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Tourism today: Why is it a global phenomenon embracing all our lives?

Learning outcomes

This chapter provides an overview of tourism as a subject of study and after reading the chapter you should be able to understand:

• why tourism has emerged as a major leisure activity
• how tourism can be defined as a human activity
• how to distinguish between domestic and international tourism
• why tourism has to be measured and the importance of tourism statistics
• the scale and importance of tourism at a global scale and some of the reasons for its growth
• why tourism is a difficult activity to manage.

Introduction

The new millennium has witnessed the continued growth of interest in how people spend their spare time, especially their leisure time and non-work time. Some commentators have gone as far as to suggest that it is leisure time – how we use it and its meaning to individuals and families – that defines our lives, as a focus for non-work activity. This reflects a growing interest in what people consume in these non-work periods, particularly those times that are dedicated to travel and holidays which are more concentrated periods of leisure time. This interest is becoming an international phenomenon known as ‘tourism’: the use of this leisure time to visit different places, destinations and localities which often (but not exclusively) feature in the holidays and trips people take part in. The World Travel and Tourism Council (WTTC) estimate that travel and tourism as economic activities generates around US$6 billion, which is expected to grow to US$10 billion by 2015. At a global scale, travel and
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Tourism supports around 235 million jobs: this is equivalent to 8 per cent of world employment and 9 per cent of world GDP.

Therefore, the growing international significance of tourism can be explained in many ways. In an introductory text such as this, it is important to stress at the outset the following types of factors and processes in order to illustrate the reasons why tourism assumes an important role not only in our lives but also globally:

- **tourism is a discretionary activity** (people are not required to undertake it as a basic need to survive, unlike consuming food and water)
- **tourism is of growing economic significance** at a global scale, with growth rates in excess of the rate of economic growth for many countries
- **many governments see tourism as offering new employment opportunities** in a growing sector that is focused on service industries and may assist in developing and modernizing the economy
- **tourism is increasingly becoming associated with quality of life issues** as it offers people the opportunity to take a break away from the complexities and stresses of everyday life and work – it provides the context for rest, relaxation and an opportunity to do something different
- **tourism is becoming seen as a basic right in the developed, Westernized industrialized countries** and it is enshrined in legislation regarding holiday entitlement – the result is many people associate holiday entitlement with the right to travel on holiday
- in some less developed countries, tourism is being advocated as a possible solution to poverty (described as ‘pro-poor’ tourism)
- holidays are a defining feature of non-work for many workers
- **global travel is becoming more accessible** in the developed world for all classes of people with the rise of low-cost airlines and cut-price travel fuelling a new wave of demand for tourism in the new millennium. This is potentially replicating the demand in the 1960s and 1970s for new popular forms of mass tourism. Much of that earlier growth was fuelled by access to cheap transport (i.e. the car and air travel) and this provided new leisure opportunities in the Western world and more recently in the developing world and newly industrializing countries
- consumer spending on discretionary items such as travel and tourism is being perceived as a less costly item in household budgets. It is also much easier to finance tourism with the rapid rise in credit card spending in developed countries, increasing access to travel opportunities and participation in tourism
- **technology such as the internet has made booking travel-related products easy** and placed it within the reach of a new generation of computer-literate consumers who are willing to get rid of much of the traditional ritual of going to a travel agent to book the annual holiday. Such technology now opens many possibilities for national and international travel at the click of a computer mouse and to check-in for a flight via a mobile phone.
It is evident that tourism is also becoming a powerful process affecting all parts of the globe. It is not only embraced by various people as a new trend, a characteristic or defining feature of people’s lives, but is also an activity in which the masses can now partake (subject to their access to discretionary forms of spending). This discretionary activity is part of wider post-war changes in the Western society with the rise in disposable income and spending on consumer goods and services. Yet tourism is not just a post-war phenomenon as it can be traced back through time as shown in Chapter 2. This highlights how important tourism was in past societies as well as the historical processes of continuity and change which help us to understand tourism development throughout the book. The first major wave of growth in consumer spending was in home ownership, then in car ownership and, then, in accessing tourism and international travel. In fact international travel (and domestic travel, i.e. within a country) is a defining feature of the consumer society. Whilst the car has given more people access to tourism and leisure opportunities within their own country, reductions in the price of aeroplane tickets have made international travel and tourism products and services more widely available. For example, the number of air travellers in the UK is expected to rise to 475 million by 2030. This is not without its environmental cost.

Travel and sustainability

There is a growing global concern about the ability of the earth’s environment and resources to sustain the continued expansion of economic activity, including tourism. Whilst scientists have pointed to these concerns since the 1960s, these environmental issues have only really begun to permeate government and people’s thinking since the rise of global concerns over climate change and the international Kyoto Treaty seeking to address greenhouse gas emissions. Tourism is the centre stage in these concerns because travel for leisure purposes is not a fundamental necessity, and it contributes to CO₂ emissions through the consumption of fossil fuels used to transport people on holiday, at the destination and in the accommodation they use. Transportation causes around 75 per cent of the CO₂ emissions generated by tourism, with aviation responsible for around 40 per cent of these emissions. Improving energy efficiency in transportation may be expected to generate a reduction of 32 per cent in the emissions per passenger kilometre between 2005 and 2035. However, the quantity of emissions varies depending on the mode of transport used, with long-haul travel the greatest contributor to highly emission-intense trips.

The issue of tourist travel and its global environmental effect through pollution is a thorny issue since tourism is internationally significant and has an important role in society, as we have already seen. There is an almost unanimous reluctance among government policy-makers to directly limit or restrict tourist travel due to its economic effects on destination areas. Consequently, many prefer to adopt the politically acceptable and palatable adaptation strategies – seeking to adapt human
behaviour and destinations to the effects of climate change (see Box 1.1). Many people openly admit to being supportive of ‘green’ and ‘sustainable’ principles but are unwilling to sacrifice their annual or additional holiday to reduce carbon emissions: likewise, few are willing to sacrifice an overseas destination for a less carbon consumptive and polluting domestic holiday. This assumes a more interesting dimension when one sees some sections of the tourism industry responding to consumer interest in green issues, by offering more ‘green’ and ‘sustainable’ holidays, recognizing a business opportunity. Critics have labelled this harnessing of green issues as one way of gaining a competitive edge without a complete commitment to implementing sustainability principles in their business practices as ‘greenwash’ (see Table 1.1).

