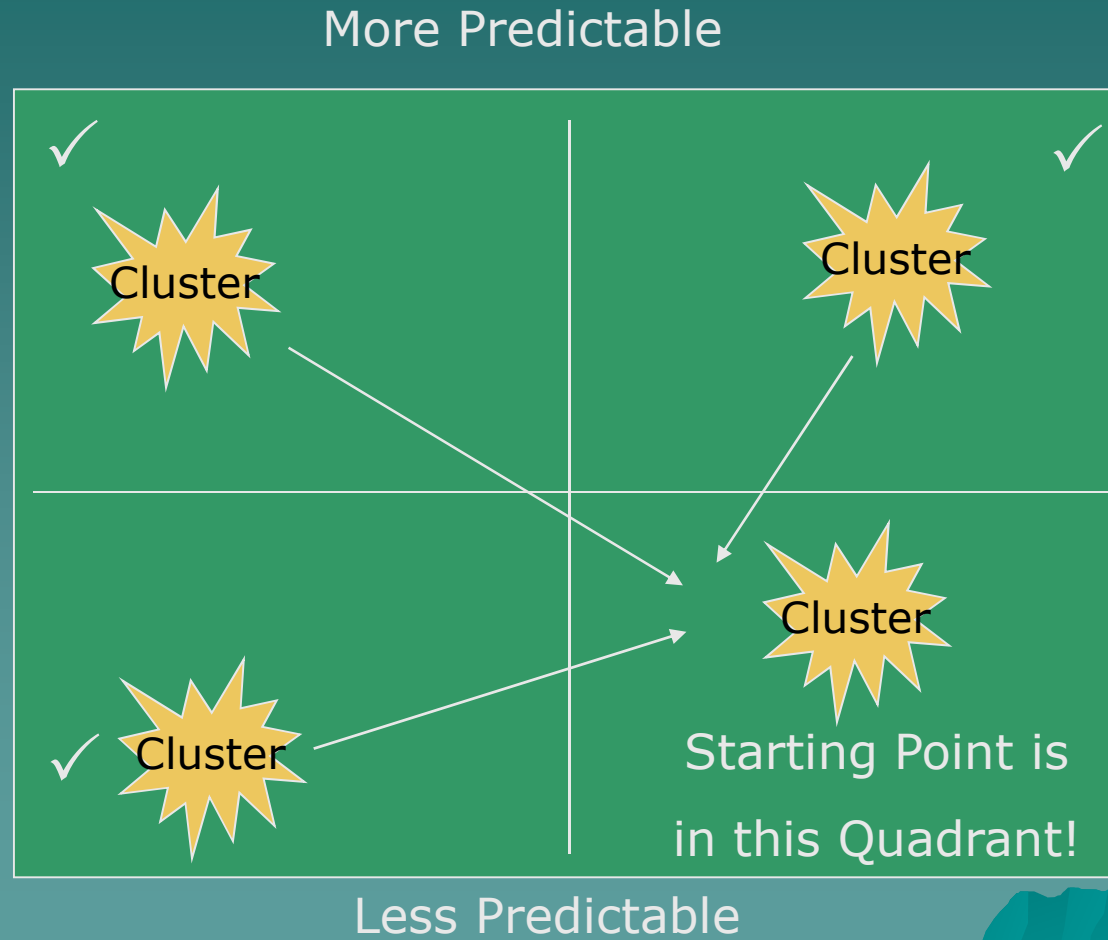
Driving Forces Method

- ◆ Degrees of uncertainty determine relationships
- ◆ Outputs are not usually extremes
- ◆ Outputs are bounded by perceived uncertainties
- ◆ Scenarios are outcomes of the application of each uncertainty.
- ◆ This method seeks to overcome the implausibility of extremes by replacing “Extreme Worlds” with the drivers that lead to future outcomes.

