MINISTRY OF HIGHER AND SECONDARY SPECIALIZED EDUCATION OF THE REPUBLIC OF UZBEKISTAN

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FUNDAMENTALS OF TOURISM

Recommended by the Coordinating Council under the Ministry of Higher and Secondary Special Education of the Republic of Uzbekistan 5610300- Tourism (by areas of activity), 5610200- Organization and management of the hotel activity, 5230202- Management: tourism business management as a textbook for undergraduate students

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Mazkur darslikda turizm sohasi mohiyatini ochib berish, turizm sohasidagi atamalarni izohlash, turizmda ko'rsatiladigan xizmatlarni tadqiq qilish, turizm turlarini yoritish, turizmning taraqqiyot yo'li, tajriba, hozirgi kundagi muammolarni aniqlab olish, turizmning iqtisodiy, ma'naviy va ijtimoiy ahamiyatini yoritib berish, O'zbekiston va jahon turizm biznesi taraqiyotini yoritishdan iborat.

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В этом учебнике описывается сущность туризма, разъясняются термины в сфере туризма, виды услуг в туризме, изучение видов туризма, пути развития туризма, опыт, определение текущих проблем, экономическая, духовная и социальная значимость туризма, развития туризма в Узбекистане.

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This textbook describes the essence of tourism, explains the terms in the field of tourism, types of services in tourism, the study of types of tourism, ways of tourism development, experience, identification of current problems, economic, spiritual and social significance of tourism, tourism development in Uzbekistan.

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Introduction

Travel makes one modest. You see what a tiny place you occupy in the world.”
− Gustave Flaubert, a French Novelist.

The development of tourism is also hindered by the lack of accommodation facilities and infrastructure, especially during the tourist season, the lack of coordination of the passenger transportation system by various means of transport, as well as the low organization of tourist information support about the existing tourism potential, the ineffectiveness of marketing campaigns to promote domestic tourism, and cultural heritage features and pilgrimages in the regions of the country.

In order to create favorable conditions and prerequisites for the development of tourism, especially in the private sector, increase the competitiveness and quality of services provided, actively and comprehensively promote the national tourism product on world markets and implement the proposals voiced in the Missive of the President of the Republic of Uzbekistan in Oliy Majlis of the Republic of Uzbekistan dated 28 December 2018, as well as in accordance with the objectives of the Strategy of Action in five priority areas of the development of the Republic of Uzbekistan in 2017 — 2021.

Uzbekistan has a huge tourist potential and in order to form and promote a competitive tourist offer Tourism Committee of Uzbekistan together with local authorities take the necessary measures for the further development of tourism, including the creation of infrastructure, development of the transportation system. The tourism sector has already received an assessment of the attractiveness due to benefits and preferences granted to entrepreneurs.

This is the result of the attention that the state pays for the development and formation of a qualitative environment for the further development of the sphere. For these purposes, a number of privileges and preferences for business entities in the sphere are envisaged. In particular: for 5 years from the payment of corporate income tax, land tax and property tax, as well as a single tax payment of legal entities, business entities were released upon entering into operation hotels and motels of at least 4 stars certified in accordance with the established procedure;

Understanding was achieved on the signing of an agreement between the State Committee for Tourism and the UN World Tourism Organization (UNWTO). The agreement is intended to recognize the status of the university as an international one, giving it the right to use the logo of UNWTO, as well as its recognition as an official partner. Within the cooperative organization of the qualified staff preparation, as well as of the study programs on the basis of UNWTO experience in higher educational establishments' creation in the sphere of international tourism in various countries, a working visit of four experts of UNWTO to Samarkand city was organized in August.

As the result, the implemented state policy and the reforms by the government on tourism development allowed including Uzbekistan into various international rates concerning tourism, where high indicators are observed.

UNIT 1: ORIGIN AND EVOLUTION OF THE TOURIST ACTIVITY

1.1. Introduction

In a world of change, one constant since 1950 has been the sustained growth and resilience of tourism as both an activity and an economic sector. It is therefore clear that tourism is a major force in the economy of the world, an activity of global importance and significance.

The World Travel and Tourism Council (WTTC) have demonstrated the tremendous scale of the world's tourism sector (WTTC, 2016). In 2015 the travel and tourism industry's direct contribution to the Gross Domestic Product (GDP) of the world was estimated at US$2.2 trillion and in total, by taking account of the re-spending of tourist dollars, US$7.2 trillion. This amounts to a direct contribution of 3.0% and a total contribution of 9.8% to world GDP. From a human perspective, the world travel and tourism industry directly supported 108 million jobs and a total of 284 million jobs when indirect impacts are accounted for, some 9.1% of total world employment. The dimensions of these figures presented by WTTC make it clear that tourism has now become a major economic sector in its own right, but when examined it is found to be a complex multi-sectoral industry demanding high-level planning and coordination, with many and varied agents involved, as the contents of this text testify. In this chapter, starting with definitions, we aim to give the overview of tourism as an activity, so as to provide a structure to contain the many different issues discussed in the rest of this text.

Travel as an aspect of human activity has a pedigree going back thousands of years, but the idea of travel for leisure, educational or health purposes really came to prominence during the eighteenth century 'Age of Enlightenment', with the development of the tourism in Europe.

Destinations then organized themselves to provide facilities for these temporary visitors, who we now know as tourists, taking a round trip or tour. The costs of such travel prohibited these trips to all but the wealthy, and it was not until the coming of the railways in the nineteenth century that opportunities were opened up for the general population, albeit limited to domestic tourism, which gave rise to the growth of the seaside resorts in Europe and the United States that can be found all around the coastlines of these continents. During the first half of the twentieth century expansion was curtailed by two world wars, so it would be safe to say that the tourism we see today has its roots in the 1950s, when what is now the United Nations World Tourism Organization (UNWTO) set about introducing a statistical definition of international tourism, and later domestic tourism, for the purposes of collecting information.

World's fastest-growing business and then examine what that business entails. You will look at the nature of tourism, its appeal, its phenomenal growth over the past half century, the resulting impact on both developed and developing societies and, above all, its steady process of institutionalization – that is to say, the manner in which tourism has become commercialized and organized since its inception, but more especially over the past half-century.

Formal study of tourism is a relatively recent development, the result of which has been that the tourism business has sometimes lacked the degree of professionalism we have come to expect of other industries. Indeed, in many destination countries it remains the case that much of the industry is in the hands of amateurs – sometimes inspired amateurs whose warmth and enthusiasm is enough to ensure that their visitors are adequately satisfied, but amateurs nonetheless.

However, a warm climate, friendly natives and a few iconic attractions are no longer enough in themselves to guarantee a successful tourism industry – least of all within the principal destination countries of the developed world, which now find themselves in an increasingly competitive environment in the battle to attract global tourists.

In itself, this unwillingness to develop a more professional approach to delivering the tourism product and building careers in the industry is a surprise, given that, for many developing nations, tourism was, even in the early twentieth century, if not the key industry, then certainly among the leading industries in their economies. This attitude is still more surprising in the developed world, given the early importance of international and domestic tourism in countries such as the USA, Spain, France, Switzerland and Great Britain.

The problem of definition is a serious and continuing difficulty for analysts of tourism. In particular the amorphous nature of the tourism industry has made it difficult to evaluate its impact on the economy relative to other sectors in the economy. Techniques have been developed to facilitate measurement of impact but there is no universally accepted definition of what constitutes the tourism industry. The World Tourism Organization (WTO) has attempted to address this problem in its publication A Standard Industrial Classification of Tourism Activities (SICTA) which is evaluated.

There are a number of features associated with tourism which are quite explicit. For example, tourism implies that a person undertakes a journey: the journey may be for less than a day (day tripper/visitor); or it may be a journey within a national boundary, therefore constituting a domestic tourist trip; or it might be a journey which crosses an international boundary, therefore being classified as an international tourism trip.

However, it is not only the nature of the journey which constitutes tourism, but is also the purpose of the journey which very broadly should be for leisure or business. In looking at the development of tourism historically, most attention has been given to the concept of international tourism, journeys across international boundaries. Although the components of the tourism industry will different between countries, there are certain subsectors which are clearly identified as being components of tourism activity, such as the accommodation sector which would include not only formal accommodation, hotels, guest houses, etc., but also camping sites, rooms in private houses and bed and breakfast type arrangements.

Travel agents and tour operators are recognized as comprising another distinct subsector. Transport – airlines, shipping, rail and car hire, cars and coaches – will also be seen as being important inputs to the tourism sector. In some countries, shopping and production of handicrafts is another associated activity of tourism. In all these examples we have one major problem, which is to measure the extent to which the output of the various sectors input to the tourism industry. This gives rise to many difficulties in attempting to define the economic value of tourism; for example, in a country like Singapore a very high proportion of a tourist's discretionary expenditure is spent on shopping. In other cases we may find that shopping is almost exclusively confined to duty free purchases, such as in Barbados.

While an understanding of the term's meaning is essential, in fact, the task of defining it is very difficult. It is relatively easy to agree on technical definitions of particular categories of 'tourism' or 'tourist', but the wider concept is ill defined. First, it is important to recognize that tourism is just one form of activity undertaken during a period of leisure.

Leisure is defined as 'free time' or 'time at one's disposal'1 and therefore can be taken to embrace any activity apart from work and obligatory duties. Leisure can entail active engagement in play or recreation or else more passive pastimes such as watching television or even sleeping.

Sports activities, games, hobbies, pastimes – and tourism – are all forms of recreation and discretionary uses of our leisure time. We can go on to say that, self-evidently, the tourist is one who engages in tourism.

Tourism, as one element of leisure, involves the movement of a person or persons away from their normal place of residence: a process that usually incurs some expenditure, although this is not necessarily the case. Someone cycling or hiking in the countryside on a camping weekend in which they carry their own food may make no economic contribution to the area in which they travel, but can nonetheless be counted as a tourist.

Many other examples could be cited in which expenditure by the tourist is minimal. We can say, then, that tourism is one aspect of leisure that usually, but not invariably, incurs some expenditure of income and that, further, money spent has been earned within the area of normal residency, rather than at the destination. The term 'tourism' is further refined as the movement of people away from their normal place of residence. Here we find our first problem.

- ✓ Should shoppers travelling short distances of several kilometres be considered tourists?
- ✓ Is it the purpose or the distance that is the determining factor?
- ✓ Just how far must people travel before they can be counted as tourists for the purpose of official records?
- ✓ What about that growing band of people travelling regularly between their first and second homes, sometimes spending equal time at each?

Clearly, any definition must be specific. In the United States, in 1973, the National Resources Review Commission established that a domestic tourist would be 'one who travels at least 50 miles (one way)'. That was confirmed by the US Census Bureau, which defined tourism 11 years later as a round trip of at least 100 miles. However, the Canadian government defines it as a journey of at least 25 miles from the boundaries of the tourist's home community, while the English Tourism Council proposed a measure of not less than 20 miles and 3 hours' journey time away from home for a visit to constitute a leisure trip, so consistency has by no means yet been achieved.

One of the first attempts at defining tourism was that of Professors Hunziker and Krapf of Berne University in 1942. They held that tourism should be defined as 'the sum of the phenomena and relationships arising from the travel and stay of non-residents, in so far as they do not lead to permanent residence and are not connected to any earning activity'.

This definition helps to distinguish tourism from migration, but it makes the assumption that both travel and stay are necessary for tourism, thus precluding day tours. It would also appear to exclude business travel, which is connected with earnings, even if that income is not earned in the destination country. Moreover, distinguishing between business and leisure tourism is, in many cases, extremely difficult as most business trips will combine elements of leisure activity. Earlier still, in 1937, the League of Nations had recommended adopting the definition of a 'tourist' as one who travels for a period of at least 24 hours in a country other than that in which he or she usually resides.

This was held to include persons travelling for pleasure, domestic reasons or health, those travelling to meetings or otherwise on business and those visiting a country on a cruise vessel (even if for less than 24 hours). The principal weakness in this definition is that it ignores the movements of domestic tourists.

Later, the United Nations' Conference on International Travel and Tourism, held in 1963, considered recommendations put forward by the International Union of Official Travel Organizations (later the United Nations World Tourism Organization) and agreed to use the term 'visitor' to describe 'any person visiting a country other than that in which he has his usual place of residence, for any reason other than following an occupation remunerated from within the country visited'. This definition was to cover two classes of visitor: 1. tourists, who were classified as temporary visitors staying at least 24 hours, whose purpose could be categorized as leisure (whether for recreation, health, sport, holiday, study or religion) or business, family, mission or meeting 2. excursionists, who were classed as temporary visitors staying less than 24 hours, including cruise travelers but excluding travelers in transit.

This broader definition was reformulated slightly, without losing any of its simplicity, at the International Conference on Leisure-Recreation-Tourism, organized by the AIEST and the Tourism Society in Cardiff, Wales, in 1981: Tourism may be defined in terms of particular activities selected by choice and under taken outside the home environment. Tourism may or may not involve overnight stay away from home.

Finally, the following definition devised by the then WTO was endorsed by the UN's, Statistical Commission in 1993 following an International Government Conference held in Ottawa, Canada, in 1991: Tourism comprises the activities of persons travelling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business or other purposes.

These definitions have been quoted here at length because they reveal how broadly the concept of tourism must be defined in order to embrace all forms of the phenomenon and how exceptions can be found for even the most narrowly focused definitions. Indeed, the final definition could be criticized on the grounds that, unless the activities are more clearly specified, it could be applied equally to someone involved in burglary!

With this definition, we are offered guidance on neither the activities undertaken nor distance to be travelled. In fact, with the growth of timeshare and second home owners, who, in some cases, spend considerable periods of time away from their main homes, it could be argued that a tourist is no longer necessarily 'outside the home environment'. It is also increasingly recognized that defining tourists in terms of the distances they have travelled from their homes is unhelpful as locals can be viewed as 'tourists' within their own territory if they are engaged in tourist-type activities and, certainly, their economic contribution to the tourism industry in the area is as important as that of the more traditionally defined tourist. Figure 1.1 illustrates the guidelines produced by the UNWTO (then, the WTO) to classify travellers for statistical purposes. Some loopholes in the definitions remain, however.