This reflects the fact that tourism in this respect is a phenomenon that is constantly evolving, developing and reformulating itself as a consumer activity. Tourism, as a consumer activity, is constantly being developed by the tourism industry and individual businesses, as marketing is used to develop new ideas, products and services and destinations. The challenge for the tourism industry is in adopting new ideas developed in research, such as service dominant logic (see Shaw et al., 2011 for more detail) which may assist, with the use of social marketing techniques, to adapt human behaviour so that they extend the daily activities which

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**Box 1.1 The Maldives, tourism and sea level change**

Climate change has become a dominant theme in the analysis of the future for small island nations which are little more than a metre above sea level. This has become a major problem for governments when the scale of sea level change is set against natural changes in the land level, which is sinking at a rate of around less than a centimetre per year. However, this means that in less than 100 years some island states such as the Maldives may be flooded and therefore uninhabitable. The Maldives is a collection of 1200 small islands (198 of which are inhabited) and it is dependent upon tourism as its main source of external earnings, accounting for over 28 per cent of GDP and almost 60 per cent of foreign earnings’ receipts. The dependence upon tourism has meant that the country’s 600,000 international visitors each year are a key source of revenue for the country’s economy and should climate change combine with sea level rises to accelerate the pace of change, the country’s tourism industry could be completely eradicated. Therefore in spite of the country’s natural beauty and 80 tourist resorts located across 80 different atolls (i.e. small islands that are just above sea level) its competitiveness as a destination may well be threatened by natural environmental changes. To address these threats, the capital Male has built a 3 m sea wall for just one island and other islands in the Maldives suffer periodic flooding. Despite these major challenges, the country’s government is seeking to try and mitigate the worst impacts of climate change, as its resources are very limited and the scale of the problem is huge. It is a story that can be repeated across many similar island archipelagos across the South Pacific where climate change may accelerate the pace of sea level rises putting the livelihoods and entire destination in peril for the future.
embrace sustainability ideals (e.g. recycling, reuse and minimizing the use of natural resources) to their holiday-taking behaviour. Of course, the cynic may argue that the most sustainable form of tourism is none at all if you are serious about your own footprint on the planet.

For the tourism sector, they have embraced new ideas (including in some cases sustainability) and pursued strategies focused developing niche products reflecting the way tourism has developed a more specialist focus (see Table 1.2). Tourism appeals to the human imagination. As an activity it knows no bounds: it is global and it affects the environment it occurs in, the people who host it, the economies it seeks to benefit and the tourists who consume it as an experience, product and an element of their lives. With tourism having this all-embracing role, it is no surprise that many commentators, researchers and governments have agreed on the need to manage it as a process and activity, especially since it has the potential to snowball and grow out of proportion if it is not managed. Therein lies the basic proposition of this book – tourism needs managing if it is to be successful and beneficial rather than a modern-day scourge.
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Yet one of the fundamental problems in seeking to manage tourism is in trying to understand what it is: how it occurs, why it occurs, where it does, the people and environments that are affected by it and why it is a volatile activity that can cease as quick as it can start. These types of questions are what this book seeks to address. It will also look at why tourism as a consumer activity is built on dreams, images and what people like to do; this is notoriously difficult to understand as it involves entering the realms of psychology and the mind of the individual tourist. Furthermore, these psychological elements are bound up in notions of enjoyment, feelings, emotions and seemingly intangible and unseen characteristics. The issue is further complicated by the way in which an individual’s tastes and interests change throughout their life. In other words, being a tourist is based on the principle of non-work and enjoyment of one’s free time in a different locality, and results in an experience, a treasured memory and something personal which develops through our life course.

| Trend                  | Explanation                                                                 |
|------------------------|-----------------------------------------------------------------------------|
| Slow travel            | Travel to a destination and savouring the journey by not flying, such as taking the train or bicycle so as the rush and stress is taken out of the travel experience so it is slowed down |
| Low cost travel        | Travel by budget carriers which provide very cheap tickets for those who can book a long way in advance |
| Volunteer tourism      | Travel to destinations to volunteer one’s services to help with community or environmental projects (e.g. rebuilding a community after a natural disaster) |
| Sport tourism          | Travel to watch or participate in sport such as to visit the Olympic Games |
| Health and well-being tourism | Travel to improve one’s quality of life and health with treatments at spas or health resorts |
| Medical tourism        | Travel overseas to get low cost medical treatment in countries such as India |
| Film tourism           | Travel to a location or fictitious area popularized in a movie or television programme (e.g. New Zealand and the Lord of the Rings trilogy) |

Further Reading: Novelli, M. (ed.) (2004) Niche Tourism. Oxford: Elsevier.
Why study tourism? Is it just about enjoyment and holidays?

Tourism and its analysis have become a relatively recent field of study among academics, researchers and commentators. Some of the very early student textbooks on tourism (see Table 1.3) can be dated to the early 1970s (although there are examples of other reviews of tourism dating to the 1930s, 1940s and 1950s), with a second wave being produced in the 1980s and then a massive explosion in the late 1980s and 1990s as tourism education and training expanded worldwide. Since the 1990s, a wide range of more specialist and niche books have been published on particular aspects of tourism research.

There are a range of commonly recognized problems in studying tourism, a number of which are important to the way in which we understand whether it is just about enjoyment and holidaytaking:

• tourism is a multidisciplinary subject which means that a wide range of other subjects, such as psychology, geography, economics, to name but a few, examine it and bring to it a range of ideas and methods of studying it. This means that there is no overarching academic agreement on how to approach the study of tourism – it really depends on how you are looking at tourism, and the perspective you adopt which determines the issues you are interested in studying

• this has led to a lack of clarity and definition in how to study tourism, something that other researchers have defined as reductionism. What this means is that tourism is normally defined by reducing it (hence ‘reductionism’) to a simple range of activities or transactions (i.e. What types of holidays do people choose? or How do people purchase those holidays?) rather than by focusing on the framework needed to give a wider perspective or overview of tourism.

| Table 1.3 The evolution of the study of tourism: Key studies during the period 1930–1970s |
| Lennard, R. (1931) *Englishmen at Rest and Play*. Oxford: Clarendon Press. |
| Ogilvie, I. (1933) *The Tourist Movement*. London: Staples Press. |
| Pimlott, J. (1947) *The Englishman’s Holiday*. London: Faber and Faber. |
| Lickorish, L. and Kershaw, A. (1958) *The Travel Trade*. London: Practical Press Ltd. |
| Burkart, A. and Medlik, S. (1974) *Tourism, Past Present and Future*. London: Heinemann. |
| Goeldner, C. (1974) *Tourism, Principles and Practice*. New York: Wiley. |
| Page, S.J. and Connell, J. (eds) (2008) *Tourism Volumes 1–6: Sage Library of Tourism and Hospitality Management*. London: Sage. |

This collection of seminal articles shaping the development of tourism research documents the period since the 1920s and is an important starting point to trace the development of the subject.
These problems often compound the way people view tourism as a subject, emphasizing the holiday or enjoyment aspects of travelling (in one’s spare time or on business) as the defining features or reference point of tourism. To the general public tourism is something everyone knows about – it is something many have engaged in and so have an opinion on what it is, its effects and widespread development.

Admittedly, tourism is about pleasure and enjoyment, but its global growth and expansion are now creating serious societal problems and issues; a fundamental understanding of tourism is required if we are to manage and control the impacts and problems it can cause. Some critics argue that tourism epitomizes the extreme of post-modern consumption in a society that spends on travel and tourism because it can and not for an intrinsic need for holidays as access to travel is, in relative terms, very cheap and affordable for many. One way of beginning to understand that tourism is more than holidays and enjoyment is to think about why tourism is so important in modern society (i.e. its social, cultural and economic significance) by looking at an important process which has led to the demand for it – the rise of the leisure society.