Driving Forces

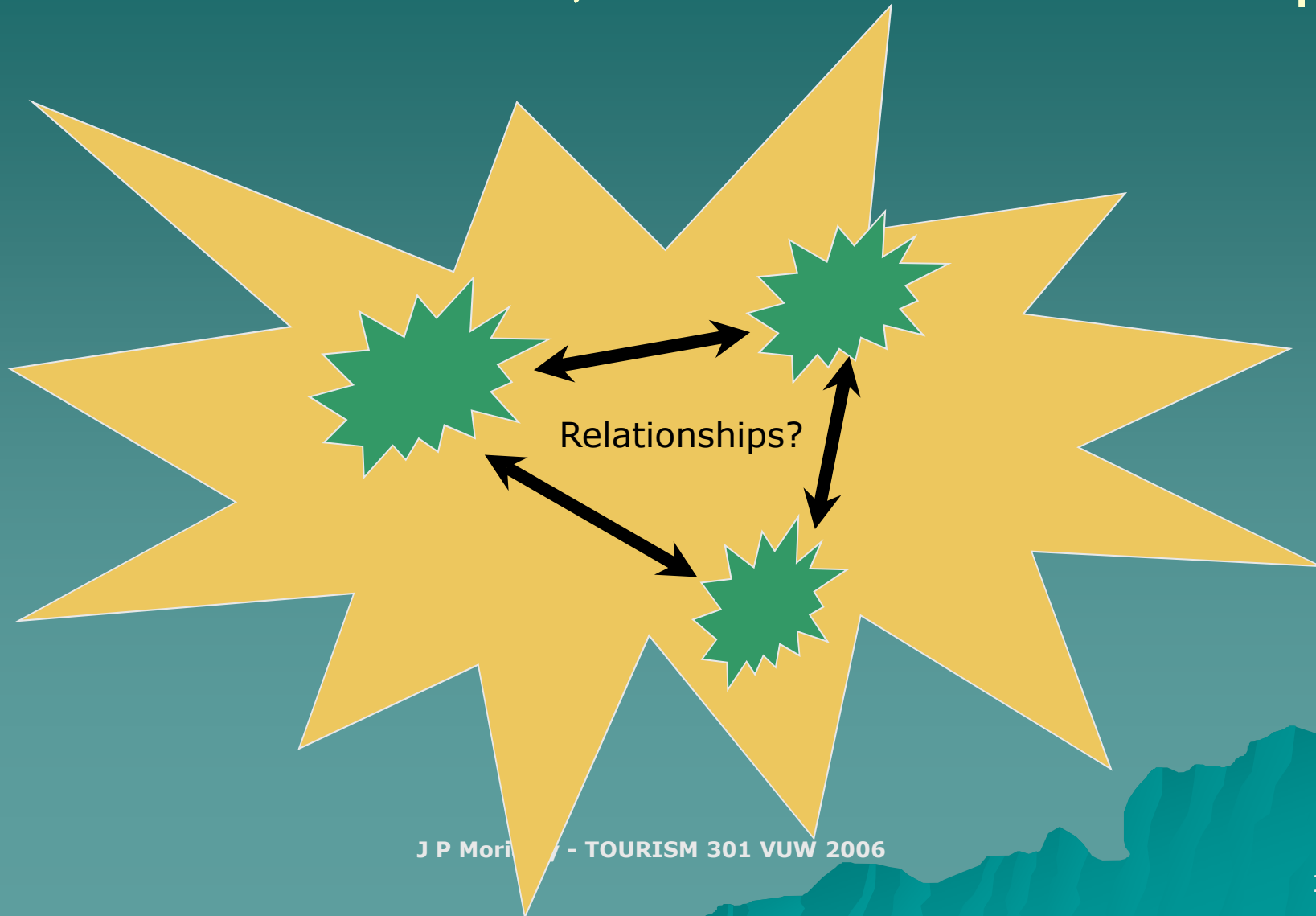


Less
Impact

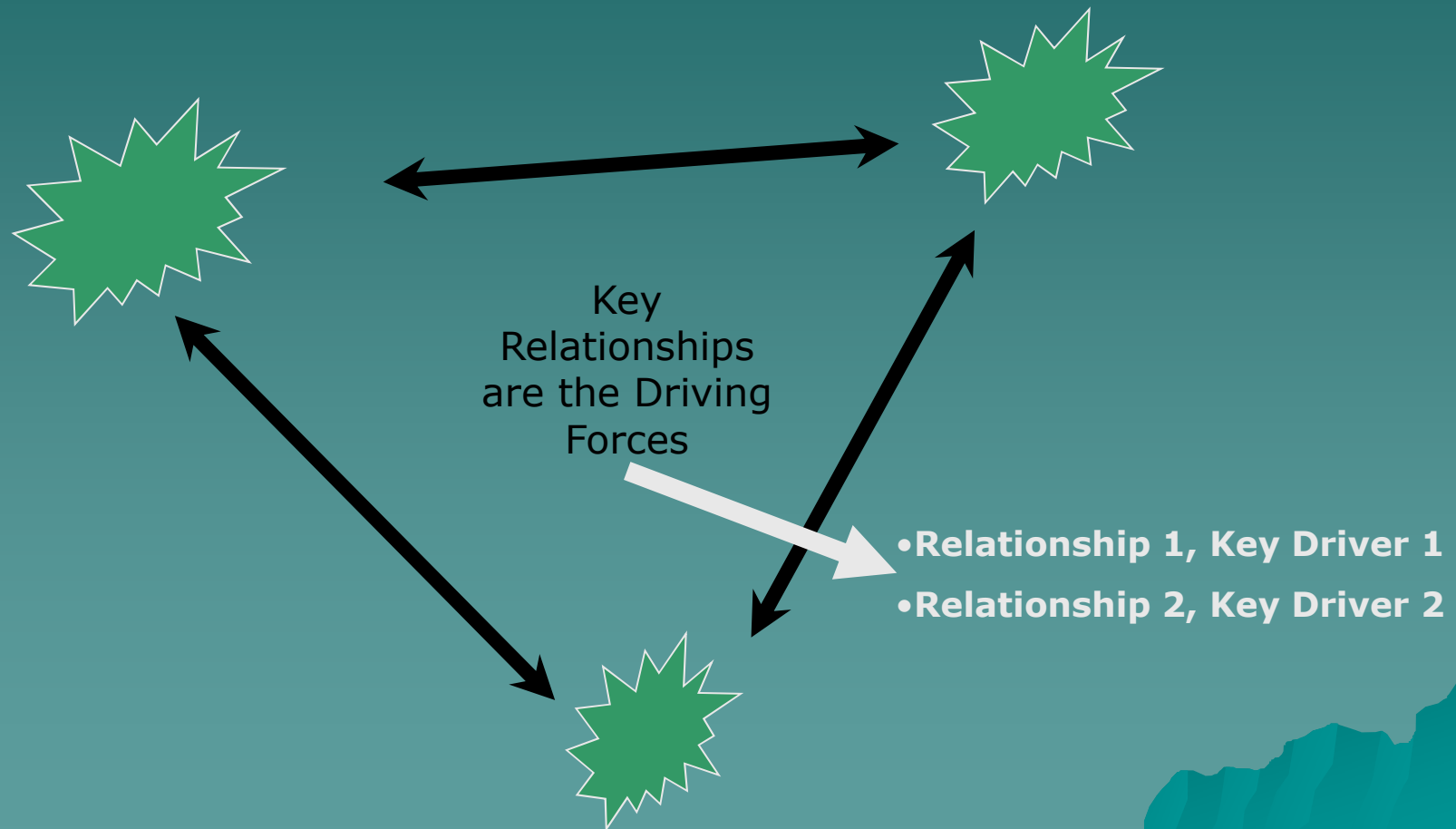