Even attempts to classify tourists as those travelling for purposes unconnected with employment can be misleading if one looks at the social consequences of tourism. Ruth Pape has drawn attention to the case of nurses in the United States who, after qualifying, gravitate to California for their first jobs as employment is easy to find and they can thus enjoy the benefits of the sunshine and leisure pursuits for which the state is famous.

They may spend a year or more in this job before moving on, but the point is that they have been motivated to come to that area not because of the work itself, but because of the area's tourist attractions. Frequently, too, students of tourism, after completing their course, return to work in the areas in which they undertook work placements during their studies, having found the location (and, often, the job) sufficiently attractive to merit spending more time there. People increasingly buy homes in areas where they can enjoy walking, skiing or other leisure activities, so that tourism is literally on their doorsteps, yet this growing group of 'resident tourists' is not taken into consideration for statistical purposes. Indeed, the division between work and leisure is further blurred today by the development of e-mail and websites that offer immediate access from wherever a worker happens to be spending time. This has led many to buy second homes in the countryside, where work may be engaged in between bouts of leisure and relaxation. Internet cafés and laptop computers allow workers to keep in touch with their business while away from home, further blurring the distinction between travel for work and travel for leisure.

1.2. Concepts of tourism, travel and hospitality

Emergence of cultural barter system was a favorable development towards increase in travel activity during this period. Phoenicians were amongst the earliest travelers in the modern sense. These were also the people who were credited for the invention of money. The medium of money was increasingly being used in various business and commercial dealings. The payment for travel to different centers as well as accommodation could now be done with greater ease. The element of 'organization' of travel came into light due to this reason. It is noteworthy that early travel in the east or the 'orient' as it is called was also largely based on commerce. Travels to countries like India and China, which are very old civilizations, enjoyed the reputation of being countries of fabulous wealth. This reputation picked up even more strength when the Europeans headed towards Indian shores for the very purpose of trade and commerce.

From the standpoint of gathering statistical information, definitions need to be clear, relevant to the subject of study and measurable. The starting point from the official UNWTO perspective is the inbound tourist to the destination (UNWTO, 2008), who is someone moving between different geographic locations, for any purpose and any duration. The inbound visitor is a traveler who is included in tourism statistics through taking a trip to a main destination outside his/her usual environment, for less than a year, for any main purpose, as indicated in Figure 1.2.1, other than to be employed by a resident entity or organization within the country or locality visited.

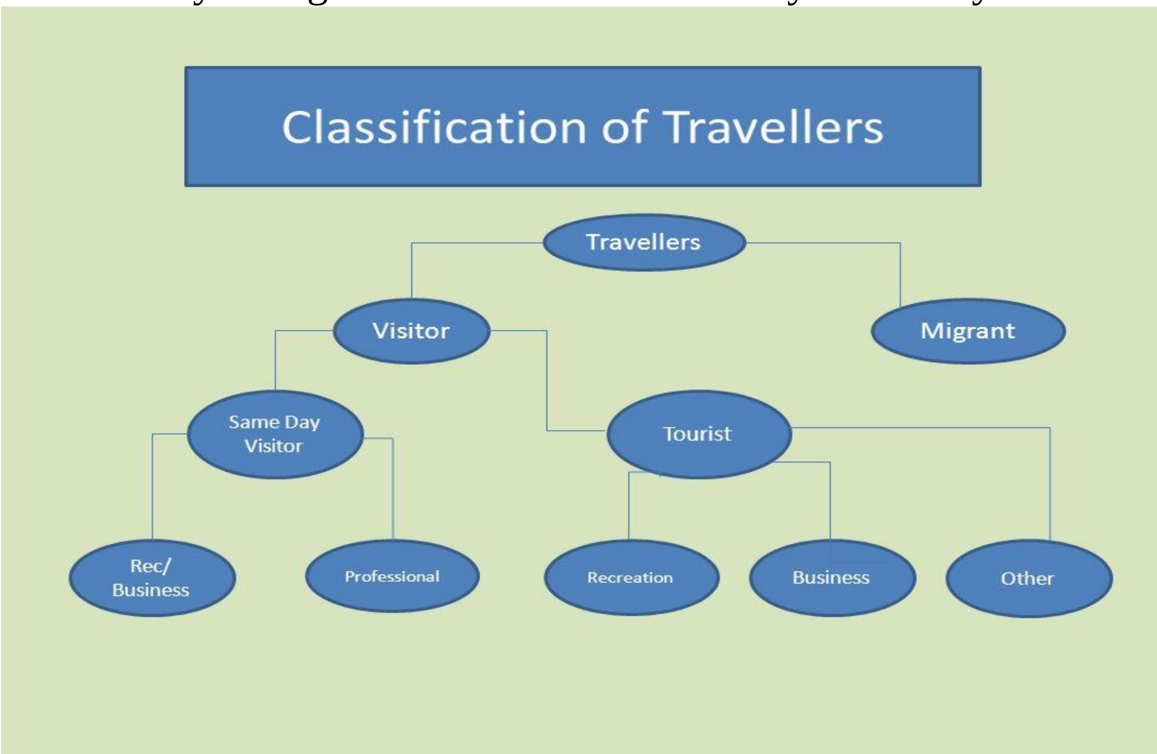

Figure 1.2. Classification of inbound travelers[1]
***Source*: UNWTO, 2008**[2]

Thus tourism refers to the activity of visitors as illustrated in Figure 1.2.1. It is therefore a subset of travel and visitors are a subset of travelers, whose activities are not solely concerned with the popular

[1] 2020 Informa UK Limited, trading as Taylor & Francis Group
[2] : Fletcher, John (John Edward) Title: Tourism : principles and practice / John Fletcher, Alan Fyall, David Gilbert, Stephen Wanhill Sixth edition. | Harlow, United Kingdom : Pearson, 2018

notion of pleasure travel, but also those who travel for the purposes of business, visiting friends and relatives, and several other reasons. This is relevant to users of tourism statistics: passenger transport carriers require the broad range of travelers to be recorded, while hoteliers are interested in tourists, especially business travel because of the relatively high revenue the latter generates for them.

The term ‘usual environment’ is critical for separating the visitor from the traveler, and hence tourism. It is defined as the geographical area (though not necessarily a continuous one) within which an individual conducts his/her regular life. The purpose of introducing this concept is to exclude from visitors those travelers commuting regularly between their place of usual residence and place of work or study, or frequently visiting places within their current life routine, for instance homes of friends or relatives, shopping centers, religious, health care or any other facilities that might be a substantial distance away or in a different administrative area but are regularly and frequently visited.

Thus, for international visitors, place of usual residence rather than nationality is the defining characteristic of their origin, as with domestic tourism. Recognizing the significance of second homes in today’s tourism, this aspect has particular relevance, for trips to vacation homes are usually tourism trips, but should not be so frequent and the duration of the stay so long so as to turn the secondary dwelling into the principal dwelling of the visitor.

As a field of study and research, the complexity of tourism draws in a wide range of perspectives from a variety of disciplines, as illustrated in Figure 1.2.2, where tourism can be observed from different standpoints due to its near relationship to other social sciences. The economic importance of modern tourism and its impact upon environments and societies are seen as meriting its inclusion as a domain of studies in its own right, but the operational definitions examined above can be rightly criticised for reducing tourism to a set of activities or economic transactions instead of analysing the significance, meaning and role of tourism to individuals.

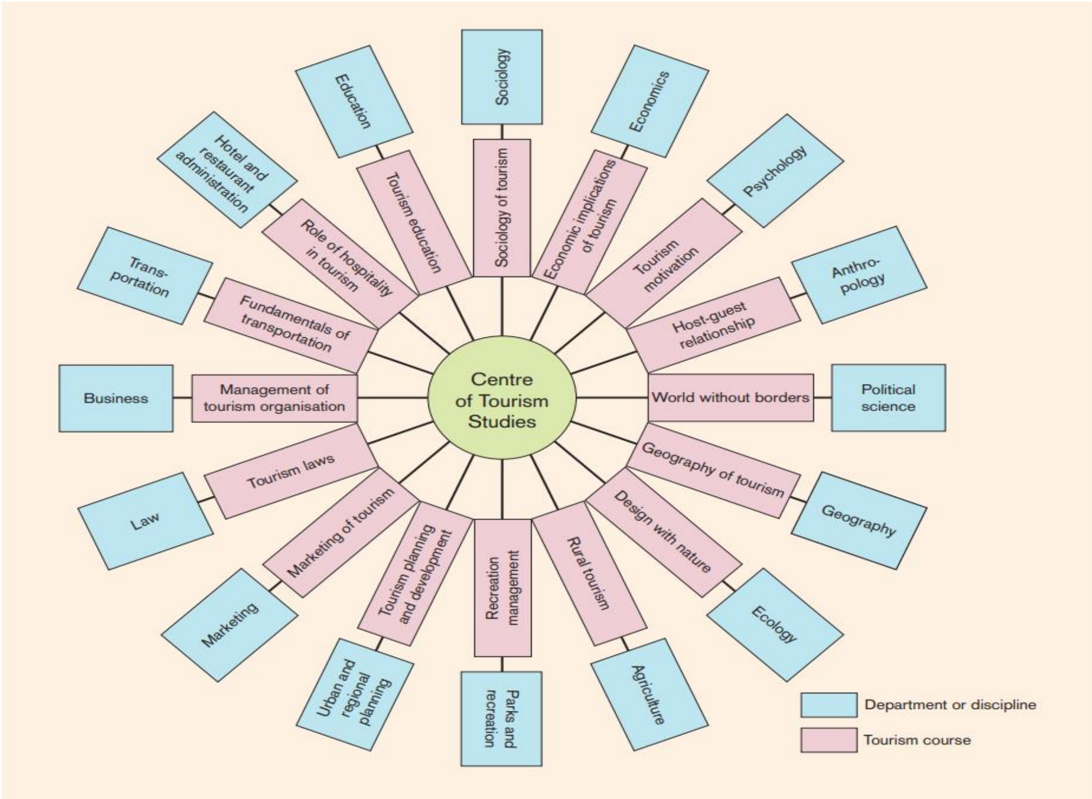

Figure 1.2.2. Study of tourism and choice of discipline and approach
***Source*: Jafari and ritchie, 1981; Goeldner and ritchie, 2006**[3]

However, some would argue that as an element of human behavior, it is questionable that tourism should be seen as a separate field of study, as witnessed by the fact that in many universities tourism is simply one aspect of scholarship within an existing single discipline department.

However, it would be naïve to suppose that organizations drawing up operational definitions are unaware that tourism is about human behavior that consists of many sundry aspects and uncertainties. They recognize tourism as a social, cultural and economic phenomenon related to the movement of people to places outside their usual place of residence, for which pleasure is the usual motivation. But having more and reliable statistics is essential for policy makers to make effective decisions. Only with sufficient and adequate data that generate

[3] Fletcher, John (John Edward) Title: Tourism : principles and practice / John Fletcher, Alan Fyall, David Gilbert, Stephen Wanhill Sixth edition. | Harlow, United Kingdom : Pearson, 2018

credible statistics is it possible to undertake different types of analysis of tourism.

Chaos theory has parallels in tourism, which has been subject to several disasters so far this century, for example, the destruction of the World Trade Center on 11 September 2001, the wars in Iraq and Afghanistan, the bombings of the London and Madrid railway systems, tsunamis on the coasts of Sri Lanka, Thailand and Japan, the Global Financial Crisis, and the current troubles in the Middle East, notably Syria, with their spillover effects in terms of refugees and terrorist activity in other countries, particularly in some of the main capital cities of Europe. These are events over which the actors had no control, which in turn have raised interest in chaos theory and its relation to crisis management.

Adaptability is the key, for chaos theory postulates Tourism has become an increasingly popular area of study for many students as the subject gains acceptability in the academic community.

Interdisciplinary tourism, whether a science, a discipline or not, underpinned by a good working knowledge of the subject, is thought likely to show much more promise than anything else so far conceived. It suggests an open-minded approach to tourism that acknowledges the contribution of differing subjects and disciplines to explaining tourism. This has been termed a ‘post-disciplinary’ approach that breaks through the parochial boundaries of the various disciplines to study how the diverse components of tourism interact, adapt and come together as a tourism system which is forever evolving as a construct and in the provision of the tourist experience.

1.3. History of tourism development

History is instructive in a study of tourism, not simply because there may be lessons to learn, but rather because the seeds of future growth are to be found in the past. Many historic inventions and innovations are effective in the contemporary scene. There is a vast legacy of infra- and superstructure from earlier development. Indeed much of the heritage, especially in landscaping and resort architecture, is highly prized. The city of Bath is one of the treasures of Britain and Europe, built principally in the eighteenth century as a tourism center.

It is hardly an exaggeration to say that Beau Nash was the country's first professional tourist 'director' and so successful that he created a magnificent town. He was, in fact, employed by the proprietors of the Assembly Rooms, a unique and successful tourism enterprise, not by the municipality.

Tourism is, however, a recent invention. The word was unknown in the English language until the last century, and increasingly came to have a somewhat suspect meaning, describing group travel of the cheaper kind, with an element of an insular dislike of strangers and foreigners. In contrast, the words travel and tourist were respected, reflecting the quality of the earlier tourists who were associated with the rich, educated, or aristocratic and society leaders. Thus travel for recreation and as an enjoyable activity was a relatively new concept.

In medieval times and almost up to the end of the sixteenth century the population living in agricultural communities was static, rarely moving from the village or local area. Even with the beginning of the industrial revolution, which was making a slow start in the eighteenth century in urban and factory development, a richer 'elite' class alone enjoyed leisure and travel, while the workers worked in situ. Indeed as industrialization got under way, according to Pimlott (1947), leisure time or holidays where they existed tended to decrease. The Bank of England closed on 47 days in 1761, but on only 4 days by 1834.

While there had always been some travel due to wars or on pilgrimages, by government officials, landowners, clerics, university students and teachers, the volume was very small and entirely purposeful or specialist.

The expansion of tourism with the growth in population and wealth in the eighteenth century was stimulated by the classic determinants of demand – leisure time, money and interest – or what is now termed preference.