The leisure society

Tourism is now widely acknowledged as a social phenomenon, as the nature of society in most advanced developed countries has now changed from one which has traditionally had an economy based on manufacturing and production, to one where the dominant form of employment is services and consumer industries (i.e. those based on producing consumer goods and services). At the same time, many countries have seen the amount of leisure time and paid holiday entitlement for their workers increase in the post-war period so that workers now have the opportunity to engage in the new forms of consumption such as tourism. These changes have been described as being part of what has been termed as the *leisure society*, a term coined in the 1970s by sociologists. They were examining the future of work and the way in which society was changing, as traditional forms of employment were disappearing and new service-related employment, increased leisure time and new working habits emerged (e.g. flexi-time and part-time work). Some commentators described this as a ‘leisure shock’ in the 1980s since many workers were still not prepared for the rise in leisure time and how to use it.

As society has passed from the stage of industrialization to one now described as post-industrial, where new technologies and ways of communicating and working have evolved, sociologists such as Baudrillard (1998) in *The Consumer Society: Myths and Structures*, have argued that we have moved from a society where work and production have been replaced by one which leisure and consumption now dominate. This has been reflected in social changes, such as the rise of new middle classes in many developed and developing countries, and these middle classes have a defining feature, which is the concern with leisure lifestyles and
consumption. The new-found wealth among the growing middle class has been increasingly spent on leisure items and tourism is an element of this (e.g. in 1911, 1 per cent of the population had 70 per cent of wealth; this dropped to 40 per cent in 1960 and 23 per cent in 2002 in the UK). The international growth in holidaytaking is directly related to this new middle class. The increasing mobility of this group has been reflected in a massive growth globally in their propensity to travel and the growth of a society focused on leisure, of which tourism is prioritized as a key element of their household budgets and as a form of conspicuous consumption as the following statistics suggest:

- factors promoting these changes include cheaper air fares and changing patterns of personal expenditure. For example, *The Family Spending Survey 2008* (published in 2009) by the Office for National Statistics found that household spending in the UK included £60.10 a week on recreation and culture, ranked second to transport at £63.40. This recreational spending included £13.60 a week spent on overseas package holidays and 1.10p on UK-based package holidays: this is over four times the amount spent in real terms in 1968. In 2009, this amounted to £378 million spent by UK residents on holidays
- the amount spent on overseas holidays has increased since 1971, when 6.7 million trips were taken rising to 68.2 million overseas trips in 2008, with those in managerial and professional employment (the new middle classes) spent double that of other employed classes
- in the period 1980–2008, there was a 204 per cent increase in the number of air passengers at UK airports, with the number of domestic passengers rising from 7.5 to 22.8 million. Similarly, the number of overseas passengers increased by 342 per cent from 42.9 to 189.8 million, despite recording a slight decrease on 2007 figures.

This snapshot of the UK shows that tourism is a major element of the leisure spending of households and tourist travel to the UK is a major driver of the economy. The growing significance of travel and tourism in the household spending reflects what researchers have described as ‘leisure lifestyles’.

Interest in tourism in Europe, North America and other parts of the world has been given an added boost by the impact of new technology such as the internet and the worldwide web, which has rendered knowledge and awareness of tourism and the opportunities to travel worldwide more accessible. The worldwide web has been used as a medium to portray travel options and the product offerings of destinations, so that people can search and explore travel options at a global scale from the ease of a computer terminal. In Europe, the impact of this new technology in the early years of the twenty-first century has generated a new tourism boom akin to the rise in international tourism in the 1970s, with new forms of technology and the supply of cheaper forms of travel (i.e. the low-cost airlines) fostering this demand. Over 90 per cent of some low cost airline bookings are now made online which illustrates the power of the internet and its role in reaching a new customer base in the tourism sector. This has given rise to the rise of e-tourism, which is the digitization
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of all elements in the tourism supply chain\(^1\), whereby the supply and demand for tourism can be met through new virtual forms of distribution such as the worldwide web, as opposed to conventional methods such as travel agents and paper brochures. This has certainly revolutionized tourism and the access to travel knowledge and information, hitherto largely within the confines of travel agents and travel organizers: now everyone can be their own travel agent if they have access to the technology.

Other commentators have also pointed to the changing sophistication of tourists as consumers, especially the middle classes with their pursuit of authentic and unique experiences. This is part of what Pine and Gilmore (1999) identified as the *experience economy* which is the next stage in the evolution of society from a service economy. They argue that businesses need to create experiences which create a sensation, can personalize the experience to build a relationship with the consumer and they suggest four areas of experience that we need to focus on:

- entertainment
- education
- esthetic (i.e. an ability to immerse oneself in something) and
- escapism in what is consumed.

This has major implications for the types of tourism experience we develop now and in the future and it has gained momentum with the growth of the internet that now allows consumers to seek out these experiences globally.

The internet

*e-tourism* is only the first stage of the internet’s impact upon tourism. The first wave of internet technology created an online travel community where tourism businesses were able to market and communicate with consumers through electronic media. This has been followed by a new wave of web-based communities known as Web 2.0 (also described as *computer-generated media* or *social media*) where the online content is created by online users and made available to other users via the Web 2.0 interactive technology. The importance of this technology is that it allows consumers to communicate about social themes such as holidays and travel. So the increasing use of the internet to make bookings and reservations for travel online has been combined with consumer ratings and reviews online through travel sites such as TripAdvisor.com. Therefore, many of the previous principles of travel planning, where the advice and knowledge of travel agents was seen as a key determinant of holiday decision-making have now been replaced by the technological power of the internet.

Access to and use of internet technology is increasing and one important feature which many studies confirm is that this technology is increasingly used to search out and peruse travel options as well as for making

\(^1\)The supply chain comprises all the elements of a tourism experience which the tourism sector combines and links together to produce a holiday such as transport, accommodation and attractions.
bookings. With these issues in mind, attention now turns to what is meant by the terms ‘tourism’, ‘tourist’ and ‘travel’.

**Concepts – tourism, the tourist and travel**

Attempts to define tourism are numerous and very often the terms ‘travel’ and ‘tourism’ are used interchangeably. According to the international organization responsible for tourism, the World Tourism Organization (UN-WTO):

Tourism is defined as the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business and other purposes not related to the exercise of an activity remunerated from within the place visited. The use of this broad concept makes it possible to identify tourism between countries as well as tourism within a country. ‘Tourism’ refers to all activities of visitors, including both ‘tourists (overnight visitors)’ and ‘same-day visitors’.

(www.world-tourism.org)

This seemingly straightforward definition has created a great deal of debate. In fact, controversy has surrounded the development of acceptable definitions since the League of Nations’ attempt to define a tourist in 1937 and subsequent attempts by the United Nations conference in 1963 which considered definitions proposed by the then IUOTO (now UN-WTO). There have also been attempts to clarify what is meant by the term ‘visitor’ as opposed to ‘tourist’ and the distinction between tourists who travel within their own country (domestic tourists) and those who travel to other countries (international tourists). What the debates on defining tourism at a technical level show is that it is far from an easy task in agreeing what constitutes a ‘tourist’. For example, should we include someone who is a visitor staying in a second home?: they are technically away from their home, but are staying in another form of property they own. Similarly, how far away from your home area must you travel before your activity is deemed tourism? A further problem is associated with the category of cruise ship passengers who dock at a port and visit briefly, not staying overnight, or cross-Channel trippers who may cross an international boundary but then return within a day and do not stay overnight.