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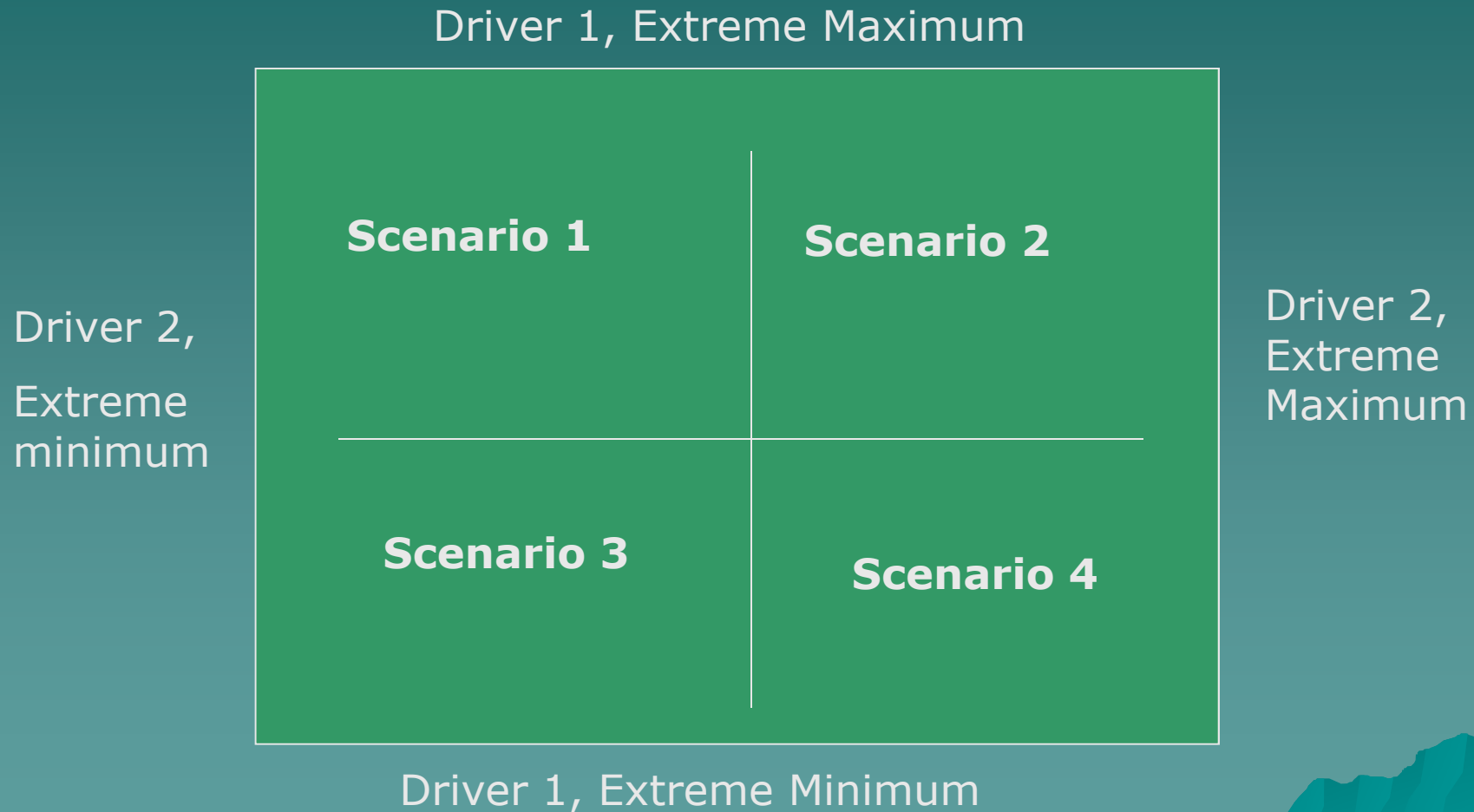
Cluster Relationships, within each cluster, look for interrelationships