Development can be followed in four distinct stages (discussed below), greatly influenced by transport changes, since transport is the key service in the business of going away from home to a new destination. The introduction with industrial technology of cheap and safe travel, with a major reduction in journey time, had a dramatic effect on the lives of the population in Britain and other European countries, and in the new colonized lands of North America and other continents transport influenced travel to a greater extent than perhaps any of the other forces released by the revolution in wealth-creating industry.

However, the improvements in transport did not create tourism. The latent interest or demand was already there. Wealth in the form of disposable income was an essential requirement, and lifestyles or fashion proved to be as important in the early days as they are today, even if the concept of marketing had not been invented. As we shall see, although the pioneers in the trade had never heard the word they were in fact very good in practice. In the early stages each improvement in transport created quickly more traffic than was expected, and more traffic than the new resources could bear, a phenomenon known to this day.

Prehistory tourism

The first of the four stages covers the long period of what might be called prehistory tourism: the medieval times and into the early seventeenth century when the first signs of industrial growth began to affect the way of life which had been established over the centuries. Gradual increase in wealth, the extension of the merchant and professional classes, the effects of the Reformation and the secularization of education stimulated interest in other countries, and the acceptance of travel itself as an educational force.

The railway age represented the second stage when steam trains and steamships transformed travel opportunities. Rapid growth of population and wealth created an enormous new market in a short period of time.

Mass travel was invented and with it resort development and the introduction of the travel trade of agents and tour operators with new marketing methods such as organized tours, travel packages and posters and brochures. These remain as key marketing tools today.

Although transport was a major factor in growth, there were other essential elements and also some problems because, as today, the coordination of transport plans and tourism policies or projects was limited or inadequate. They are distinct but evidently related areas of mutually dependent activity. Development of accommodation and resort infrastructure generally followed expansion of transport capacity and traffic movement with some delay and uncertainty.

The interwar period.

The third stage, almost an interregnum, is represented by the interwar period between 1918 and 1939. The full flowering of the age of railways and steam was halted abruptly by the First World War in 1914. As has happened before and since, the war gave a great impetus to some forms of technical development very helpful in the longer term, notably the expansion of road transport and considerable investment in aviation.

However, it was above all the age of the motor car. New fashions were introduced; in what might be called social tourism, through the extension of holidays with pay; an extension in a variety of recreational and specialist leisure activities; camping and caravanning; the spread of youth hostels; cheap transport and tours by motor coach. A substantial growth in foreign travel occurred. Many of the organizing interests were run by noncommercial or voluntary bodies.

Tourism take-off .

The period from 1945, through the postwar years up to the present time, represents the fourth or 'take-off' stage. It has been an era of revolution in technology, massive industrial development and change, which resulted in related acceleration in wealth creation and escalation of disposable incomes. Far-reaching changes in individual lifestyle and in personal and group communication have proved to be new factors in molding society.

Tourism has proved to be highly income elastic. After a certain income threshold, when all necessities in life have been met, discretionary income in the richer countries tends to be spent on what were formerly regarded as luxuries and services. In these countries, travel spending has increased at almost double, or even more, than the rate of growth in national income (or GDP). Of course, this is not a law of nature, because demand trends and fashions can change dramatically and quickly, but in the tourism take-off period, with few exceptions, the rule seemed to apply.

However, massive growth was concentrated in the industrialized countries, some 25 in number, principally in Europe. According to the UNWTO, world tourism flows increased by an average annual rate of

7.32 per cent from 1950 to 1991. These countries, with less than one-quarter of the world population, accounted for nearly 85 per cent of world tourist arrivals and over 80 per cent of world expenditures in 1991. Technical advances in transport and other forms of communication strongly reinforced the economic factors favoring tourism expansion. Television in particular provided continuous reminders of the interest variety of foreign countries' attractions. As the old saying goes: farther away the grass is greener. Gradually the appeal of foreign destinations overtook the interest in the domestic product or staying at home. The richer world was on the move.

During this period, in the industrialized countries the population became mobile through mass car ownership which changed lifestyles fundamentally. Trains and buses, the mainstay of public transport, lost their prime importance although remaining important carriers. In the USA, however, rail passenger travel was reduced to a minor position. The most revolutionary transport development took place in air travel. Before the war, airlines provided minimal services. Transatlantic airlines were no more than a dream. After 1945, greatly helped by engineering advances spurred on by wartime pressures, aviation embarked on rapid massive expansion, providing fast and safe longer distant transport, at increasingly cheaper prices in real terms. New tourism destinations were created, taking over from the railway age resorts. Long-distance travel gradually became a popular attraction and towards the later years of the period the fastest growing travel 'segment'. A business travel network between principal cities in Europe, North America, and linking continents, transformed business travel.

Indeed it created new forms of such travel in the widespread expansion of conferences, trade shows and incentive trips. Cheap holiday transport in Europe, through charter traffic controlled to a substantial extent by tour operators, stimulated mass movement from Northern Europe to the Mediterranean. Private car travel by the newly mobile urban dwellers supported the revolution in holiday taking and related tourism investment.

The rapid rise in tourism movement continued over the period year by year, with few interruptions, but the reappearance of cyclical factors or recessions, and towards the end of the period structural changes and some political instability, began to cast a shadow over expectations of never ending growth.

Tourism had never enjoyed the status of a senior industry deserving national priorities. Indeed much of this massive growth was left to market forces, with modest and at times decreasing government intervention in regulation or encouragement. Towards the end of the period signs of change, of uncertainties and criticism, and doubts about economic and social cost benefits, began to emerge. One might almost sense a turning of the tide by 1990, since when the Gulf crisis, recession and structural change has led to reviews of tourism's place, a marked decline in some major traffic flows, limitations in investment and changes in commercial organization. Each of these four periods deserves more detailed examination.

Early days

Roman roads provided an effective network for travel and communication in Europe. Following the destruction of the Roman Empire, inland transport improved little throughout the medieval period. Indeed, in some parts, including Britain, communication deteriorated. Horse transport was limited to individual travel or vehicles with very small capacity. Unreliable and seasonal, such movement was very slow, with speed little more than 3–4 miles per hour. There was in fact little progress until the eighteenth century when engineers like Telford, Mac Adam and Metcalf greatly improved the road system in Britain.

In medieval days, wars and pilgrimages created substantial movement from time to time. Chaucer describes the Wife of Bath in the Canterbury Tales as highly esteemed because she had made the pilgrimage to the famous shrine of St James of Compostello in Spain. Pilgrims were distinguished by the scallop shell badge of achievement, perhaps the earliest travel award. Merchants and officials were on the move. Universities encouraged visits by teachers and students, and travelling friars roamed the land. Reformation and the secularization of learning stimulated movement. By the seventeenth century, travel was becoming accepted as part of a gentleman's education. John Milton travelled extensively in Europe as a young man with his servant. Young men of good family, hoping for careers as administrators, lawyers or soldiers, were encouraged to go abroad, on an early version of the grand tour, sometimes returning rather the worse for wear. Arguments for and against the value of such 'tourism' were by no means uncommon.

Later in the twentieth century the creative initiative was to change so that innovation came from lower in the social scale. Camping and sporting holidays became popular linked to hobbies and interests at home, and specialized institutions developed in the tourism and leisure field.

As examples, the National Trust was founded in 1895 to safeguard the heritage, and the Trust House hotel group was founded in Victorian times by philanthropists, to ensure accommodation suitable for gentlefolk and especially ladies. Social tourism in fact began to spread throughout Europe, with many of the tourism clubs and societies developing holidays and foreign travel for the working classes. The Workers Travel Association (WTA) was established in Britain as an offshoot of the Workers Educational Association (WEA). In this way, 'social tourism' played a role alongside market forces in catering for a special clientele, an early form of responding to what is now called market segmentation.

Road and canal improvement helped traffic growth. Turnpikes in Britain and other countries, now strangely returning to favor, were constructed rapidly. There were 22 000 miles of turnpike roads eventually in Britain. The mail coach system established better and more reliable services, so that by the beginning of the nineteenth century all major cities and towns in Britain were connected by stagecoach, with up to 30 services each day. Journeys of up to 200 miles were completed in one day, but the number of passengers carried by modern standards was very low and the cost was high.

There are times in history of exceptional change and material expansion. The nineteenth century witnessed such an economic expansion, to be followed by an even greater industrial and scientific revolution in the second half of the twentieth century. Tourism was a major beneficiary, to become towards the end of the century the world's largest industry. At the end of the seventeenth century the population of Britain was little more than 5 million, but by 1801 there were more than 15 million people and by the mid-nineteenth century 25 million. Industry and commerce took over from agriculture as the main source of wealth and economic power. Landowners no longer had a monopoly of authority.

These changes led to a large expansion in the 'leisured' class. A wider distribution of wealth, and improvements in literacy and thus communication, proved to be powerful factors in unlocking the latent potential demand for travel, to meet other people and to see foreign countries. One can just imagine the extent of interest in simple sightseeing in foreign lands when the large majority of the population had never had the opportunity of travelling away from home.

The idea of conflict between development and the conservation of natural resources had not arrived. It was much later in Victorian times that concerns about the ravages of uncontrolled industrial expansion began to emerge.

The railway age

The railway age witnessed the first great explosion in demand for travel, with major effects on the country, the economy and social habits. The first passenger railway (Liverpool and Manchester) opened in 1830. Expansion first in Britain and then in the rest of Europe and North America was rapid: 2 million passengers were carried in Britain annually by 1841, 79 million by 1851, 160 million by 1860, 817 million by 1980 and 1455 million by 1914 (Kershaw and Lickorish, p. 32). Table 2.1 gives an indication of the revolutionary railway expansion in Europe.

Table 3.1 Miles of railway track built, 1835–85

	1835	1845	1855	1865	1875	1885
Great Britain and Ireland	471	3277	13411	21 382	26803	30843
France	176	883	5535	13562	21547	32491
Germany	6	2315	8 352	14 762	28087	37572
Austria-Hungary	-	728	2145	5858	16860	22789
Russia and Finland	-	144	1048	3940	19584	26847
Italy	-	157	1211	4 347	7 709	10 84
Belgium	20	576	1 349	2 254	3 499	4409
Holland and Luxembourg	-	153	314	865	1 407	2 804
Switzerland	-	2	210	1 322	1 948	2 850
Europe, including Great Britain and Ireland	673	8235	35185	75 882	142494	195835

Source: Table quoted by A. J. Norval in The Tourist Industry, published by Sir Isaac Pitman and Sons Ltd, London, 1936.

Thomas Cook introduced the first package tour in 1841, but in fact by that time the railways themselves were offering excursion trips, for a traffic which they had not originally expected to carry. The first objective had been carriage of freight, and secondly the provision of faster transport for the current stagecoach travelers at far from cheap prices. The popularity of cheap excursion fares for special events was not expected. Kemball Cook (1947) noted in his book that on Derby Day in 1838, eight trains were advertised to run from the Nine Elms terminus. The authorities were confounded by 5000 excursionists coming to the station.

In 1851, 774 910 passengers to and from London were carried by excursion trains of the London and North Western railway. In the second half of 1844, 360 000 passengers travelled from London to Brighton, a more than tenfold increase in just seven years due to the railway.

However, Thomas Cook’s unique contribution was the organization of the whole trip – transport, accommodation and activity or ‘satisfaction’ at a desired new destination – the true tourist product. As an agent for the principal suppliers of transport and accommodation, he was able to meet a specific market demand. He invented an essential service – a package or an individual tour. His innovation was followed throughout the world.

Thomas Cook was soon offering a range of tours in Europe, America, Egypt and further away. Social events were a feature for some early ‘package’ tours. Cook’s took 75 000 visitors to the Paris Exhibition in 1861. Sir Henry Lunn’s British visitors were the principal influence in creating the winter sports trade in Switzerland, which later spread to other areas, involving massive investment in mountain resorts.

1.4. Dynamic changes in the flow of tourists.

The issue as to whether tourism is an industry rests on the definition of an industry within a country’s national accounts. These use internationally accepted classifications to produce output measures in accordance with a country’s industrial structure. In these terms, an industry is a collection of firms that use similar processes to produce relatively homogeneous goods and services.

On the other hand, the tourism product is an amalgam of a multiplicity of goods and services that is configured to meet visitors' demands and drawn from a range of industries, from transport to retailing. In establishing the TSA, the UNWTO (2000 and 2001) decided to label tourism as a sector made up of a number of industries as defined by international standards, and these are listed fully in Table 1.3.1 so as to show the range of businesses directly included in tourism. Yet on a practical level, those engaged in the tourism business and their trade associations commonly use the term 'tourism industry' when representing their views to governments and dealing with issues amongst themselves.

Table 1.3.1	**Tourism industries as defined by the UNWTO[4]**	
Tourism industries	**SIC2007**	**Description**
Accommodation	55100	Hotels and similar accommodation
	55202	Youth hostels
	55300	Recreational vehicle parks, trailer parks and camping Grounds
	55201	Holiday centres and villages
	55209	Other holiday and other collective accommodation
	55900	Other accommodation
	68209	Other letting and operating of own or leased real estate
	68320	Management of real estate on a fee or contract basis
Restaurants and similar	561011	sed restaurants
	56102	Unlicensed restaurants and cafes
	56103	Take-away food shops and mobile food stands
	56290	Other food services
	56210 56301	Event catering activities Licensed clubs
	56302	Public houses and bars
Railway passenger Transport	49100	Passenger rail transport, interurban

As a human activity modern tourism has experienced unprecedented growth rates since the early 1950s, and its economic

[4] Fletcher, John (John Edward) Title: Tourism : principles and practice / John Fletcher, Alan Fyall, David Gilbert, Stephen Wanhill. Description: Sixth edition. | Harlow, United Kingdom : Pearson, 2018.

importance is something few governments can ignore. But as a field of study it remains relatively new, lacking in the maturity of other subject areas and disciplines. This lack of maturity is manifested in arguments over how tourism should be studied and the appropriate framework to examine tourism demand and supply. Embodied in this are the dynamics of developing new tourism products in response to changing tastes and more diverse interests as society alters its patterns of consumption and value systems. In a practical sense this has led to new definitions and classifications of tourism, and its most recent formal recognition in the establishment of a Tourism Satellite Account, though even here countries have some latitude as to what should be listed as a characteristic tourism product. For those working in our industry the dynamics of change offer both challenges and opportunities in creating new products, for example space tourism, managing the increasing volume of tourism flows, and ensuring that the expansion that this entails is sustainable at both at the global and local level.