To try and encompass many of these anomalies and problems, the UN-WTO produced guidelines and a useful categorization for defining a tourist, which is shown in Figure 1.1. What is increasingly obvious is that new forms of research on tourism are needed to understand how the phenomenon loosely defined as tourism is evolving as it is far from static. For example, research on tourism and migration has identified the short-term migration of the elderly who winter in warmer climates – such as the UK pensioners who overwinter in the Mediterranean – as a new type of tourist. These patterns of tourism migration incorporate owners of second homes, tourists and seasonal visitors who spend two to six months overseas in locations such as Tuscany, Malta and Spain. For example, 328 000 people own a second home in the UK and 178 000
have purchased overseas properties. In the USA, estimates of domestic second-home ownership range between 3.6 million and 9.2 million properties, the majority of which are located in coastal or rural areas. This pattern of seasonal tourism and migration also generates flows of people known as ‘visiting friends and relatives’, and these are somewhat different to the conventional images of package holidaymakers destined for these locations in Europe. In the USA, a long-established trend of a family vacation is the holiday home. Some commentators also suggest that existing definitions of tourism are dated and are being challenged by new forms of tourism such as students engaging in a Year Abroad.

Therefore, the following definition of tourism might be useful where tourism is

the field of research on human and business activities associated with one or more aspects of the temporary movement of persons away from their immediate home communities and daily work environments for business, pleasure and personal reasons (Chadwick 1994: 65).

In the USA, there is a tendency still to use the term ‘travel’ when in fact ‘tourism’ is meant. What is clear is that tourism is associated with three specific issues:

- ‘the movement of people
- a sector of the economy or an industry
- a broad system of interacting relationships of people, their needs [sic] to travel outside their communities and services that attempt to respond to these needs by supplying products’.

Source: After Chadwick (1994: 65)
From this initial starting point, one can begin to explore some of the complex issues in arriving at a working definition of the terms ‘tourism’ and ‘tourist’.

Probably the most useful work to provide an introduction to tourism as a concept and the relationship with travel is Burkart and Medlik’s (1981) seminal study *Tourism: Past, Present and Future*. This identified the following characteristics associated with tourism:

- tourism arises from the movement of people to and their stay in various destinations
- there are two elements in all tourism: the journey to the destination and the stay including activities at the destination
- the journey and the stay take place outside the normal place of residence and work, so that tourism gives rise to activities that are distinct from those of the resident and working populations of the places through which tourists travel and in which they stay
- the movement to destinations is of a temporary, short-term character, with intention to return within a few days, weeks or months
- destinations are visited for purposes other than the taking up of permanent residence or of employment remunerated from within the places visited.

*Source: Burkart and Medlik (1981: 42)*

All tourism includes some travel but not all travel is tourism, while the temporary and short-term nature of most tourist trips distinguishes it from migration. But how does tourism fit together – in other words how can we understand the disparate elements? One approach is to look at tourism as an integrated system, which means that one has to ask how tourism is organized and what the defining features are.

An organizing framework for the analysis of tourism

The most widely used framework is that developed by Leiper (1990 – see Hall and Page, 2010 for a posthumous review of his work) who identified a tourism system as comprising a tourist, a traveller-generating region, tourism destination regions, transit routes for tourists travelling between generating and destination areas, and the travel and tourism industry (e.g. accommodation, transport, the firms and organizations supplying services and products to tourists). This is illustrated in Figure 1.2 and shows that transport forms an integral part of the tourism system, connecting the tourist-generating and destination regions together. Thus, a ‘tourism system’ is a framework which enables one to understand the overall process of tourist travel from both the supplier and purchaser’s perspective (known respectively as ‘supply’ and ‘demand’) while identifying the organizations which influence and regulate tourism. It also allows one to understand where the links exist between different elements of tourism, from where the tourist interacts with the travel organizer (travel agent or retailer), the travel provider (airline, or mode of transport), the destination area and tourism sector within the destination. This approach is also helpful for understanding how many elements are assembled by
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the tourism sector to create an experience of tourism. One major element in this experience of tourism is the tour, which is a feature of holidays and the use of leisure time.

The tour, holidays, leisure time and the destination

What is evident from Leiper’s model of the tourism system is that the tour – which is a trip or travel anywhere for pleasure, leisure or business – is a vital element. The tour is an underpinning feature of tourism, a prerequisite for tourism to occur – the consumer has to be brought to the product or experience, and has to travel, and it is a reciprocal event – the traveller travels out and back. Transport and single or multiple locations are involved. The conventional definition of touring inevitably implies travel to one or more places, called ‘destinations’. A destination typically comprises attractions (e.g. natural and man-made), need to be accessible, have available packages to attract visitors, provide ancillary services such as tour guides and have amenities such as accommodation and retailing. This notion of a destination is increasingly being used as a framework for tourism management by public sector organizations to understand how the visitor experience of a place can be developed and enhanced as well as how the synergies between businesses can be developed and the competitiveness of the destination can be improved.

For the tourist, there are various forms of touring: the excursion by road or rail which may have a scenic element known as a touring route; some cruises, where the ship tours a range of destinations or ports of call. Conversely, the excursion element may be something that the tourist undertakes at the destination on a day-trip basis or in the form of a more sustained trip, with a planned or unplanned itinerary. Whilst the holiday is something which encompasses the entire experience or use of leisure time for a holiday, the tour is a distinct element of the holiday and has distinct travel patterns. These patterns contribute to the development of places as destinations which develop and grow through time. Some researchers have attempted to explain the growth, stagnation and decline of tourist resorts such as spas in terms of a resort life cycle. The work of Butler, published in 1980, suggested that resorts follow a specific cycle
of growth. The initial exploration by tourists is followed by a period of involvement, often with patronage by a royal figure who started a trend towards visitation (e.g. King George III visiting Weymouth in England) or by its wider popularization as a resort for the elite to visit. This set the stage and created tourism tastes and fashions emulated by the visitors. The next stage of Butler’s model is development, followed by consolidation and then stagnation. At this point, the resort may decline or action may be taken by agents of development (i.e. an entrepreneur, the public sector or a combination of both) to rejuvenate the resort, and this rejuvenation is the last stage of the model. Figure 1.3 illustrates this pattern through time and shows the creation (i.e. birth) and decline (i.e. death) of resorts. Although such models are highly generalized and simplify the reality of resort development, they are a starting point for the analyses of resorts such as spas through history. The model has also been used in recent years as a basis to try and understand what point specific destinations are in their life cycle, since the model follows the marketing concept of the product life cycle, where products may have definite or indefinite life courses. The same applies to tourist destinations which can decline when tourist tastes and patterns change and so fall out of favour and require a new focus or attraction to bring the visitors back.

