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Revenue Management at Heritage Visitor Attractions

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Learning outcomes

After reading this chapter, you should be able to:

- Define the term 'heritage visitor attraction' (HVA).
- Appreciate the management challenges experienced by HVA managers.
- Understand why revenue management might be suitable for use in HVAs.
- Recognise the barriers to the adoption of revenue management (RM) within HVAs.
- Understand how organisations such as the National Trust for Scotland make use of revenue management in practice.

■ Introduction

This chapter focuses on how revenue management might be suitable for use as a tool in developing the effective management of heritage visitor attractions (HVAs). It begins with an explanation of the terms to be used within the chapter and the challenges faced by managers at HVAs. It then provides a synthesis of existing research on the use of revenue management (RM) in visitor attractions in general and, more specifically, the challenges involved in its adoption in HVAs. A case study on the National Trust for Scotland's use of revenue management is provided as an example of a heritage organisation that makes increasing use of this management tool. The chapter concludes with a summary of the key issues in the adoption of revenue management in heritage visitor attraction management.

■ Managing heritage visitor attractions

□ Definitions and categories

As stated by Loulanki and Loulanki (2011, p.839), “the relationship between heritage and tourism is well documented in the literature, most often described in terms of interdependency, complexity, inherent tensions, dynamics and conflicting values”. This conflict emerges from the often multiple objectives of the stakeholders involved in the conservation and management of the heritage resource (Aas, Ladkin & Fletcher, 2005; Leask, 2010).

Visitor attractions are defined as “a permanent resource, either natural or human-made, which is developed and managed for the primary purpose of attracting visitors” (Hu & Wall, 2005, p.619). This definition can be further broken down to focus on heritage tourism, defined by Kaufman and Weaver (2006) as “the experience visitors seek to have at historic sites”. The distinction between heritage and visitor attractions in general becomes significant when researching the differing issues and management practices entailed in their management objectives, management skills and ability to adopt new practices (Leask, Fyall, & Garrod, 2002; Leask, 2010), where key differences in their management priorities and practices can be observed. HVAs account for the majority of the whole visitor attraction supply (Boyd, 2000) and are defined for the purposes of this paper as those containing an aspect of historical interpretation. The majority of these heritage attractions are museums and galleries, mainly in the public sector and operated on a not-for-profit basis (Lennon & Graham, 2001). See Table 9.1 for a breakdown of HVA categories.

Table 9.1: Summary of HVA Categories (adapted from Leask, 2010)

Museums & Galleries Art, cultural, historical, collection-based, virtual, open air museums	Guggenheim, Bilbao, Spain Athens Acropolis Museum, Greece Tellus Science Museum, Georgia
Natural (with interpretation of resource) Gardens, national parks, forests	Karori Sanctuary Experience, N Zealand; Go Ape, UK Grand Canyon WHS, USA; Eden Project, Cornwall, UK
Animal (with historic/conservation interpretation) Safari, farms, zoos, aquariums	Longleat Safari Park, UK Edinburgh Zoo, UK Agricultural Tour, Argentina
Visitor Centres (with historic interpretation) Cultural, industrial, transport	Heineken Experience, The Netherlands Three Gorges Dam, China Ngong Ping Cultural Village, Hong Kong
Religious Sites	Rosslyn Chapel, Scotland; Notre Dame, France Angkor, Cambodia
Heritage Castles, forts, historic houses, monuments, industrial, dark, archaeological, military, music	Sovereign Hill, Australia; Hearst Castle, USA San Francisco Literary Tour, USA Culloden Battlefield, Scotland; Mystic Seaport, USA

□ Value

Value is a term increasingly used in connection with heritage as it competes for funding in increasingly difficult market conditions within the public and private sectors. Traditionally measured in volume and value terms, heritage attractions now need to evidence their contribution in the wider sense of value, through their educational, social and community activities.

The significance of heritage tourism within a destination is difficult to measure and quantify, particularly given the variety of stakeholders and multiple objectives. In recent research conducted on behalf of the Heritage Lottery Fund (2010), it was established that the size of the heritage-tourism sector in the UK, by expenditure, is in excess of £12.4 billion a year. “Heritage is the mainstay of the UK tourism economy, with the breadth, beauty and cultural importance of Britain’s heritage being the most important factors behind the 10 million holiday trips made by overseas visitors to the UK each year” (HLF, 2010, p.7). The popularity of heritage within the UK resident population is also well established, with 53% of the population making a trip to experience the atmosphere of a historic town or city at least once a year, and 42% visiting a museum or gallery.

□ Management issues and challenges

The effective management of HVAs has been the topic of much academic discussion in recent years, as destinations attempt to develop their individuality within an increasingly competitive environment (Chhabra, 2010; Hughes & Carlsen, 2010; Darlow, Essex & Brayshay, 2012). As established by Leask (2010), key challenges facing visitor attractions (including the majority of HVAs) in the external environment include increasing competition from other leisure services and visitor expectations, the decreasing availability of public funding and an increasing need to evidence value and diversify their product offering. Challenges in the internal environment include the lack of rigorous market and management data on which to base decisions, changes in the culture and focus of many organisations on concentrating more on income generation, and the need for increasingly advanced staff and management skills.

Consequently, pressure has increased on heritage attractions to operate efficiently and manage their revenues effectively. Attraction managers have responded by developing a broader range of product offerings and revenue streams, operating more sophisticated pricing systems and improving their communication with potential visitors (Benckendorff & Pearce, 2003; Leask, 2010). Hughes and Carlsen (2010, p. 18) explored the factors around balancing an increasingly commercial focus with authenticity and successful business operation. They observe that “heritage conservationists generally view commercialisation as a path to