The growth in world trade in these decades saw a steady expansion in business travel, individually and in the conference and incentive travel fields, although recession in the latter part of the century caused cutbacks in business travel as sharp as those in leisure travel. As economic power shifted between countries, so emerging nations provided new patterns of tourism generation. In the 1970s, Japan and the oil-rich nations of the Middle East led the growth, while in the 1980s, countries such as Korea and Malaysia expanded both inbound and outbound business tourism dramatically. The acceptance of eight Eastern European nations (together with Malta and Cyprus) into the EU in May 2004 led to new growth areas in the movement of tourists during the first decade of the century, plus the rise of a new, free-spending elite within the Russian community and adjacent countries has resulted in those nationalities being among the fastest-growing sector in international tourism, albeit from a low base.

Meanwhile, uncertainty in the Western world – particularly the fall and slow recovery of the stock market since the events of September 2001, followed by a deepening recession and escalating oil prices – has continued to limit the recovery of business and leisure travel well into the twenty-first century.

Nevertheless, business travel of all kinds remains of immense importance to the tourism industry, not least because the per capita revenue from the business traveler greatly exceeds that of the leisure traveler.

A major factor is that business travelers are not generally travelling to areas that are favored by leisure travellers (other than in the very particular case of the conference market). Businesspeople have to go to locations where they are to conduct business, which generally means city centers, and often those cities have little to attract the leisure tourist. Travel also takes place all year round, with little peaking, and the demand for hotels occurs between Mondays and Fridays, encouraging the more attractively situated hotels to target the leisure market on weekends. Often, spouses will travel to accompany the business traveller, so their leisure needs will have to be taken into consideration, too.

Thus, in practice, it becomes difficult to distinguish between business and leisure tourism. Although business travel is less price-elastic than leisure travel, as was noted earlier, efforts to cut costs in the world of business today are ensuring business travelers no longer spend as freely as they did formerly. Fewer business travelers now travel first class or business class on airlines (many are making use of the new budget airlines to minimize costs) than before, less expensive hotels are booked and there is even a trend to travel on weekends to reduce prices. Companies are buying many more tourism products, particularly air tickets, through the Internet, where they can shop around for the cheapest tickets.

This chapter examines the economic effects of tourism and how these are measured. As in other industries, tourism affects the economy of those areas – whether regions, countries or continents – where it takes place. These are known as tourist destinations, or receiving areas, and many become dependent on an inflow of tourism to sustain their economy.

This is especially true of developing countries, some of which are largely or almost totally dependent on tourism. The areas from which the tourists come to visit these destinations are known as generating areas and, of course, as the tourists are taking their money with them to spend in other places, this represents a net loss of revenue for the generating area and a gain for the receiving area. We can say that incoming tourist spend is an export, while outgoing tourist spend is an import (as the tourist is buying services from overseas). The flow of tourists between generating and receiving areas can be measured in four distinct ways. We must examine the effect on income, employment, the area's balance of payments and investment and development. Let us look at each of these in turn.

The sum of all incomes in a country is called the national income and the importance of tourism to a country's economy can be measured by looking at the proportion of national income that is created by tourism.

The National Tourism Administration of the People's Republic of China forecast that, by 2020, tourism income would exceed US$439 billion, accounting for about 11 per cent of GDP.

Some regions of the world, particularly the Caribbean countries, are heavily dependent on the income from tourism .Some might see this as an unhealthy overdependence on one rather volatile industry.

Many of these jobs are seasonal or part-time, so tourism's contribution to full-time employment is considerably less than the total employment figures may suggest. While this is a criticism of the industry in economic terms – and one that has resulted in large sums of money being spent in an effort to lengthen the tourist season in many resorts – it is important to realize that these jobs are often being created in areas where there is little alternative employment. It is also worth making the point that many of the jobs attract those who wish to work seasonally, such as students seeking jobs as resort representatives during the summer or householders who wish to open their house for summer periods only as bed-and-breakfast establishments. For countries that are major receiving destinations or enjoy a strong domestic demand for tourism, employment figures will be far higher.

Tourism is considered by many to be the largest industry in the world and it is believed to be growing the fastest. Just as tourism is globally important, so it is important for regions within an economy. The multiplier that affects income in a region affects employment in the same way. If tourists stay at a destination, jobs are directly created by the tourism industry there.

Those workers and their families resident in the neighborhood must also buy goods and services locally, their families require education and need medical care. This, in turn, gives rise to jobs in shops, schools and hospitals to serve their needs. The value of the employment multiplier is likely to be broadly similar to that of the tourism income multiplier, assuming that jobs with average rates of pay are created. Recent developments in technology however, are threatening labor opportunities in tourism.

For example, computer reservation systems (CRS) are rapidly replacing manual reservation systems and, as a result, many booking clerk jobs in large companies such as airlines, tour operators and hotel chains are disappearing. Similarly, the trend towards online bookings via the Internet threatens jobs in travel agencies and suppliers. Call centers are replacing branch shops and, increasingly, these are set up abroad, in countries with low levels of pay, such as India.

Fortunately for the future of the industry, at the 'sharp end' – where the tourist seeks a high level of personal service at the destination – the nature of the tourist experience should ensure that technology cannot replace many jobs. The success of tourism in a country however, will, in part, be dependent on an adequate supply of skilled labor with the right motivation towards employment in the industry and appropriate training.

These changes are not seen as short-term trends and, in future, any distinction between the two major tourist markets is likely to become less apparent.

1.5. Tourism services

Infrastructure costs/development time

Building and operating tourism infrastructure for transportation is very costly and often a lengthy process. The following are some examples of major infrastructure developments, giving an idea of the enormous costs and the time scales involved.

The Channel Tunnel has cost £10 bn to build – it was started in 1987 and completed in 1994. It is an impressive achievement, having been built without public sector funding and has broken new ground in construction and civil engineering technology. It now presents a serious competition to the ferry companies who have been dominant carriers of cross-Channel tourist demand for so many years. Today a simple straightforward three hour journey between London and Paris by the Eurostar train service is challenging the supremacy of the airline services.

These, while only taking a little less than an hour between the respective airports, have no control over the city center to airport transfer services which may often take a longer time than the flight itself. In an effort to cut the Eurostar city-to-city schedules down even more, it is proposed to build a Channel Tunnel high speed rail link from central London to the tunnel – this is estimated to cost £3 bn. A joint public/private sector development to get more people to Heathrow Airport faster is the London–Paddington to Heathrow rail link, begun in 1995 and opening in 1997, which will cost £300 m.

The combined tunnel–bridge taking road and rail traffic between Denmark and Sweden, for which building has already begun, will not be completed for 10 years. The ever rising costs of manufacturing and servicing aircraft, railway rolling stock and shipping are also a heavy burden on rapid expansion of services to meet demands. The cost of a modern jet aircraft today is between US$25 m and US$150 m, depending on the size and range, and up to eight crews per aircraft can be required to ensure maximum efficient utilization. The cost of the new P & O cruise ship is £300 m.

National Air Traffic Services (UK) handles 1.5 million aircraft movement annually, involving 100 million passengers. Improvements in techniques aided by new technology have helped to bring average take-off and landing delays at London airports down from 28 minutes to eight minutes over the last three years. This, however, has required an investment of £150 m a year, plus a new £350 m air traffic control center. For intercontinental travel the main mode of transport is by air, whereas within Europe it is by car and coach, taking advantage of a well developed road network and relatively short distances. Also in Europe, the growing network of high-speed rail routes has offered point-to-point journey options.

There is now a wider choice of travel options for tourists, particularly since the opening of the Channel Tunnel. Rail developments have speeded travel times and have done much to bring trains back into consideration for journeys up to four hours or so. Improvements in aircraft technology and the development of safe, reliable and punctual services have shrunk destinations in terms of time; for example Singapore and Hong Kong are now just 13 hours' non-stop flight from London. The extension of long-haul flight services, together with the ability of tour operators to reduce prices by special package deals, have created new long-haul destinations. The improved ability of airlines through development of computer reservation systems (CRSs) to offer 'seat sales' on certain routes has further stimulated independent air travel. The price effect stemming from developments in air transport has been a major catalyst channeling potential into actual demand. Non-economic factors There are a number of non-economic factors which influence demand for international tourism. It is useful to divide these into structural and motivational factors. Structural factors One of the long-term factors affecting demand is the way in which population structure changes.

Accommodation and catering

Whereas hotels are often viewed as the main providers of tourist accommodation, in developed countries they often only account for a third of the total tourist accommodation used by European residents on holiday. The World Tourism Organization estimated that there were 11.3 million hotel, motel and other international tourist accommodation rooms world wide in 1991, and the world's inventory of rooms increased by an average annual rate of 2.5 per cent between 1987 and 1991.

However, whereas the actual number of rooms world-wide have been increasing, the levels of occupancy and room rates (relative to inflationary trends) have been decreasing see . Part of the reason for the fall in average room rates may be attributed to the bargaining power of the large tour operators as they become increasingly important movers of large numbers. But the effects of world economic recession and other external forces must also be taken into account. In recent times it has been the objective of the major hotel groups to grow even bigger.

Brian Langton, Chief Executive of Holiday Inn World-wide said that 'Hotel companies must be like sharks, they have to move forward to survive. For the big the future is rosy'. In 1993, worldwide some

200 hotel groups accounted for 3 610 151 rooms and 25 150 hotels. Hospitality Franchise Systems (HFS) is the world's largest hotel marketing group, operating 384 452 rooms in 3790 hotels, followed by Holiday Inn World wide with 340 881 rooms and 1795 hotels, and Best Western International with 272 743 rooms and 3308 hotels.

These three groups illustrate the different ways in which hotel chains have grown, HFS is the world's biggest franchiser of hotel brands. Holiday Inn is generally viewed by the consumer as a single brand, but it is a chain of mixed international investments in company-owned, managed, and franchised hotels, while Best Western is a consortium of privately owned hotels subscribing to what is primarily a reservation and marketing system.

Best Western represents one of the most efficient ways in which a single privately owned hotel can compete on equal terms with hotels owned by a large corporate group. It provides to its members a worldwide reservation system, bulk-buying efficiencies, and a corporate marketing brand image guaranteeing a level of quality to the tourist who otherwise might have no measure of an individual hotel's standards. Crispin Tarrant, a business consultant, claims: More business travelers attach importance to brands than to star ratings; 66 per cent of business travelers say that recognition of a hotel brand either has a great deal or fair amount of influence on their decision to use a hotel. The brand promises to the customer certain things they can expect. (British Hotel Guest Survey, 1994).

In every country the private sector plays an important part in identifying, recording and promoting the good and not so good providers of accommodation and meals. Every year many guides are published listing the accommodation available in countries, regions and cities.

Many of them adopt some form of grading or comment to guide the traveler in what individual establishments offer. Such guides range from the commercially produced $5 Dollar a Day, Rough Guides and Badaeker, which cover most parts of the world, to guides produced by tourist boards for countries, regions and individual cities.

Accommodation provision can be broadly divided into three sectors: (a) serviced accommodation;

(b) self-service accommodation;

(c) visiting friends and relatives.

Serviced accommodation Serviced accommodation, which includes hotels, motels, inns and guest houses, tends to cater for specific markets; for example, city center hotels for businessmen and conferences, hotels for coach groups, hotels for different social and income sectors. But not all markets are necessarily specific to a location. Businessmen hold conferences in country and seaside hotels, coach groups are accommodated in industrial towns, and city hotels as well as hotels in distinctive tourist areas.

Transport

This sector comprises the providers of road (service buses and coaches, coach hire, car hire and cycles), rail (high-speed trains, inter-city, local services), air (scheduled, charter, private hire) and sea services (passenger shipping, ferries). Transport provides the means of getting to the destination, or in some circumstances may be the tourism experience itself; for example, coach touring, cruising, certain long-distance rail journeys in special trains, and touring by private or rental car. Transport systems, national and international, were usually introduced for business reasons, mostly domestic as were the original canals in the seventeenth century, followed quickly by rail systems.

The railways were encouraged to appreciate mass tourism through the good offices of Thomas Cook who purchased their spare capacity for group excursions. The advent of the motor car and mass production gave individuals the opportunity to travel widely, causing an explosion of independent domestic markets. Similarly, the aeroplane increasingly expanded its passenger seating capacities, and flew longer distances at relatively modest fares, opening up mass tourism to worldwide markets. Today, the investors in most forms of transport, when calculating the returns on capital, take account of the tourism use and revenue, either as a main market, or as an income generator for spare capacity. Public and private transport company schedules are often designed to maximize the benefits to be won from conveying tourists. Whereas island nations fairly obviously are the largest markets for air travel, travel by private car tends to dominate. Coach travel is still a significant mode of travel, with railways trailing some way behind, although this will have more to do with the limited high-speed routes available and the relatively high tariffs charged for long-distance high speed rail travel. These figures are really more representative of a large and active domestic market which today the EU has virtually become.

However, when other parts of the world are examined, the airplane as a deliverer of international tourists is very dominant – see , later. For the consumer the choice of transport will usually be made on the basis of three factors: the time they have available, the price, and the quality in terms of comfort and associated service. In order to benefit from these choices the transport operators will offer a range of fares, dependent on the peak demand times, and the comfort of the accommodation offered. In addition, other incentives may be offered, such as cheaper fares for advance payment with no refunds available, and seat quality upgrades for relatively small supplements at off-peak times.

Food and catering

While many people will claim that one of the pleasures of travelling is the opportunity to seek out and taste new types of food, the reality, certainly for the mass market and the popular destinations, is that most people after a short while seek the security of their own familiar types of food. The Spanish resorts are full of restaurants that serve dishes and drinks that are part of the everyday diets of the German, British and Scandinavian tourists who represent their largest markets. Japanese visitors to Europe are certainly unused to the Western way of eating, and for some the Chinese restaurant is not an especially good substitute. However, food is rapidly becoming ‘international’.

The rapid spread of McDonald’s and its ubiquitous hamburger, and the chicken, pizza and pancake chains usually franchised by American operators, are examples. The now common ‘coffee shop’ of most international hotels where local dishes are internationalized by the addition of ‘chips’ or European-style bread products, ensure that the menu is acceptable to the large majority of their customers.