In view of these issues, which help to understand the nature of tourism as an entity, attention now turns to the scale, significance and importance of tourism as an international activity.

### Measuring tourism

Once we agree a general definition of what tourism is, we can look for methods that add precision to the scale, volume and significance of tourism as a global activity. Measuring tourism also helps to understand some of the problems which planners and decision-makers need to address in...
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planning for tourism and future growth scenarios. There are three basic considerations in trying to define tourism as an activity, which are:

1. what is the purpose of travel (e.g. business travel, holidaymaking, visits to friends and relatives)?
2. what time dimension is involved in the tourism visit, which requires a minimum and a maximum period of time spent away from the home area and the time spent at the destination? In most cases, this would involve a minimum stay of more than 24 hours away from home and less than a year as a maximum
3. what situations exist where some countries may or may not choose to include travellers, such as cruise passengers, travellers in transit at a particular point of embarkation/departure and excursionists who stay less than 24 hours at a destination, as tourists?

There are five main reasons why measuring tourism is important:

1. to understand why and how significant it is for certain destinations, countries and regions in terms of the scale and value of the visitors
2. to understand how important it is for countries in terms of their balance of payments, as it is an invisible export that generates foreign currency and income
3. to assist the tourism industry and governments in planning for and anticipating the type of infrastructure which is required for tourism to grow and prosper
4. to assist in understanding what type of marketing is needed to reach the tourist as a consumer, and what factors will influence tourists to visit a country or destination
5. to help the tourism industry make decisions about what type of action is needed to develop tourism businesses.

The growth of global tourism and volatility in demand

At a general level, measuring tourism through the collection, analysis and interpretation of statistics is essential to the measurement of the volume, scale, impact and value of tourism at different geographical scales from the global to the country level down to the individual destination. At the simplest level, this is shown in Figure 1.4, which demonstrates the trends in global tourism since 1950 and forecasts to 2020.

Figure 1.4 uses the UN-WTO arrival statistics for each year and their forecasts and shows that international tourist arrivals have not simply grown year on year. A number of downturns have occurred in tourist arrivals, more recently caused by the impact of Foot and Mouth in the UK, the 11 September 2001 and Bali (September 2002) terrorist events and other factors (e.g. the economic crisis in Argentina, the strength of the US dollar, conflict in the Middle East) and the SARS (Severe Acute Respiratory Syndrome) outbreak. One could term the period since 2000 as one in which international tourism has operated in ‘turbulent times’. Part of this turbulence, as Glaeßer (2006) notes, is the impact of natural catastrophes on tourism. For example, in the twentieth century there
The growth of global tourism and volatility in demand

have been 50,000 natural disasters but between 1990 and 2005 there have been 500–700 such catastrophes each year. These events have periodically interrupted or at worst devastated the tourism industry (e.g. the earthquake that devastated Haiti in 2009), contributing to the notion of turbulence in tourism activity. In other words, a range of factors impact upon visitor arrivals at an international level, because tourism is a very fickle activity (i.e. it is very vulnerable to the external factors mentioned above which act as deterrents to travel) and adverse events can act as shock waves which send ripples across the world and impact upon people’s willingness to travel for pleasure reasons. This is because tourism needs relative stability for such activity to occur and the vulnerability to shock effects has been described as volatility in tourism demand which reacts very quickly to these crises or shock events such as wars, currency fluctuations and political instability. Tourism also responds to very positive factors such as hosting the Olympic Games which may lead to a sudden change in the volume of visitors. One of the most recent shock events that have impacted on global tourism is the global credit crunch. Whilst this has had different types of impacts on various tourism markets (the most substantial on business travel), its continued existence has led to a global decline in visitor arrivals internationally. In addition, in 2008, the effect of the credit crunch was compounded by the outbreak of a global pandemic associated with swine flu (see Figure 1.5) which initially developed in Mexico and spread by travellers returning to their home areas or by visiting new areas so that a number of fatalities occurred in the affected countries as shown in Figure 1.5.

At the same time, major religious events can be a major stimulus to tourist travel such as pilgrimages to locations such as Lourdes in France, where its waters are seen as having healing properties. Other religious events such as the Pope’s Christmas message attract large audiences in Rome while other religious faiths have similar examples. At a global scale, recent trends in international tourism can be summarized as follows:

- international tourism is dominated by western European destinations
- new areas for tourism activity, such as Asia and the Pacific (including the growing economies of Singapore, Thailand, South Korea, Taiwan and China) are beginning to develop their volume of visitor arrivals at the global scale and experiencing the highest rates of tourism growth

Figure 1.4 The growth of international tourism since 1950 and forecasts to 2020
(Source: UN-WTO data)
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Figure 1.5 The global distribution of deaths from Swine Flu in 2008–2009

Based on WHO data © SJ Page
• the top destinations worldwide in terms of arrivals in 2009 were: France, Spain, the USA, China, Italy, UK and Germany
• more established destinations in north-western Europe and the USA have seen slower growth compared to emerging regions such as Africa, N. E. Asia, Eastern Europe, S. E. Asia and the Middle East. What these rates of growth mean for individual destinations can be seen in Web Case 1.1 which examines Vietnam.

But one of the enduring problems of tourism statistics are that they are an incomplete source of information because they are often only an estimate of the total pattern of tourism. In addition, such statistics are often dated when they are published because there is a significant time lag in their generation, analysis, presentation and dissemination. This is because many published tourism statistics are derived from sample surveys with the results being weighted or statistically manipulated to derive a measure which is supposedly representative of the real-world situation. Hence, many tourism statistics at a country or regional level often state they are estimates of tourism for this reason. In reality, this often means that tourism statistics may be subject to significant errors depending on the size of the sample.

The typical problems associated with measuring tourism are as follows:
• tourists are a transient and highly mobile population making statistical sampling procedures difficult when trying to ensure statistical accuracy and rigour in methodological terms
• interviewing mobile populations such as tourists is often undertaken in a strange environment, typically at ports or points of departure or arrival where there is background noise which may influence responses
• other variables such as the weather may affect the responses.

Source: Latham (1989)

Even where sampling and survey-related problems can be minimized, such tourism statistics have to be treated carefully as they may be influenced by how the tourist was measured and the type of approach used. The main ways of measuring tourists through surveys are as follows:
• pre-travel studies of tourists intended travel habits and likely choice of destination (intentional studies)
• studies of tourists in transit to provide information on their actual behaviour and plans for the remainder of their holiday or journey (actual and intended studies)
• studies of tourists at the destination or at specific tourist attractions and sites, to provide information on their actual behaviour, levels of satisfaction, impacts and future intentions (actual and intended studies)
• post-travel studies of tourists on their return journey from their destination or on-site experience, or once they have returned to their place of residence (post-travel measures).

Such studies can also be used to examine different facets of the tourist as the following three approaches suggest:
• measurement of tourist volume, enumerating arrivals, departures and the number of visits and stays
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- expenditure-based surveys which quantify the value of tourist spending at the destination and during the journey
- measurement of the characteristics and features of tourists to construct a profile of the different markets and segments visiting a destination.