Cluster Relationships, within each relationship, look for key drivers



Drivers determine the Scenarios

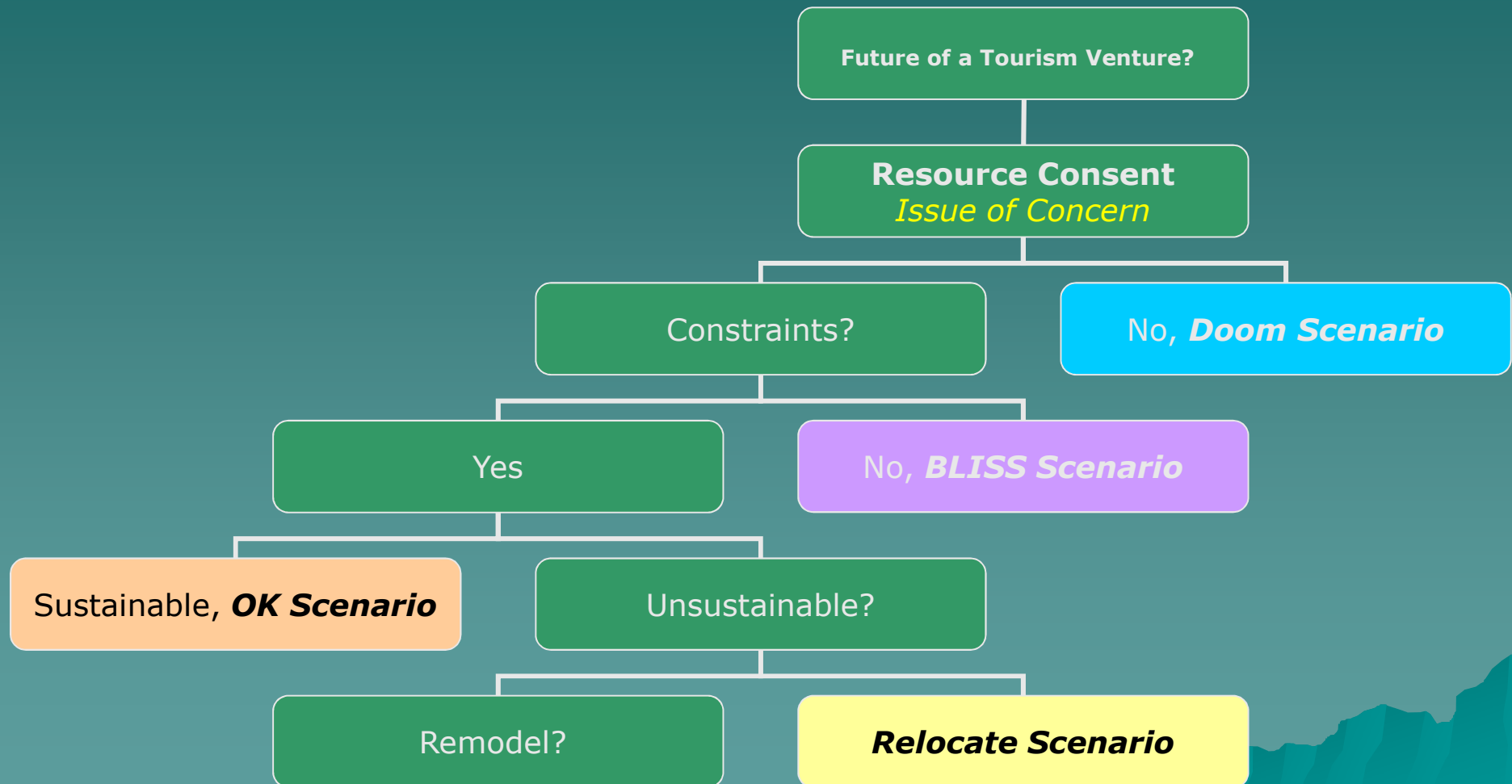


Driving Forces Method..

(Goodwin 2004, p 391)

1. Identify issue of concern and the horizon year which will be captured
2. Identify elements that appear related to the issue of concern.
3. Cluster the elements into the categories of (more/less) predictability and (more/less) impact.
4. Examine the **Hi Impact/Low Predictability** cluster to determine inter-relationships by further clustering those that are related to each other but not the others.
5. Search for underlying driving forces that link uncertainties within the **Hi Impact/Low Predictability** clusters and prioritise these forces by level of impact. The top two driving force priorities are the base scenarios
6. For each driving force, identify the range of outcomes by two extremes
7. Combine elements in other three quadrant clusters if they could fit into any of the scenarios.
8. Create storylines for each scenario, ensuring that there is coherence between the elements in the clusters associated with the selected driving forces.

E.g. Simple Driving Forces Structure – Single Issue



Scenario Usage

◆ Note:

- identifying the scenario is the start of the subsequent analysis process, not the end!
- The end is the evaluation of the storyline and reporting its outcomes in measurable terms (e.g. economic, environmental, social)
- Scenarios have a role as part of future performance measurement. If trends suggest the likelihood of a scenario acting out, the scenario storyline and results form the basis of remedial action earlier than could otherwise be the case.