1.6. Development of tourism in Uzbekistan[5]

Uzbekistan has great potential for an expanded tourism industry. As one of the focus areas for reform and economic expansion, tourism in the country has increase fivefold in over the last three years. While about 1 million tourists visited Uzbekistan in 2016, the figure rose to 2.7 million in 2017, and more than 5.3 million in 2018. The number of foreign tourists is expected to rise to 7 million by 2025, and the annual foreign currency earnings from foreign visitors will reach as much as $2 billion.

However, Uzbekistan's tourism sector still faces challenges. These include poor transportation and payment systems, the shortage of appropriate hotels, medical services, language assistance, and information for tourists. Uzbekistan can enhance its tourism potential by strengthening its cooperation with other countries and international organizations. Additionally, Uzbekistan should explore its cultural and natural attractions, and invest in advertising to raise awareness about these sites. To properly utilize its tourism resources, Uzbekistan also needs to improve infrastructure construction, as well as foster entrepreneurship and other private-sector engagement to realize the country's tourism potential.

With its great historical, archeological, architectural, and natural treasures, Uzbekistan has exceptional potential for tourism. The country's diverse ecology, ranging from deserts to glaciers, mountains to steppes, gives the country great eco-tourism potential. The eco-tourism opportunities in Uzbekistan are plentiful and distinct. These include its eight state reserves (2017 thousand hectares), three national parks (598.7 thousand hectares), biosphere reserve (68.7 thousand hectares), natural wildlife breeding center (158.9 thousand hectares), and ten natural monuments (3.7 thousand hectares).

Located on the ancient Silk Road, Uzbekistan has more than 4,000 historical and architectural sites, a carefully saved and precious spiritual heritage, and over 7,000 historical monuments.

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[5] Tourism development in Uzbekistan — challenges and opportunities special policy brief by caspian policy center. caspianpolicy.org

These include famous ancient cities on the UNESCO World Heritage list, such as Samarkand, Bukhara, Khiva, and Shakhrisabz. Moreover, Uzbekistan is a country with strong Islamic roots. There are more than 160 historically important Muslim sites located in the country, and dozens of historical sites related to Sufism. Among these are the Mausoleum of Sheikh Zaynudin Bobo, Sheihantaur, the Mausoleum of Zangiata in Tashkent, the Bakhauddin Ensemble in Bukhara, the Bayan-Quli Khan Mausoleum, the Saif ed-Din Bokharzi Mausoleum, and many others.

In addition, Uzbek cuisine and wine can attract gastronomic-related tourism.

Tourism Another Sector Targeted in Uzbekistan's Reforms Tourism is one of the sectors Uzbekistan has sought to reform and revitalize since 2016.

Its reform process aims to create jobs and new business opportunities; further the diversification and accelerated development of regions; increase incomes and living standards and quality of life, boost foreign-exchange earnings; and improve Uzbekistan's overall image and investment. Uzbekistan held its first International

Visa Policy Uzbekistan's complicated visa application process was an obstacle to its efforts to develop tourism. To deal with the problem, Uzbekistan introduced on July 15, 2018, electronic visas for citizens from 77 countries, including the United States. A single or multiple entry visa is valid for 30 days. The cost of obtaining a single-entry electronic visa is $35 (a multiple-entry one is $50), and travelers must apply for the e-Visa at least three days before their trip. A visa-free regime exists for citizens from 65 countries visiting Uzbekistan for 30 days or less. Additionally, a bilateral visa-free regime has been established with Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Kyrgyzstan (up to 60 days), Moldova, Russia, Tajikistan (up to 30 days), and Ukraine. Uzbekistan and Japan issue visas without consular fees on a mutual basis.

In January, Kazakhstan and Uzbekistan planned to launch a unified service project called the "Silk Road Visa," which will enable foreigners with a valid visa from either country to travel in both countries.

The project is still under discussion, but gained support from representatives of the tourism departments of Azerbaijan, Armenia, Belarus, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan during the first Tourism Fair of the CIS countries between July 9-10.

The ultimate goal of the “Silk Road Visa” is to create an “Asian Schengenith all Central Asian countries in the system. The complicated border divisions of Central Asian countries and their enclaves make it difficult for tourists to travel across the border multiple times with one country’s visa only. Such complications and the lack of connectivity within the region discourage tourists and reduce their number. Therefore, the “Silk Road Visa” program should attract more travelers to the region. Transportation Uzbekistan is far from being well connected internationally or internally, making it difficult for tourists to travel to or within the country. Recognizing that most foreign tourists prefer taking airplanes, a 2018 presidential decree was published encouraging measures for “radical improvement of the civil aviation of the Republic of Uzbekistan.”

The government reorganized the state-run Uzbekistan Airways into two joint-stock companies — the airline Uzbekistan Airways and the airport operator Uzbekistan Airports.

The maintenance, repair, and overhaul service provider Uzbekistan Airways Technics and 11 of the country’s airports, are also being individually reformed into separate limited liability companies in order to clarify responsibilities and enhance efficiency.

Additionally, daily flight times were increased from 8.1 hours to 10.9 hours per aircraft due to the increase of flights and routes. Uzbekistan Airway has now opened air routes to 39 countries and 92 airports.

Uzbekistan, still relies on railway transport both domestically and internationally. The presidential decree of March 6, 2015 called for further creation of railway assets, including construction of a new railway line for Navoi-Kanimekh-Misken.

In addition, Uzbek Railways is seeking cooperative opportunities to improve and optimize the Uzbek railway operator. The Asian Development Bank has provided two loans to rehabilitate and modernize railway infrastructure, and another to electrify the railways between Marakand and Karshi in south-eastern Uzbekistan. Experts and consultants from Deutsche Bahn, the largest railway operator and infrastructure owner in Europe, have agreed to help Uzbekistan Railways draft its development strategy.

Besides railways, tourist buses and vans are well needed to improve the transportation network. The government has introduced 133 tourist buses and vans and more are needed. According to the "Concept of Development of Tourism Industry — 2025," published during the 2018 International Tourism Forum in Uzbekistan, the Uzbek government will expand its intercity bus service for the following routes: Tashkent-Samarkand-Bukhara-Khiva-Nukus,Tashkent-Gulistan-Tasjkent-Samarkand-Karshi-Termez, and Kokand-Fergana-Andijan-Namangan.

Accommodation.

The number of accommodation facilities, including hotels and guesthouses, increased to 914 in 2018 from 142 in 2017, and the number of rooms increased from 1,700 in 2017 to more than 20,000 in 2018.

More importantly, Uzbek President Shavkat Miziyoyev issued a decree on January 5, regarding "additional measures for the accelerated tourism development in the Republic of Uzbekistan, and aimed at stimulating further development of entrepreneurial activities in the sphere of tourism infrastructure development, including hotels and sanitary facilities." The decree covers a construction costs compensation program, royalty fee financing, the partial exemption of hotel land purchase and customs clearance fees, and many other incentives.

As a result of these changes, hotel brands are looking to enter Uzbekistan's market, including secondary cities. The German RIMC Hotels & Resorts Group plans to invest over $4 billion in the tourism industry of Uzbekistan, including to build hotels in Tashkent, Samarkand, Bukhara, and Khiva. There will also be direct investments in the construction of modern shopping, business, and cultural centers, as well as the modernization of road infrastructure and airports.

In addition to the Hyatt Regency Tashkent, Radisson Blu and Hilton are expected to open hotels in the capital by 2025.

Cooperation with Foreign Partners

Cooperation with foreign governments, multilateral organizations, and the foreign private sector plays an important role as Uzbekistan reinitiates efforts to open itself up to international tourism. In 2018, the European Bank for Reconstruction and Development launched the Integrated Cultural Heritage Framework in Uzbekistan — Khiva/Khorezm Region (the “Framework”) to fund sovereign, sub-sovereign, and private-sector projects across sectors to support regional development in a holistic manner while using cultural heritage resources as a driver. xxi With the help of the Shanghai Cooperation Organization (SCO), President Mirziyoev signed the Resolution on the Establishment of “Silk Road” International University of Tourism on June 28, 2018. This resolution aims to organize a system to train professional personnel and carry out research and creative work in the field of international tourism

Questions and discussion points

1. Discuss the ways in which pleasure travel developed from earlier forms of travel for other purposes, both historically and more recently. What patterns of similarity do you find?

2. Why do you think innkeepers in early Greece were noted as ‘difficult and unfriendly’?

3. Could the reasons for this be related to those for similar weaknesses in hospitality that have been noted in more recent times?

4. Compare and contrast the influence of the euro on international travel today with currencies in use during (a) Roman times and (b) the sixteenth century.

5. Explain the factors that encouraged the growth of tourism under the Roman Empire. To what extent do these factors still account for tourism growth?

6. The importance of religious tourism in earlier history accounts for the rise in wealth of many European towns and cities. To what extent is this comparable with the wealth of some cities today? Which places in particular have benefited from religious tourism and how have they exploited their opportunities?

7. Could the current growth in resort crime, casual violence in society, the threat of global terrorism and sky high oil prices lead to another ‘dark age’ for tourism similar to that following the collapse of the Roman Empire.

UNIT 2: BASIC CONCEPTS AND IMPACTS OF TOURISM

2.1. Positive and negative impact of tourism on the economy.
2.2.Tourism and socio-cultural heritage.
2.3.Ecological aspects of tourism.
2.4.The impact of human factors on nature.
2.5. International public travel.
2.6. Travels of Central Asian Scientists Related to Tourism
2.7.Economic indicators of tourism development in Uzbekistan

2.1. Positive and negative impact of tourism on the economy.

It has been noted that the economic impacts of tourism are often observed in the short-term if not immediately. Tourists can be seen arriving at airports and spending money. Having discussed the concept of tourism, the next step is to offer a framework or model that can provide a basis for encompassing the different approaches to the study of tourism.

The general term 'traveler' is maintained because this is the measure used in passenger transport services. It is at the destination that the data separation between visitors and other traveler takes place.

There are three basic elements:

1. Visitors, who, as traveler in this system, initiate the demand for travel for tourism purposes;

2. Geographical elements, which Leiper calls the 'traveler -generating region', the 'tourism destination region' and the 'transit route region;

3. The tourism industry, which Leiper initially took to be all those firms, organizations and facilities that exist to serve the specific needs and wants of visitors but because the idea of a single tourism industry is debatable, replaced it later with the expression 'tourism industries'.

Taking account of the spatial aspects, the traveler -generating region represents the source market for tourism and can be thought of as providing the 'push' to stimulate and motivate travel. It is from here that the tourist searches for information, makes the booking and departs. The tourism destination region is the raison d'être for tourism, with a range of special places distinguished from the everyday by their cultural, historic or natural significance (Rojek and Urry, 1997).

The main economic impacts of tourism relate to foreign exchange earnings, contributions to government revenues, generation of employment and income, and stimulation to regional development. The first two effects take place at the macro or national level, whereas the other three impacts occur at sub-national levels.

These effects are interrelated but for analytical purposes it useful to separate them. Before examining these impacts it should be noted that with the exception of earning foreign exchange the other economic impacts can also be gained from domestic tourism activity. However, encouragement of domestic tourism may save foreign currency which would otherwise be spent on foreign travel.

Obligations under the General Agreement on Trade and Tariffs (GATT) and the newer General Agreement of Trade in Services (GATS) would prevent most if not all developed countries from introducing measures to limit their citizens travelling outside their respective countries.

It is still prevalent in most developing countries to have limits on the amount of foreign currency made available to citizens for travel abroad for leisure purposes, in order to conserve scarce foreign exchange reserves.

Domestic tourism therefore can still be of considerable significance in relation to the national economy. Unlike international tourism, domestic tourism represents a transfer of purchasing power within the economy.

International economic impacts It is now generally accepted that international tourism constitutes one of the most significant of global trade flows. As a conglomerate, multi-faceted activity it is difficult to be precise about the value of international tourism. It is probably the biggest sector in the world economy. It has been a noticeably resilient activity, less prone to economic fluctuations than other sectors. There are no grounds for suggesting that future global demand will decline. International tourism has two main impacts; first, in trade, and secondly, in its redistributive effects. The trade effect is a characteristic of tourism demand. As tourists travel to visit countries, the act of travelling itself stimulates trade. Most long-haul travelers travel by air.

Most airplanes are manufactured in and then exported from the USA. At the destination the tourist might use accommodation owned and managed by non-residents and consume some food and drink not supplied domestically.

For example, a German tourist visiting Sri Lanka might arrive on Air Lanka using a DC10 aircraft (made in the USA), stay in a foreign owned and managed hotel (Taj Group India), drink French wine and Scotch whisky and eat Australian beef. To the tourist receiving country these imports represent leakages. To the international economy they constitute trade opportunities and generate exports. The redistributive effect of international tourism refers to the fact that most international tourists come from high-income developed countries and spend a part of their discretionary income in lower income countries by the purchase of holidays. In this sense some of the surplus spending power of the richer countries is through tourism redistributed to other countries, many of them being in the developing world.

The relatively wealthy countries of Western Europe and North America are major generators of tourists. Those countries with high surpluses on balance of payments, such as Japan, encourage residents to travel abroad as one means of reducing and redistributing the surplus. These redistributive effects are important as they provide for developing countries one of the very few opportunities to enter tariff-free export development. International tourism has specific impacts on the tourist receiving countries.

Balance of payments. The balance of payments of a country reflects at a particular time a set of accounts representing the country's trade with the rest of the world. Trade flows are given in financial terms and there are three main accounts.

The current account has two sections, the merchandise account, the import and export of physical commodities like rice, tea, coffee, cars; and the invisible account, hitch includes mainly services such as tourism, insurance, and banking remittances. It is on the current account that reference is made to deficits or surplus on balance of payments. The capital account reflects the import and export of capital by government and the private sector. In most non-oil-exporting developing countries, grants and loans represent the main inflow of capital. The reserve account shows the countries' reserves of gold and currencies.