In the commercial world, tourism data are also collated by organizations that specialize in its collection and analysis including market research companies. Tourism consultants may also be commissioned specifically to collect data for feasibility studies of tourism developments or new business opportunities and much of the information remains confidential to the client due to its commercial sensitivity. But in most cases, national governments collate tourism statistics through studies of domestic and international tourism which are then assembled by the UN-WTO.

Once we have an understanding of how tourism is measured and collated, then we can begin to think about what the patterns and trends in tourism mean at a global level and what the implications are, particularly in terms of the more critical issues of what forces are affecting tourism as a global activity.

New forces affecting tourism – globalization, inequality and the developed and developing world

When one looks at the patterns of tourism, and those areas which are growing in terms of international tourism, it is evident that the majority of outbound travellers are from the developed countries of Europe and North America, Australasia and the new middle class in many developing countries. In some cases, the tourists are travelling to developing countries where the standard of living often means the majority of the population lives at subsistence level or at a much lower standard than the visitor. The contrast in wealth between visitor and host is often very large and it highlights a clear inequality between those who have the disposable income to enjoy the luxury of international and domestic travel and the tourism employees who are working at low wage rates and in low-paid, unskilled jobs. This situation is made worse by the growing impact of globalization.

Globalization is a process associated with the growth of large international companies and corporations, which control various forms of economic development and production internationally from their host country, making goods and delivering services at a lower cost using low overheads and cheap labour in developing countries. Tourism is no exception to this: large multinational hotel chains and tour operators use developing countries and destinations as the basis for their tourist product. In these situations, the economic linkages with the local community are limited, so that low-skill jobs and low economic benefits are traded off against the profits and economic benefits of tourism development being expropriated (i.e. returned) to the country of origin of the multinational firm. In many cases, the weakly developed nature of local economic linkages in developing countries’ tourism economies means they are often trapped into such exploitative relationships because they do not have the indigenous capital or entrepreneurs to set up tourism businesses. A lack of education, know-how and power to negotiate with multinationals to
maximize the benefits for local people means that tourism can develop as a form of exploitation for such communities. This may mean that rather than importing foodstuffs, such as internationally recognizable brands, to meet the tastes of tourists, local products should be developed to nurture the linkages with the local economy, so local people may benefit.

Tourists bring their leisure lifestyles with them on holiday and these are increasingly consumptive and conspicuous. Their spending power could be harnessed for the benefit of the local economy. A growing problem in many tourism destinations worldwide is that the growth of tourism and expropriation of its profits mean that the environmental resource base which is used to attract tourists (e.g. attractive beaches, wildlife and the cultural and built environment) is not invested in and may be spoilt. More and more, attention is turning to the extent to which tourism is a sustainable economic, social and environmentally based activity. That we should use the environment without conserving it for future generations is one of the central arguments in the sustainable tourism debate. This also raises the issue of inequalities related to tourism; for example, tourist use of local resources required by residents can destroy those resources and environmental quality. This means that local people, governments and international agencies have a responsibility to lobby and take action to ensure that tourism development which occurs in different countries and locations is not only sustainable but seeks to minimize negative impacts as far as possible. It should not marginalize vulnerable groups such as children and the local workforce: the International Labour Organization (ILO) has estimated that between 10 and 15 per cent of the tourism workforce worldwide comprised children who do not enjoy appropriate standards of labour and employment conditions (see the work of Tourism Concern at tourismconern.org.uk). Among the common human rights abuses which Tourism Concern have highlighted are: the forced eviction of people to make way for tourism development; environmental damage resulting from tourism which impacts upon the resources people depend upon for their livelihoods; exploitation of tribal people as tourist attractions and poor levels of pay and poor working conditions for employees in the tourism sectors.

Tourism needs to be developed in an ethical manner so that exploitation is not its hallmark. This is a theme which will be returned to later in the book; at this point it is enough to emphasize that tourism development and activity not only needs to be socially and environmentally responsible, it must be sustainable and long-term rather than short term and exploitative (so that the goose that lays the golden egg is not killed off). The tourism industry needs to work with communities, local bodies and people to ensure that tourism is a win–win activity for everyone and is integrated into the local community rather than just exploiting its local assets. This may require a significant change in emphasis in the way tourism is developed and managed but it is an enduring theme, which is worth highlighting at different points in the book (see Box 1.2 for more detail).

Tourists and tourism businesses have a greater responsibility to ensure that tourism is promoted as an activity which will not only enhance global understanding and interaction between people of different cultures and societies, but which will also promote dialogue, benefits and opportunities for the tourist, the host and the environment. So, in some
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Tourism may be a way of providing the stimulus and means for preserving and conserving endangered species and environments as well as providing benefits beyond those, which normally accrue to the tourism industry. Tourism has to operate as a profitable activity, but for its long-term future, mutually beneficial relationships and links between the industry, people and the environment must exist to bring financial and sustainable benefits for all and enhance the reputation and image of tourism as a global phenomenon. This is the underlying basis of the pro-poor tourism lobby. In this way the welfare and benefits of tourism to tourists can also be extended to the host population and help to address many of the global inequalities which exist in the growing globalization of tourism activity as multinational enterprises seek to exercise greater control of the choice and nature of tourism being offered to consumers. Although this book will not be able to address all of these issues, it is hoped that they will be at the forefront of the reader’s mind so that they are aware of the implications of the tourism industry and its activities at a global, national and local level throughout the book.

Box 1.2 Tourism and poverty alleviation

Extreme poverty is a major problem for many developing countries who have a large proportion of their population living a subsistence lifestyle, often existing on less than $1 a day. At the same time, many of these countries have seen their tourism economies expand as tourists seek new destinations and governments embrace the expansion of this activity to generate foreign revenue. A considerable body of research from consultants and academics has arisen on how this expansion of tourism may be harnessed to address the development problems associated with poverty (see Scheyvens, 2007, 2011; Mitchell and Ashley, 2009). This new thinking has been described as pro-poor tourism which is designed to develop ways to maximize the benefits from tourism to raise local people out of poverty. This involves measures that will: encourage the employment of local people (as opposed to expatriate labour), to provide opportunities for local people to supply goods to tourists and tourism businesses and the creation of micro-enterprises so people can develop their own businesses. However, many obstacles have been identified in implementing pro-poor tourism strategies in less developed countries which include: a lack of awareness and understanding in poorer communities which limits their understanding of the opportunities available; a lack of skills and entrepreneurial talent to capitalize on the opportunities and access to finance to create new businesses focused on tourism as well as cultural concerns over how tourism may affect their way of life. Where success stories of pro-poor tourism exist, these examples of best practice need to be shared so that tourism can be harnessed to address abject poverty through case studies of best practice which outline the principles and success factors associated with implementation of such an approach. This is vital if the benefits of tourism development are to be harnessed in the future to address poverty.

Further reading

Mitchell and Ashley (2009) Tourism and Poverty Reduction: Pathways to Prosperity.
A framework for the book

The title of this book is *Tourism Management* and therefore it is useful to present an organizing framework for the book and what is meant by the term ‘tourism management’. What is often seen and used as an ambiguous term is the word ‘management’. Therefore, in this section, the relationship of tourism with management and its meaning in the context of this book is examined.

