Chapter 2
The Travel and Tourism Industry

Introduction to the World of Hospitality
After reading and studying this chapter, you should be able to:

• Define tourism
• List and explain reasons why people travel
• Describe the sociocultural impact of tourism
• Describe ecotourism
• Describe the economic impact of tourism
• Identify promoters of tourism
Reasons for Anticipated Increase in Tourism

People travel more and more these days, what do you think could be the reason for that?

- Longer life span
- Flexible working hours
- Early retirement
- Greater ease of travel
- Tendency to take shorter, more frequent trips
- Increase in standards of living
Factors Influencing Tourism

- People travel to gather information
- Employment
- Disposable income (money to spend)
- Convenient transportation
- Increase in leisure time
- Increased technology
- Increased life time
- Visas for travel purpose
Definition of Tourism and Tourist:

- “Tourism comprises the activities of people traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, and other purposes” (UNWTO, n.d.).
- “A tourist is a person who stays some place for more than one night and less than a year. Business and convention included. An excursionist stays less than a day” (UK tourism board).
- Travel is an experience, not a tangible object, and it depends on your expectations to become positive or negative.
Travel and Tourism

• Largest and fastest growing industries
• Services industries:
  – Delivery of services and goods
  – Customer and guest impressions are critical
• Which industries are included in travel and tourism?
TURNING ONE BILLION TOURISTS INTO ONE BILLION OPPORTUNITIES

In 2012, a record one billion tourists crossed international borders in a single year. Another five to six billion are estimated to travel in their own countries every year.

9% GDP (Direct, Indirect and Induced)

1/12 Jobs (Direct, Indirect and Induced)

US$ 1.2 trillion in exports

6% of world trade

8% exports of least developed countries

WHY TOURISM MATTES
Scope of Travel and Tourism Industries

• Travel
  – Air
  – Cruise
  – Rail
  – Coach
  – Auto
  – Ecotourism

• Lodging
  – Hotels
  – Motels
  – Resorts

• Meetings, Incentives, Conventions and Expositions (MICE)

• Restaurants and Managed services

• Recreation
  – Attractions
  – Gaming
  – Parks
  – Recreation
  – Entertainment
Scope of the Travel & Tourism Industries
Characteristics of the Hospitality Industry

Hospitality Industry – “Collection of businesses providing accommodation and/or food and beverage services for people who are away from home.”

• Product is intangible and perishable
• No such thing as business hours: hospitality operations run on a 24 hour basis all year round
• Characterized by shift work
Tourism Offers Greatest Global Employment Prospects

• Trends
  – Opening of borders despite security concerns
  – Increase in spending money and vacation time
  – Cheaper and more exclusive flights
  – Need to travel
The Multiplier Effect

• The multiplier effect – “new money spent by tourists is then re-spent by hospitality organizations in the community for goods and services”.

• Leakage occurs when money must be spent outside the community for goods unavailable within the community.
The Multiplier Effect

New dollars injected into economy

Supplier and payroll to support and provide production and services

Suppliers and employees spend money on items for their wants and needs

Others in the community receive and spend on related products and services and so on
Reasons Why People Travel

• Business
  – Meetings / Conferences / Conventions etc.

• Recreation/Leisure
  – To rest and relax
  – To view, or participate in, sporting/recreational activities

• Culture
  – To experience new and different surroundings
  – To experience other cultures

• To visit friends and family (VFR)

• Health

• Other reasons?
Reasons Why People Travel

• Psychographic research: Which three groups of travellers are interested in going to Bermuda on vacations? Find the answer on pp. 37-38. Think of similar examples among your relatives & friends.
Trends in Tourism

- Sustainable tourism
- Number of tourist arrivals will continue to increase
- Governments will continue to recognize importance of tourism

Example: “Oman commits to fully seize tourism’s potential for socio-economic advancement” (UNWTO, n.d.)
Sustainability

In ecology, **sustainability** refers to how biological systems remain diverse and productive. In more general terms, sustainability is the endurance of systems and processes. The organizing principle for sustainability is **sustainable development**, which includes the four interconnected domains: ecology, economics, politics and culture.

*(Wikipedia, 2014)*
Sustainable Tourism Exercise

• Watch the video.
• In groups of 3-4 discuss four key challenges that affect the planet nowadays.
• How can travel & tourism industries help solving these challenges?
Ecotourism

Ecotourism is “responsible travel to natural areas that conserves the environment and improves the well-being of local people” (Angelo & Vladimir, 2011, p.42)

• Seeks to minimize the impact of tourism
• Natural environment and native cultures
Class Activity

• In groups answer Questions 1-7 on page 45.
Homework

• Read chapters 1-2
World and Domestic Tourism Organizations

• Click on the links below for more information:
  – World Tourism Organization
  – International Air Transportation Organization
  – International Civil Aviation Organization
  – Organization for Economic Cooperation and Development
  – Pacific Asia Travel Association
  – Travel Industry of America
  – World Travel and Tourism Council
References

- UNWTO. Retrieved from http://www2.unwto.org/