Balance of payments accounts must balance either by a transfer to or from reserves or by external borrowing. In most non-oil-exporting developing countries there are usually deficits on current accounts, often of a longstanding and chronic nature. In those developing and developed countries with a large tourism sector, earnings from tourism help reduce and occasionally eradicate such deficits. This has long been the case in Italy and in Spain, for example. It is also true in countries such as the Bahamas, Fiji and Thailand. It is this potential to earn foreign exchange which is the major reason for governments' support for tourism in developing countries and also in many developed countries. Balance of payments accounts are interpreted by government and international observers as reflective of the economic health of a country.

There can be factors which dislocate the accounts in the short term, concentrated import of capital goods in one particular year such as purchases abroad of oil rigs to be used in the North Sea. Another example would be imports of a number of commercial aircraft. The dislocating effect comes from the fact that the balance of payments in these examples reflects import costs, but cannot show these items as capital assets which will give rise to income flows in the future. Care has to be taken in interpreting monthly and annual accounts.

However, a continuing deficit on the current account will be interpreted as a negative sign, the country is not able to cover its imports through export earnings. Inevitably, this will lead to a reduction in the par value of the national currency against other currencies. The reduction in the par value (or exchange rate) of the national currency will obviously make future imports more expensive and exports cheaper, but may eventually work through the economy to make export prices rise. A weakening currency can attract more tourists as the country destination becomes relatively cheaper. Whether increased tourist arrivals will compensate for the deficit on balance of payments will be uncertain.

2.2. Tourism and socio-cultural heritage

The social and cultural impacts take very much longer to appear and, as qualitative changes, may be subtle and difficult to measure. In some cases, little is done to monitor these changes until one day they explode into a violent expression of discontent. Society can refer to a country, region or specific location and to that group of people who collectively live in a location.

Over a period of time, a society will develop its own tradition, attitudes and a style of life which may be more or less distinctive. It is this way of life which is usually incorporated in the word ‘culture’.

There is now a well-developed literature on social and cultural impacts of tourism. Many research studies are highly specific, and may therefore be of more academic interest rather than of relevance to policymakers. However, experience in many different countries does constitute general phenomena relating to tourism. In many cases, the regularity with which these phenomena are reported allows policymakers to anticipate certain social and cultural impacts from future planned development of tourism. It is not the purpose in this chapter to discuss social and cultural impacts of tourism in terms which are meaningful only to sociologists and anthropologists.

The intention is to denote ‘areas of concern’; that is, to consider some of the non-economic impacts of tourism, what effect they may have on a society, and what problems may arise. Concentration will be on general impacts. This does not preclude the probability that some tourist destination areas might have unusual and highly specific impacts. It is also worth noting that it is easy to exaggerate impacts arising from tourism.

For example, certain areas of a country may never be visited by tourists. Tourist visits to very large countries such as India tend to be concentrated in certain areas or tourist circuits.

Therefore, to refer to ‘the social and cultural impact of tourism on India’ is misleading. Tourism tends to be localized and therefore impacts tend to be localized initially. Whether impacts cause changes, and whether these changes spread through society, will be influenced by a wide range of factors, such as the size of country, general spread of tourism activity, and basic cultural and religious strengths. They will not go away and might intensify. As tourism is a great international exchange of people, it is as important to plan for human satisfaction as it is for economic needs.

Until the mid-1970s most studies of tourism concentrated on measuring the economic benefits; little emphasis was given to a prime characteristic of international tourism – the interaction between tourists and the host community. From the mid-1970s onward, more scholars and practitioners in tourism gave increasing attention to the relationship between host and guest, and particularly to the non-economic effects induced by that relationship. Closer study of this relationship has made us more aware of the social, cultural and environmental problems which can arise from tourism, and particularly from an over-rapid growth in visitor arrivals.

Many of these problems can now be anticipated and therefore considered in relation to a policy and planning framework. It should, of course, be noted that many of these problems are not new. In the Caribbean, Asia and Africa there are many examples of newly independent countries which have ‘inherited’ mature tourism sectors: Jamaica, Barbados and more recently Zimbabwe may be mentioned in this respect. In these countries, many of the problems of the tourism sector are not of recent origin, and may cause particular difficulty in finding management solutions. Despite these difficulties, governments have ultimately to find a means of managing, if not completely eradicating these problems.

This is particularly the case where tourism-related problems impact on the sociocultural values of the society or on the environment. These wider concerns are the responsibility of government, and it may be that government is the only agent able to introduce the required remedial actions. In the following, it is intended to examine the main areas where tourism can influence the sociocultural norms of a society. Many of the social and cultural effects of tourism are portrayed as being essentially negative; early studies by de Kadt (1976) and O’Grady (1981) have both detailed cases where tourism has caused major changes in the structure, values and traditions of societies. There is continuing debate as to whether these changes are beneficial or not; the interests of society and the individual are not necessarily similar.

There is little doubt, however, that where international tourism is of any significance in a country, it does become a major ‘change-agent’. It is not surprising that international tourism should induce such changes, because tourists usually remain in the host country for a very short time. They bring with them their traditions, values and expectations. They travel in what Eric Cohen has termed an ‘ecological bubble’:

A tourist infrastructure of facilities based on Western standards has to be created even in the poorest host country. This tourism infrastructure provides the mass tourist with the protective ‘ecological bubble’ of his accustomed environment. In many countries, tourists are not sensitive to local customs, traditions and standards. Offence is given without intent.

In a sense, foreign visitors do not integrate into a society, but rather confront it. When tourists enter the host country, they do not just bring their purchasing power and cause amenities to be set up for their use. Above all, they bring a different type of behaviour which can profoundly transform local social habits by removing and upsetting the basic and long-established norms of the host population.

Tourism is a ‘total social event’ which may lead to structural changes in society. These changes can now be seen in all regions of the world. During the tourist season, the resident population not only has to accept the effects of overcrowding, which may not exist for the remainder of the year, but they may be required to modify their way of life (increase in seasonal work, shift working) and live in close contact with a different type of visiting population, mainly urban, who are there simply for leisure. This ‘coexistence’ is not always easy. It often leads to social tension and xenophobia, particularly noticeable in very popular tourist areas or where the population, for psychological, cultural or social reasons, is not ready to be submitted to ‘the tourist invasion’.

The ‘demonstration effect’ results from the close interaction of divergent groups of people, and manifests itself by a transformation of values. Most commonly it leads to changed social values resulting from raised expectations among the local population aspiring to the material standards and values of the tourists. Not unnaturally, changing social values lead to altered political values, sometimes with unsettling consequences. A decline in moral and religious values is also not uncommon and may show itself through increased crime levels. Not only are local attitudes changed, but the targets and opportunities for criminal activity are increased. As tourism is essentially a human activity, it is desirable to avoid conflict between visitors and the host community. The behavioral patterns of the visitors must be acceptable or tolerable to the host community.

Human relations are important, since the excesses of tourism may have very damaging repercussions: the transformation of traditional hospitality in many countries into commercial practice results in economic factors superseding personal relationship. Further effects may be the appearance of consumerist behavior, relaxation of morals, begging, prostitution, drug taking, loss of dignity, frustration in failing to satisfy new needs.

Nevertheless, it would be wrong to blame tourism for all these problems, which are linked also to social changes affecting communities in the process of modernization. Tourism accelerates the process, rather than creates it.

Cultural impacts

Tourism may become the guarantor of the maintenance of certain original traditions which attract the holidaymaker. It is important to protect and maintain the cultural heritage and deal with connected problems: the illegal trade in historic objects and animals, unofficial archaeological research, erosion of aesthetic values and of a certain technical know-how, disappearance of high-quality craft skills, etc.

The commercialization of traditional cultural events may lead to the creation of pseudo-culture, ersatz folklore for the tourist, with no cultural value for the local population or the visitors.

The same applies where the craftsman is concerned. The issue is the potential conflict between the economic and the cultural interests, leading to culture being sacrificed for reasons of promoting tourism, creating an additional economic value at the price of losing a cultural value.

However, the exposure of resident populations to other cultures due to tourism would appear to be an irreversible process. On a social level, well-organized tourism can favour contacts between holidaymakers and the local population, will encourage cultural exchanges, will lead to friendly and responsible enjoyment and finally, will strengthen links between countries.

From the viewpoint of tourism planned to respect the physical and human environment, other positive advantages can be mentioned.

The most significant are given below:

1. Tourism constitutes a method of developing and promoting certain poor or non-industrialized regions, where traditional activities are on the decline, tourism replacing sugar cane cultivation in many Caribbean countries. The development of tourism provides an opportunity for a community to remain intact and to slow the drift to urban environments. The retention and continuation of communities in situ is often the best way to conserve tradition and lifestyles. The income and employment opportunities arising from tourism provide a stability to community life.

2. Tourism accentuates the values of a society which gives growing importance to leisure and relaxation, activities which demand a high quality environment, Scandinavian countries.

3. With proper management, tourism can ensure the long-term conservation of areas of outstanding natural beauty which have aesthetic and/or cultural value, National Parks in the USA, Ayers Rock in Australia.

4. Tourism may renew local architectural traditions, on the condition that regional peculiarities, the ancestral heritage and the cultural environment are respected. It may also serve as a springboard for the revival of urban areas, Glasgow, Scotland.

5. Tourism contributes to the rebirth of local arts and crafts and of traditional cultural activities in a protected natural environmental setting.

6. In the most favorable of cases, tourism may even offer a way to revive the social and cultural life of the local population, thus reinforcing the resident community, encouraging contacts within the country, attracting young people and favoring local activities[6].

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[6] An Introduction to Tourism Leonard J. Lickorish Former Director General, British Tourist Authority Carson L. Jenkins PhD Professor of International Tourism, The Scottish Hotel School, University of Strathclyde, Glasgow, UK

2.3. Ecological aspects of tourism

There is current and growing concern about the impact that some forms of tourism developments are having on the environment. There are examples from almost every country in the world, where tourism development has been identified as being the main cause of environmental degradation. In Spain, overbuilding of tourist accommodation in coastal areas has caused water pollution.

In India, the Taj Mahal is suffering wear and tear from visitors. In Egypt, the pyramids are also threatened by large numbers of visitors. It should be noted that it is not only tourism development which degrades an environment. Poorly planned industrial and agricultural expansion have also had disastrous consequences in some locations.

It is now recognized that the world is facing major environmental degradation. International attention is being given to acid rain, ozone layer depletion and consequent global warming. In many countries, poor agricultural practices and overpopulation is destroying fertile land. Unwise use of chemical and fertilizers is polluting water sources.

Urbanization is threatening recreational space. What was recognized as local problems are now attracting global attention. Although tourism development is not responsible for these problems, it has become a major contributor in some countries and without a management scheme to control the problems, tourism will suffer. Governments are making greater efforts to limit degradation through encouraging 'environmentally friendly' practices and sometimes prohibiting others. In relation to tourism, experience demonstrates that large volumes of visitors tend to create proportionally larger environmental impacts than smaller numbers of visitors. There has been a growing concern to limit the numbers of tourists at certain destinations and sites. The concept of an optimum carrying capacity has been given more attention. There is no doubt that the way in which tourism uses the environment today will have consequences for its future use – and perhaps availability. More emphasis is being put on developing small-scale tourism as a more 'environmentally friendly' alternative to mass tourism.

In practice, ‘alternative’ tourism is a spurious term; it is a form of market segmentation which matches particular supply and demand conditions.

Types of environmental impacts

Tourism can generate both positive and negative environmental impacts, depending on how well development is planned and controlled. The principal impacts are outlined below. They will not all occur in one area as their incidence depends on the type and scale of tourism development and the environmental characteristics of the area.

Negative impacts

Water pollution

If a proper sewage disposal system has not been installed for a hotel, resort or other tourist facilities, there may be pollution of ground water from the sewage; or if a sewage outfall has been constructed into a nearby river or coastal water area but the sewage has not been properly treated, the effluent will pollute that water area. This is not an uncommon situation in beach resort areas where the hotel has constructed an outfall into the adjacent water areas which may also be used by tourists for swimming, Pattaya Beach Resort area, Thailand. The use of the Blue Flag symbol by the European Community to designate clean beaches and water areas is one attempt to inform potential users of beach environments of relative standards of cleanliness.

Air pollution

Tourism is generally considered a ‘clean industry’, but air pollution from tourism development can result from excessive vehicular traffic used by and for tourists in a particular area, especially at major tourist attraction sites. This problem is compounded by improperly maintained exhaust systems of the vehicles. Also, pollution in the form of dust and dirt in the air may be generated from open, revegetated areas if the tourism development is not properly planned and developed, or is in an interim state of construction.

Noise pollution

Noise generated by a concentration of tourists, tourist vehicles, and sometimes by certain types of tourist attractions such as amusement parks or car/motorcycle racetracks, may reach uncomfortable and irritating levels.

Visual pollution

Poorly or inappropriately designed hotels and other tourist facility buildings may be incompatible with the local architectural style or scale. Badly planned layout of tourist facilities, inadequate or inappropriate landscaping, excessive use of large and ugly advertising signs, and poor maintenance of buildings and landscaping can result in an unattractive environment for both tourists and residents.

Overcrowding and congestion

Overcrowding by tourists, especially at popular tourist attractions, and vehicular congestion resulting from tourism-generated environmental problems, can lead to resentment on the part of the residents of an area.

Land use problems

According to good planning principles, tourism development should not pre-empt land which is more valuable for other types of use such as agriculture, residential or recreation occupation, or perhaps should remain under strict conservation control.

Ecological disruption

Several types of ecological problems can result from uncontrolled tourism. Examples are over-use of fragile natural environments by tourists leading to ecological damage; for example, killing or stunting the growth of vegetation in a park/conservation area by many tourists trampling through it; collection of rare types of seashells, coral, turtle shells or other such items by tourists (or by local persons for sale to tourists) which depletes certain species; breaking and killing of coral by boats and boats anchors and divers (coral requires decades for regeneration); undue filling of mangrove swamps, which are important habitats for sea life and water circulation.

Environmental hazards

Poor siting and engineering design of tourist facilities, as with any type of development, can generate landslides, flooding and sedimentation of rivers and coastal areas resulting from removal of vegetation, disruption of natural drainage channels.

Damage to historic and archaeological sites

Overuse or misuse of environmentally fragile archaeological and historic sites can lead to damage of these features through excessive wear, vibration and vandalism.