Tourism and management as a focus for the book

At a very general level, the word ‘management’ as applied to tourism refers to how tourism needs to be managed as a growing activity at a global, national and local level in order that its often contradictory forces (i.e. the pursuit of profit as a private sector activity and impact on the resource base it uses such as a beautiful coastline on a Pacific island) are reconciled and balanced so that tourism develops and is pursued in a sustainable manner. This means there is a need to examine the basic principles associated with the term ‘management’ and how they can be integrated with tourism as an activity. The basic functions associated with management are:

1. **Planning**, so that goals are set out and the means of achieving the goals are recognized
2. **Organizing**, whereby the work functions are broken down into a series of tasks and linked to some form of structure. These tasks then have to be assigned to individuals
3. **Leading**, which is the method of motivating and influencing staff so that they perform their tasks effectively. This is essential if organizational goals are to be achieved
4. **Controlling**, which is the method by which information is gathered about what has to be done.

Each of these functions involves decision-making by managers, businesses, tourist destinations or organizations so that they can be harnessed to achieve the objectives and tasks associated with managing tourism. The word ‘organization’ is often used as an all-embracing term to refer to the type of tourism entity which is involved with tourism as a business or other level. These businesses are motivated by their involvement in tourism to make a profit and, therefore, the efficient organization and management of their activities are essential to ensure that company or organizational objectives are met. There is a school of management thought which argues that management only occurs when chaos occurs and that the function of management is to impose order and structure on that chaos. Within organizations dealing with the tourism sector (e.g. travel agents, airlines, tour operators and associated businesses), resources are harnessed (e.g. employees, finance, capital, technology, equipment and knowledge) to provide an output, which in the case of tourism is normally a product or experience consumed by the tourist or service. This output is achieved through the management of the resources.
Managing tourism demand and supply: The perennial management challenge for tourism organizations

One critical element of that management process is related to the way in which businesses have to address the following issues:

- **what should we produce as a business to meet a certain form of tourism demand?** (i.e. should we produce an upmarket high-cost holiday package for ecotourists using tailor-made packages or aim for mass market, low-cost package holidays?)

- **how should it be produced?** (i.e. should we contract in supplies to provide each element of the package product to reduce costs or should we produce each element to ensure quality control and consistency in product delivery?)

- **when, where and how should we produce the tourism product?** (i.e. do we produce an all-year-round or seasonal tourism product?)

- **what destinations/places should be featured in the tourism experience?**

- **what form of business or businesses do we need to produce the tourism services and products so that we meet demand?**

Tourism businesses need to address these issues for their long-term viability and success or failure will depend upon the management of their organizations’ resources to meet demand by consumers in an efficient and profitable manner. It is the concept of supply (i.e. what a business produces) which helps us to understand how the wide range of tourism businesses and organizations (and quite often businesses which do not see themselves as servicing tourists’ needs such as taxi companies) combine to link the tourist with the services, experiences and products they seek in a destination.

Sessa (1983) categorized the supply of tourism services by businesses as follows:

- **tourism resources**, comprising both the natural and human resources of an area

- **general and tourism infrastructure**, which includes the transport and telecommunications infrastructure

- **receptive facilities**, which receive visitors, including accommodation, food and beverage establishments and apartments/condominiums

- **entertainment and sports facilities**, which provide a focus for tourists’ activities

- **tourism reception services**, including travel agencies, tourist offices, car hire companies, guides, interpreters and visitor managers.

These ‘elements of tourism’ which combine at a destination highlight the scope of tourism supply, but a number of less tangible elements of supply (i.e. the destination image) also need to be considered. The business environment in which businesses operate can also have a major bearing on tourism supply. For example, in most countries tourism operates within a free market economy, and individual businesses operate in open competition. However, in some countries certain sectors of the tourism industry receive assistance from government through infrastructure provision, marketing and promotional support from tourist...
boards and other agencies. It is also apparent that when governments
decide to promote inbound tourism to destinations (also see Further
Web Reading 1).

The competitive environment which affects tourism businesses and
their operation needs to be considered in relation to a number of under-
lying economic issues:

- what competitive market conditions exist for a specific sector of tour-
  ism (i.e. the airline sector, hotel sector or attraction sector)? Do condi-
  tions of monopoly, oligopoly (i.e. where a limited number of suppliers
  control supply) or other market conditions exist?
- how many businesses are involved in these markets? What size are
  they? Are they able to respond quickly to new competitive pressures,
or are they characterized by complacency and an inability to redefine
  their operations in the light of aggressive competition?
- do the businesses involved in tourism display patterns of market
  concentration, where a limited number of businesses dominate all
  aspects of production (i.e. from retailing through to supply of ser-
  vices and products in the destination such as in the UK tour operator
  market)?
- what are the capital costs of entering a tourism market? Are there
  high entry and exit barriers? For example, starting an airline has high
  entry and exit costs, requires a high level of technical know-how and
  large capital investment and ongoing finance to service the business.
  Buying a guesthouse, on the other hand, has low entry costs and no
  barriers to entry in terms of technical competencies to be able to run
  and manage it and host visitors
- what types of products already exist in the market? Is there scope
  for innovation to develop new products without the risk of ‘ambush
  marketing’ by competitors who copy the idea and undercut the com-
  petition by loss-leaders to regain market share? Aggressive marketing
  and a limited number of loss-leaders have characterized the low-cost
  airlines and privatized railways in the UK in an attempt by their own-
  ers to capture price-sensitive leisure travellers. In other words, is there
  scope for price discrimination in the market to differentiate a whole
  range of products?

What these factors indicate is that the market conditions and business
environment in which tourism operates are far from static. They are con-
stantly changing, requiring businesses to adapt and to develop strategies
to retain their market presence.

For tourism businesses, recognizing these evolving patterns, new trends
and the need for innovation (i.e. new ideas and products) to address mar-
ket conditions re-emphasizes the importance of managerial skills in the
supply of tourism products and services. This also highlights what Mint-
zberg (1973) identified as the nature of managerial work in organizations
– short-term coping, disparate activities and more concerned with brevity,
variety and increasing fragmentation. Tourism managers and businesses
are no exception to this and Mintzberg’s research has an important bear-
ing on how managers performed certain roles (see Table 1.4) labelled
as interpersonal, informational and decisional roles. The ten manager-
ial work roles which Mintzberg identified illustrate the scope of activities
Tourism today: Why is it a global phenomenon embracing all our lives?

which operating and managing a tourism business require, as well as some of the complexities of how the individual business interacts with the wider body of interests conveniently labelled the ‘tourism industry’. It also suggests how important prevailing market conditions are when they impact upon how a business operates, manages and responds to opportunities, threats and shortcomings in its own organization. Yet to do this, a business needs also to understand its relationship to other tourism businesses. A convenient way to explain this is by using the tourism supply chain concept.