Improper waste disposal .

Littering of debris on the landscape is a common problem in tourism areas because of the large number of people using the area and the kinds of activities they engage in. Improper disposal of solid waste from resorts and hotels can generate both litter and environmental health problems from vermin, disease and pollution, as well as being unattractive.

Positive impacts

Tourism, if well planned and controlled, can help maintain and improve the environment in various ways as indicated below.

Conservation of important natural areas

Tourism can help justify and pay for conservation of nature parks, outdoor recreation and conservation areas as attractions which otherwise might be allowed to deteriorate ecologically.

Conservation of archaeological and historic sites

Tourism provides the incentive and helps pay for the conservation of archaeological and historic sites (as attractions for tourists) which might otherwise be allowed to deteriorate or disappear.

Improvement of environmental quality

Tourism can provide the incentive for 'cleaning up' the overall environment through control of air, water and noise pollution, littering and other environmental problems, and for improving environmental aesthetics through landscaping programs, appropriate building design and better maintenance, etc.

Enhancement of the environment

Although this is a more subjective benefit, development of well-designed tourist facilities may enhance a natural or urban landscape which is otherwise dull and uninteresting.

Improvement of infrastructure

Local infrastructure of airports, roads, water and sewage systems, telecommunications, etc., can often be improved through development of tourism, providing economic as well as environmental benefits.

2.4. The impact of human factors on nature

What is the impact of tourism?

Benefits and problems of tourism Tourism can bring both benefits and problems to an area.

Positive effects of tourism include:

- Creates employment opportunities for local people
- Promotes cultural awareness and can help preserve local culture and traditions Masai Mara in Kenya
- Income from tourists can be used to develop local infrastructure and services new roads and airports. In LEDCs money can be spent on developing access to education, clean water and sanitation
- Foreign currency can help local people
- Natural features that attract tourists in the first place can be protected using income from tourism

The negative effects of tourism include:

- Tourism can have a negative environmental impact. This is at a range of scales. The increase in air travel has contributed towards increased carbon dioxide emissions. On a local level natural features that attract tourists are themselves under threat due to human actions
- often local people are employed in low skill, poorly paid work in unsatisfactory working conditions
- travel agents, airline companies and hoteliers benefit more than local companies when holidays are booked to destinations in LEDCs companies based in MEDCs set up luxury hotels in LEDCs. The profits usually return to MEDCs. They also create more competition for locally run guest houses.
- destroys local culture and traditions as areas becomes more westernised

Types of Tourists

There are different types of tourists −

- **Intrinsic Tourists** − They are into holidaying for the sake of enjoyment.
- **Extrinsic Tourists** − They have reward oriented motivation. These tourists are susceptible to the activities where performance is evaluated.
- **Adventurers** − They give very little importance to relaxation. They are always up to exploring places and taking challenges. Mainly youths and singles from both genders carrying zest of life largely contribute to this type of tourism.






- **Budget Travelers** − They are economy-oriented tourists. Their touring decisions about places, travelling mode, and other related factors are largely dependent on their financial status.
- **Homebodies** − They are mainly relaxed tourists. They do not get into adventure. The tourists aged above 45 to 50 years belong to this type. The busy professionals under 45 years also belong to this type.
- **Moderates** − They plan their tour ahead, have a high inclination towards tourism but they do not get into sports or adventure activities.
- **Vacationers** − They plan touring during vacations such as summer break or Christmas break. They are not always sure of where and why they wish to visit.

Motivation of the tourists stems from the domain of human psychology.

It is the satisfaction-forming factor. The factors of motivation can be categorized into two types:

Internal Factors of Motivation

Internal factors arouse, direct, and integrate a person’s behavior and influence his decisions for travelling.

- **Intrinsic Motivation** − For many people, tourism is a way of satisfying their psychological needs such as travelling, performing leisure activities, exploring novelty and capabilities, self-expression and self-assurance, creativity, competition, need for relaxation, and belongingness. The intrinsic motivations pertain to assuring one's capabilities on different emotional fronts. Intrinsic motivation drives the tourists to opt for tourism for intangible rewards such as fun, assurance, and other emotional needs. The other intrinsic factors of motivation are:

- **Attitudes of Tourist** − Knowledge of a person, place, or object + Positive or negative feelings about the same.
- **Tourist's Perception** − By observing, listening, or getting knowledge, a tourist forms the perception about a place, person, or an object.
- **Values or Beliefs** − A tourist believes or values a specific mode of conduct which is acceptable personally or socially.
- **Personality of the Tourist** − The nature and physique of a tourist plays an important role towards motivation in tourism.

External Factors of Motivation

There are external motives in tourism that can influence tourists and pull them towards a certain motivation and subsequent decision.

- **Extrinsic Motivation** − Here, a tourist gets motivated by external factors such as money and the need to feel competent on the scale of expenditure and performance.
- **Place of Origin** − The grooming of the tourist depends upon the place of its origin. For example, for the Indian married women, the tourism might come last in the list of preferential things they wish to do whereas for American ladies, tourism would acquire much higher rank.
- **Family and Age** − The family matters when it comes to the structure and the income. Today, the families with nuclear structure and double income tend to opt for long distance, extravagant tourism more than joint families or families with single earning member who are interested in visiting domestic places. The tourists also have different preferences of places according to their age.

For example, tourists in the age group of 5 to 45 years might enjoy visiting destination in the USA such as Disneyland more than the senior citizens.

- **Culture or Social Class** − Tourists of different cultures prefer different places, events, and different types of tourism. In addition, if friends and families who have visited a place earlier spread the first hand information that motivates the others to visit the place too.

- **Market** − Ever-changing market variables alter tourism. Changes in value of currency, political situations, and economic well-being of the country influence the decisions of a tourist.

An American psychologist and a professor of the 20th century, Abraham Maslow proposed a theory on the hierarchy of human needs. It can be depicted as a model of five basic motivational needs any human being has. These needs are −

- **Physiological (or Biological)** − Need for air, food, water, shelter, warmth, and sleep, which are required for the survival.
- **Safety** − Need for safety from harmful elements, freedom from fear, physical safety, economical safety, safety against accidents or their negative impacts. Safety may also manifest into security such as job security and financial security.

- **Social** − Need for having a family, need for intimacy, friends and social groups. Need for belonging and being accepted and loved by others.
- **Self Esteem** − Need of feeling accepted and respected by others, need for recognition and attention from others.
- **Self-Actualization** − Need to realize one's full potential. A human being requires to attain this need after all the above needs are satisfied.

This pyramid helps to understand the priorities of the human needs in the order depicted. As we can see, the tourism covers the bottom four levels of the triangle.

If we look at the generally accepted definition of the word environment as the natural world, and industry as the processing of raw materials from this natural world, then the link between the human impact on industry and the environment can be easily understood. Industry is a man-made function developed specifically to maximize the value of raw materials.

The next logical step is to examine how human error can be directly related to negative environmental impact and how this could be mitigated, if not prevented. If we look back in history at the evolution of industry, we can see a pattern emerge as industry began and continues to be more driven by technology. With Industry 4.0 focusing on the latest and greatest technology, the concern is that the human involved in developing, implementing and monitoring this technology will be overshadowed by technology itself. No matter how quickly technology advances, industry will always ultimately be controlled by humans. The risk of human error must be mitigated—one mistake can result in huge and in some cases irreversible environmental damage.

The increasing need for a focus on the psycho-social work environment must be considered. How has this critical element been downplayed to a point that it is almost non-existent when it comes to evaluating environmental risk? The purpose of this chapter is to take a step back and identify some key considerations that should be a baseline when analyzing the impact of industry on the environment. Humans are now responsible for causing changes in the environment that hurt animals and plant species. We take up more space on Earth for our homes and cities. We pollute habitats. We illegally hunt and kill animals. We bring exotic species into habitats. All of these activities take resources and habitats away from plants and animals. Human activity often changes or destroys the habitats that plants and animals need to survive. Because human populations are growing so fast animals and plants are disappearing 1000 times faster than they have in the past 65 million years. Scientists estimate that in the 21st century 100 species will become extinct every day. Sometimes, planning controls have the effect of restricting innovation in architecture, leaving developers to play it safe by falling back on pastiche or bland designs, attractive only to the most conservative visitor. The attempt to protect local building styles and materials can sometimes have unexpected results, as in Ireland.

The Haworth Parsonage, once the home of the Brontë sisters on the Yorkshire Moors, was threatened with a massive expansion of the visitors' center, which would have greatly exceeded the size of the original house. The project resulted in an outcry from the public and a rethinking of the plans.

Similarly, trustees of the birthplace of Sir Edward Elgar, in the Malvern Hills, submitted plans for a new visitors' center adjacent to, and much larger than, the composer's original cottage.

This, too, led to a public outcry in the media. In this case, though, construction went ahead, with a visitor center resembling, according to one architectural critic, a Tesco supermarket. The problem of providing sufficient room to accommodate all the visitors – some 10,000 a year – at such a small site is a common one and there is no easy – or at least cheap – solution.

One plan proposed at Haworth was to conceal the new visitor center underground, which, although an ideal solution, proved to be too costly for the available funds. Other common forms of visual pollution by tourists include littering, particularly in areas around picnic sites, and graffiti on buildings. It is a curious fact that even those tourists who come from large cities, where they are so used to seeing litter that they become unconscious of it, immediately become sensitive to litter at a tourist destination.

Sometimes, planning controls have the effect of restricting innovation in architecture, leaving developers to play it safe by falling back on pastiche or bland designs, attractive only to the most conservative visitor.

The attempt to protect local building styles and materials can sometimes have unexpected results, as in Ireland. The traditional corrugated roofs have now become such a familiar feature of the landscape that it has been designated a vernacular building material. Sometimes, the problem of scale can relate to buildings far smaller than hotels, but it is no less significant.

During the early 1990s, two historic properties were under threat owing to plans to either build or expand visitors' centers adjacent to the site. The Haworth Parsonage, once the home of the Brontë sisters on the Yorkshire Moors, was threatened with a massive expansion of the visitors' center, which would have greatly exceeded the size of the original house. The project resulted in an outcry from the public and a rethinking of the plans. Similarly, trustees of the birthplace of Sir Edward Elgar, in the Malvern Hills, submitted plans for a new visitors' center adjacent to, and much larger than, the composer's original cottage.

Resorts that have made the effort to improve their image in recent years tend to start by undertaking a drive against both rubbish in the streets and graffiti on buildings. An important point here is that litter bins should be not only readily available but also attractively designed.

Unfortunately, at many sites, both in Britain and elsewhere, the fear of terrorist bombs or vandalism has caused rubbish bins to be sealed or removed, making rubbish disposal more difficult for tourists. In environmentally sensitive areas of the world, such as wilderness regions, littering becomes a critical issue because these areas are too far from any public services that could resolve the problem, so the onus is on tourists themselves to safeguard the environment by taking their rubbish with them. This is a very real issue in the Himalayas, now that trekking has become more popular in the region. Many trekkers and organized trekking parties are failing to carry out their litter or dig latrines to hide human waste, with the result that some valleys have become littered with unsightly rubbish, much of which fails to decompose at the high altitudes there.

Environmentalists and enlightened tour operators are encouraging visitors to ensure that their rubbish is either burned or carried out (although local villagers often make use of tins, bags or bottles left behind) and human waste is buried. The authorities are being encouraged to build more permanent composting toilets in frequented areas, using the twin vault principle – each vault being used in alternate years to allow waste to decompose. Nutrients from composted waste can then be used to encourage rapid growth of willow trees, providing a much-needed source of timber for local villagers. Graffiti has become a common problem in the Western world, with thoughtless tourists desecrating ancient monuments with spray-painted, scratched and even chiseled messages.

This, of course, is no new development: the Romans were chiseling their names on Greek monuments two thousand years ago. The sheer scale of modern tourism, however, has forced authorities to take action. In extreme cases, this had led to denial of access, as in the case of Stonehenge, where visitors are no longer permitted to walk among the stones themselves, but must be content to view them from a distance.

Perhaps the most self-evident problem created by mass tourism is that of congestion. In the previous chapter, we considered some of the social implications of overcrowding for tourists and, in this chapter, we will be equally concerned with the effects of overcrowding, in particular on the natural environment. Congestion is a complex problem because it exists at both a psychological and a physical level. The latter is more easily measured – in terms of the capacity of an area to absorb tourists.

Car parks, streets, beaches, ski slopes, cathedrals and similar features all have a finite limit to the numbers of tourists that they can accommodate at any given time.

Theoretically, this is also true of entire regions and countries, although attempts to define the tourist capacity of a city or country have seldom been attempted. Most national tourist offices continue to develop policies aimed at creating an ever-expanding influx of tourists year-on-year without considering the ability of the areas to absorb those numbers, although efforts are made to divert these influxes to off-peak periods or to less crowded areas of the country.

At the urban level, a few cities under extreme pressure, such as Florence and Venice, have taken more positive action, as will be seen later in this chapter. It is also necessary to understand the psychological capacity of a site – that is, the degree of congestion that tourists will tolerate before it starts to lose its appeal. Quantifying this is far more difficult than physical congestion as individual perceptions of capacity will differ, not only according to the nature of the site itself but also the market attracted to it. A beach in, say, Fiji will be judged overcrowded much more quickly than, say, a beach in the UK at Bournemouth, while in a resort such as Blackpool a much higher level of crowding may be tolerated, even welcomed, as part of the 'fun experience'. countries such as Vietnam, Laos and Cambodia are emerging. Within Africa, the political changes in South Africa have stimulated tourist arrivals within the Southern African region; with the cessation of the civil wars, countries such as Mozambique and Angola can become significant tourist destinations in the future. The globalization trend does not simply replicate past trends.

There are different groups of people travelling and travelling longer distances. As people become more sophisticated travelers, the travel trade has adapted to meet their needs. Safety, comfort and reassurance are still travel prerequisites. In Europe, the European Union's Package Tour Directive attempted to improve conditions on travel and holiday contracts which aimed to ensure the provision of quality standard promised in the tourist receiving countries. The worldwide concern for environmental quality and protection is beginning to influence the travel trade in the way it selects its partners, and also in the conditions which tourists expect to find at the destination. Destination management is becoming an increasingly important issue in the tourism industry. In Europe, the ageing population has provided a reservoir of mature tourists with both the leisure time and disposable income to travel.