The tourism supply chain

As tourism is an amalgam of different interests, activities, stakeholders and businesses, the supply chain concept helps us to understand how different interests are functionally linked together to form a distinct method of service delivery. The supply chain concept originates in economics and has been used to explain how different businesses enter into contractual relationships to supply services, products and goods, and how
these goods are assembled into products at different points in the supply chain. Tourism is well suited to the concept of the supply chain because the product, service or experience that is consumed is assembled and comprises a wide range of suppliers. All too often our knowledge of the supply chain is quite restrictive, since a wide range of components are consumed in tourism including the use of bars, restaurants, handicrafts, food, infrastructure and related services. A schematic diagram of a typical tourism supply chain is shown in Figure 1.6. This shows that once the consumer has chosen a destination and product, the decision to purchase involves contacting a tourism retailer (e.g. a retail agent, a direct selling company or an internet-based seller such as www.expedia.co.uk). Having chosen a booking medium and selected a package from a tour operator, the package is then assembled. The tour operator enters into contractual relationships with tourism suppliers such as airlines (although larger tour operators may also own their own charter or schedule airline), hotel operators and suppliers of associated services such as airport transfers. These suppliers, in turn, contract suppliers who service their business needs: in-flight caterers, airline leasing companies, airport terminal services (i.e. check-in services, baggage handling, flight controllers, customer service agents for visitors and those with special needs, such as the disabled).

With so many organizations involved in the supply chain in relation to tourist spending and activity, it is clear that these are critical break or pressure points where the service provision could potentially fall down (see Figure 1.7).

The business strategies, that travel companies can pursue to develop their supply of tourism services and products include:

- focusing on core business (i.e. a holiday company focusing on selling holidays rather than being vertically integrated and operating its own airline and hotels)
- seeking to diversify its products. The leading French holiday company Club Méditerranée (Club Med), which traditionally sold packages to its 120 holiday resorts, has used this strategy. Since 1999 and its acquisition of Jet Tours (France’s fourth ranked tour operator, which
operated to 113 summer and 81 winter locations) it has diversified its operations to sell non-Club Med packages. Rewe in Germany has pursued a similar diversification strategy with its acquisition of a wider range of tour operating businesses in the long- and short-haul market

• choosing to operate in all segments of the tourism market. TUI has adopted this tactic and others such as Kuoni are moving towards that goal
• non-holiday companies may choose to enter the market: easyJet entered the cruise holiday business in 2005.

To implement these business strategies, companies in the tourism industry have adopted marketing-related concepts such as branding to differentiate their products in an increasingly competitive marketplace. For example, Club Med relaunched its worldwide image to re-emphasize its famous name and association with consumers, and particularly its dominant position in the French market. Thomas Cook, now owned by the German company C&N Touriste, has used its global image and historic association with pioneering tourism to continue its expansion throughout Europe (see Figures 1.8–1.10).

Managing the tourism sector

There is also a debate among tourism researchers who argue that tourism is a unique sector in that it displays characteristics of partial
Only certain organizations providing goods and services directly to tourists are in the tourism industry. The proportion of (a) goods and services stemming from that industry to (b) total goods and services used by tourists can be termed the index of industrialization, theoretically ranging from 100 per cent (wholly industrialized) to zero (tourists present and spending money, but no tourism industry).
What Leiper’s approach to the tourism sector shows is that managing the broad phenomenon called ‘tourism’ is complex for a number of reasons:

- the tourism industry is not a homogenous sector or segment of the economy: it is made up of various organizations directly involved in tourism (i.e. those which directly service tourist needs) and those
indirectly involved and so may be described as allied industries (i.e. food suppliers, retailers and other service providers).

- some of the organizations directly involved in tourism are responsible for encouraging and promoting tourism development and marketing
- the allied industries do not always see themselves as tourism-related enterprises
- the destination or area which the tourists visit is not the sole responsibility of one business or group of businesses; usually the public sector intervenes to ensure that business objectives (i.e. profit and increasing

Figure 1.10 Thomas Cook relaunch of its Egyptian tourism heritage with the 1981/1982 brochure advertising holidays to Egypt and Nile cruises
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tourism numbers and revenue) are balanced with local needs and business interests (known as ‘stakeholder interests’) in relation to the resource base which tourism utilizes (i.e. beaches, attractions, the infrastructure and overall environment)

• the public sector is responsible for trying to liaise, plan and manage these diverse group of interests that are associated with tourism as a phenomenon as well as having an underlying responsibility in many cases for the marketing and promotion of the destination.

Therefore, one can see how complex the management of tourism is when the interests and variety of organizations involved in tourism are considered and then the concept of partial industrialization is introduced.

From this discussion, who is responsible for tourism management can be examined at a number of levels, although this is not an exclusive list but a range of illustrations:

• at the individual business level, the manager(s) is (are) involved with the functioning and running of the enterprise

• at the destination level, responsibility often lies with a public sector led agency such as a tourism department (either as a stand-alone body or as part of a local authority department). In extreme situations where a destination is deluged with tourists due to its popularity, the public sector may lead with a public–private sector partnership involving business interests to manage the visitors on the ground

• at the country level, it is the national tourism organizations, funded by the public sector through taxes and sometimes with private sector members, who promote and market the country as a place to visit and attempt to manage the diverse interests involved in tourism

• at each level, be it the individual business, destination or country, a complex web of interactions and interrelationships exist which need to be taken into account in the decisions, interests and actions taken to manage tourism.

In each of these illustrations, the functions of management are harnessed. Tourism management as a pursuit, however, is further complicated in that there is a great debate as to what tourism is, what needs to be managed and who should be responsible. The fact that tourism can be seen as an experience based on the pursuit of pleasure and profit raises many complex issues such as whether the tourist is consuming a product, experience or service, and it leads to many debates on what to manage and how far management controls should be exercised by the tourism industry and public sector.

So how does this book address these questions?

One way is to view the managerial process of tourism as a multilayered process, in which the various organizations and stakeholders involved in tourism engage at different levels through time. Figure 1.11 demonstrates this. The focus begins with the individual business and the management processes (controlling, planning, leading and organizing) are continuous through the interconnected stakeholder groups from the individual business through to the various interests known as the tourism industry. These interests and the connections between management at different levels and
between groups mean that, in reality, these groups also have to be aware of external factors that will impact upon management such as the visitor, the business environment, consumer trends, the growth of the leisure society and political processes affecting tourism at government level. The book is organized in such a way that these issues are explained in a manner where the links between different elements of the tourism sector are addressed through examples and case studies. Each chapter builds upon the one preceding to develop the knowledge and understanding of what the tourism industry is, the management challenges facing each sector and how tourism affects changes in different contexts. Accommodating, anticipating and responding to that level of change is among the major challenges for tourism management in the new millennium.

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Further reading

The best international overview of tourism can be found in: Page, S.J. and Connell, J. (2009) *Tourism: A Modern Synthesis*, 3rd edn. London: Cengage.

For an overview of how tourism and leisure fit together, the best review to date can be found in Page, S.J. and Connell, J. (2010) *Leisure: An Introduction*. Harlow: Pearson.

Questions

1. Why is tourism such an important activity in the twenty-first century?
2. How would you classify tourists?
3. Why is tourism management important for a business operating in the tourism sector?
4. How stable is tourism as an economic activity?