This so called third age tourist has become an important, and will remain an important, segment of international tourism demand. As many of these tourists are retired and therefore have the choice of when to travel, they can help to overcome seasonality problems in some destinations. Although there is a trend towards more independent travel, the inclusive tour has not lost its vitality or importance. The inclusive tour, which is a package of travel, accommodation and service arrangements sold at a single price, has become more flexible.

No longer is it necessary for all the tour group members to stay at the same hotel, or even at the same resort; standards of accommodation can vary for different prices. So an inclusive tour may still depart by chartered flight, but at the destination might offer a range of serviced accommodation choices, or self-catering operations, rooms in private houses or self-drive arrangements.

The choice permutations are varied, but the volume of tourists attracted by these arrangements still generate the economies of scale which keep prices low and permit more people to become international tourists. The inclusive tour has not only encouraged travel through price reductions, but has diminished much of the risk and uncertainty associated with foreign travel. This has been particularly important in the development of long-haul tourism to developing countries.

Long-haul tourism was principally the business of a group of specialist companies catering for small-volume but high per trip spend tourists. In the UK, Kuoni, Bales Tours and Cox and Kings are three examples. On the international market, American Express is another example. However, as more experienced tourists are seeking ‘faraway places’, many of the very large tour operators such as Thomson Holidays and Airtours, are now offering long-haul destinations in the Caribbean, Africa, New Zealand and Australia. Although not a large part of their total turnover, the economies of scale enjoyed by such companies do enable them to provide relatively cheap holidays in long-haul destinations, thereby widening the market.

2.5. International public travel.

Mention has been made of the globalization of tourism. This term is frequently used, but has ambiguous interpretations. It should be used to refer not only to the scale of tourism activity, but also to include the distribution of tourism activity. Tourists are not only travelling to the traditional destination countries, but also new tourism destinations and generating countries are represented on the global tourism maps. Within Asia, intraregional tourism is particularly important, and ‘new’ destination.

Air travel

The world's airlines are estimated to have a total fleet of 17 000 aircraft operating over a route network of about 15 million km and serving nearly 15 000 airports. IATA was formed in 1919 with five founder members and celebrated its fiftieth anniversary in 1995 with a membership of 229 airlines. During the four years 1990–1993 the cumulative operating loss of all IATA member airlines amounted to US $15.6 bn – more than the combined profit of members throughout the association's 50-year history. IATA's clearing house dealt with US $7 m worth of interline transactions in its first year of operation in 1947. It settled US $21 billion in total claims in 1993. IATA reports that since 1949 the total number of passengers carried by member airlines has grown from a few million to nearly 1 billion a year by 1993 and is still growing.

The number of aircraft operated by IATA member airlines has grown from 2380 in 1952 to 9281 by 1993. Since 1949 the average number of seats per aircraft has grown from 32 to a peak of 187 in 1985, since when the average has fallen slightly to 184. The development of transatlantic air travel has been a critical factor in expanding tourism both for Europe and latterly for the USA.

In 1950 there were some 10 000 transatlantic flights carrying 300 000 passengers. By 1988 this had grown to 128 000 flights carrying 26 million passengers, with an enormous boost given in 1970 when the wide-bodied Boeing 747 was introduced on the route. The Air Transport Action Group forecasts that European air traffic of 366 m passengers in 1994–95 will rise to over 500 m by 2000 and more than 800 m by 2010. In Europe, the Association of European Airlines claims that a favorable economic climate and fall in real average fares would lead to an average annual traffic rise on intra-European routes of 6.6 per cent over the five years to 1999.

But it questions if European airport and traffic control systems could cope with this forecast growth. Today one of the main inhibitions to expansion lies in airport congestion. A study commissioned by IATA in 1989 calculated that passengers lost due to congestion cost airlines US $5 bn that year, and subsequent predictions suggest that the figure would rise to US $6 bn by 2000. The environment is another factor that has seen many airlines employing managers specifically to identify environmental impacts, to overcome aircraft noise, develop fuel efficiency and coordinate operations with other interests to overcome congestion. British Airways has calculated that it is wasting 16 000 tons of fuel a year, worth £2.4 m, due to holding delays at Heathrow and Gatwick Airports.

A hub airport is one where passengers change aircraft for onward flights, known as interlining. London Heathrow is a good example of this with 90 airlines from 85 countries serving over 200 destinations. It serves nearly 48 m passengers a year, of whom 30 per cent are interlining. Frankfurt handles 32.5 m; Paris–Charles de Gaulle 26.1 m.; Paris-Orly 25.4 m; Amsterdam 21.3 m; and London–Gatwick 20.2 m. In the case of Amsterdam's Schipol Airport, interlining passengers are an important factor, especially from the UK.

In 1993, 43.4 per cent of all passengers arriving were interlining. Business travel Most tourism for business purposes is not at the discretion of the traveler. However, there are three important business travel market segments where choice plays an important role in selecting the destination – these are exhibition, conference and incentive tourism. These market segments are important because they represent, on average, the highest spending of all tourists.

However, they are also one of the most difficult sectors to quantify; for example, the largest sector of the conference market is the corporate sector, where many meetings take place on private premises. It is very difficult to research and to make assessments of the actual volume of this activity.

Conference and exhibition tourism are dependent to a large extent on the facilities provided for the activity. Throughout the world there are recognized 'conference towns' that have sufficiently large facilities to attract national and international conferences. Equally there are key exhibition centers that host large international exhibitions which attract substantial numbers of overseas visitors.

Incentive travel

Incentive travel is often claimed as the fastest growing segment of the business travel market. In the USA, for example, a third of incentive travel awards are individual packages as opposed to group travel arrangements. It is almost certainly the highest spending sector, since the whole objective of the phenomenon is the rewarding of sales people, or people who achieve targets of varying kinds, with a unique vacation occasion. To develop this business, tour operators and handling agents have had to exercise their creative imaginations and persuade museums, historic houses, palaces, and many other ‘unusual venues’ to open to incentive groups for exclusive meals and entertainment, to create unique ‘theatrical’ occasions that are not generally available to the normal tourist.

Estimated valuation incorporates transportation, accommodation, food and beverage, excursion and entertainment spending. Although often not fatal, these illnesses can cause social and economic stress to the host population who may have less immunity to the diseases than the tourist population. Fears of the Zika virus have had an impact on tourism demand, where vulnerability to the mosquito-borne disease, linked to microcephaly and other fetal brain damage, has led to some destinations becoming less popular. Where tourism growth is rapid and unplanned there can be infrastructure failures that lead to health hazards. Tourism activity can also be suddenly curtailed by outbreaks of health scares such as those related to SARS, Avian Flu, Swine Flu and Foot and Mouth Disease. The media are highly influential in the way that tourists and tour operators respond to outbreaks of disease, for instance during the outbreak of SARS (2002–2003) the media created an image of an outbreak of pandemic proportions and some destinations, such as Malaysia, suffered severely even though they did not have a single registered case of SARS. In the United Kingdom, during an outbreak of Foot and Mouth Disease (2001), the image of the United Kingdom was severely damaged by pictures and videos of mountains of sheep and cattle carcasses being burned in an attempt to curtail the spread of the disease which closed off large swathes of the British countryside. Although agriculture was compensated to some degree by the government for its losses, the same was not true for tourism where many businesses fell victim to the closure of the countryside.

Slum tourism

Slum tourism, where relatively wealthy tourists visit areas of extreme poverty is not a new phenomenon and was something that was practiced back in Victorian England and subsequently in the United States, when wealthy people visited some of the deprived areas of

London or Manhattan to see how poor people lived. Organized tours to slums, Favelas or Townships are now given greater publicity, with some notable destinations such as those found in India, Brazil and South Africa. This type of tourism raises some moral and ethical questions regarding the ‘zooism’ aspects of visitors going to observe people living in squalid conditions.

However, if operated ethically, such forms of tourism can generate income and employment opportunities to those living under conditions of extreme poverty and can act as a catalyst to further development. Again the impact of tourism can be on the visitors as well as the hosts, and visits to areas of extreme poverty and deprivation can change the attitudes and behavior of the relatively wealthy visitors towards poor people.

Dark tourism

Dark or ‘Than tourism’ refers to the more macabre side of the tourism industry where tourists visit sites where shocking events have occurred. It covers a spectrum of darkness in that some events can be very distant, such as the eruption of Mt. Vesuvius in AD 79 which destroyed Pompeii which has been a major tourist attraction for more than 200 years. Tourists can go and visit the area and not only see some of the buildings that were excavated, but also see representations of figures of people who died in excruciating circumstances.

In contrast to this, the site of the Twin Towers in New York City (Ground Zero) went from being a site of mass death in September 2001 to being a major tourist attraction with over 3 million visitors in 2002. Sites such as Auschwitz, where over a million Jews or ‘enemies of the state’ were transported, or as small as a quiet village in England (Soham), where two schoolgirls were murdered, attract tourists in their thousands. There are clearly issues relating to the moral and ethical underpinning of such forms of tourism and where the line is drawn between what is human curiosity and what is exploitation.

Agrotourism

[Agrotourism] is a model for the development of mountainous and remote areas of the country. It also offers additional income to farmers and to various local communities, thus preventing them from abandoning their land. Brigitta Papastavrou, President of Agritourist Rural tourism as we have seen has long been popular with independent travelers and its importance to the economy of the countryside has been widely recognized in recent years. The concept of agrotourism (or agritourism) was developed in Italy and, from there, spread rapidly throughout the Mediterranean and beyond. Its aim is to develop sustainable tourism in agricultural areas of the countryside and it has become an important feature of rural tourism planning following the success of the development of gate holidays in France. French government grants were awarded in the post-war years to help convert decaying farm buildings into rural cottages for tourist accommodation, and the gate holiday became popular, particularly with independent British tourists. The Portuguese quintals, or rural estates, also attracted a strong following among tourists eager to experience something a little different from the standard forms of holiday accommodation. There is now a programm of strong financial support from the EU, with grants that are allowing rural tourism provision to become increasingly luxurious. Recent developments also take account of the interest in adventure sports, many of which are best enjoyed in rural communities, and outdoor sports such as ballooning, horse riding and mountain biking are also now catered for. Spain, Portugal, Cyprus, Greece and Italy have all invested heavily in agrotourism. Notable developments include those in the Epirus province in north-western Greece and at Sierra Aracena, a province of Seville, in Spain.

Spa tourism

One important element of health tourism is treatment at spas. The term ‘spa’ is said to have originated from the town of that name in Belgium, although some claim that ‘Sanitas Per Aqua’ – health through water – is the true derivation of the term, which has been applied equally to resorts that provide healthy air (often mountain or seaside resorts) and others offering so-called ‘healing’ waters. Although the original spa in Belgium and others like it at Vichy and Aix-les-Bains in France or Wildbad and Baden Baden in Germany have developed into urban areas, often becoming popular destinations in their own right (Bath, Cheltenham, Harrogate, Scarborough and Buxton being good examples in the UK), most spas are still small enough to be considered rural destinations.

They form an important element in international tourism – one too readily overlooked by students of tourism in the UK, a country where spas have fallen out of favor to some extent. Back in the seventeenth century, Britain itself could boast more than 250 active spas. Some were surprisingly urban. Streatham Vale, for example, now a London suburb, was a popular watering hole as early as 1659.

By the twentieth century, though, their appeal had waned to a point where the final ten, then under the control of hospitals, were taken over on the formation of the National Health Service in 1948, but had their financial support withdrawn in 1976. The last publicly funded spa, Bath, closed in 1978. Following massive investment and prolonged delays, however, it was re-opened in 2007 and has enjoyed considerable commercial success. Droitwich Spa has also lingered on, providing medical treatment in a private hospital with a small indoor brine bath.

2.6. Travels of Central Asian Scientists Related to Tourism

A person in his life goes through a certain path of travel, recreation, sports, trade, science, treatment and other purposes for leaving the country, temporarily leaving for other countries. The multiplication of human interest, the increase in knowledge, the development of trade, to discover and learn new lands and to go on excursions, it was these goals that forced to travel the world and the first travelers were merchants and sightseers.

Tourism in Central Asia has been developing since ancient times, the first manifestations of tourism are rooted in the "Great Silk Road". Founded in the II century BC, the "Great Silk Road" was of great importance, this path was the basis not only for trade but also for international relations.

In Central Asia, a certain number of tourists were sightseers, went on excursions to sacred places, it was very difficult and took a lot of time.

In the 7th-8th centuries, the Arabs conquered Mawaraunnahr and influenced the folk traditions, faith and culture that developed from ancient times and gradually introduced Islam. After the transition of the people to Islam, Central Asia, the Arab countries were associated with Mecca and Medina.

One of the requirements of Islam is a campaign in the Hajj, the Mawaraunnahr people left their country and through Afghanistan, Iran, Iraq and Syria reached Mecca and Medina, which is located in Saudi Arabia to fulfill the requirements of the Hajj. Despite the fact that this path is very long and not very easy and takes months or even years, the number of visitors increased from year to year.

The great Imam al-Bukhariy can be considered a great scholar - excursionist. Imam al-Bukhariy, when he was 17, went with his family to the Hajj and they lived in Arabistan for several years. With the aim of collecting hadiths, he traveled for 40 years to Baghdad, Damashka, Balkh, Chinopuri and many other Arab countries. A contemporary of Imam al-Bukhariy Abu Isa Muhammad at-Termiziy can also become an example. He had many students in Baghdad. The Arabs who entered Mavaraunnahr, Khurasan and Khorezm, the manuscripts written in the vernacular languages were destroyed and the experts were forced to study in Damask, Cairo, Baghdad, Kufa and Barsa and write and teach in Arabic, these cities are the largest center of science and civilization of the East. the most famous of them is the history of Baghdad. In the 9th century in this city was founded "Bayt-ul-Hikma" - "House of experts" Eastern Academy of Sciences.

There was a large library in Bait-ul-Hikma, and in Baghdad and Damascus there was an observatory for astronomical observations. The students here are in the middle of research, studying Greek and Indian works and translating them into Arabic. Many Mavaraunnahr and Khurasan scholars who contributed to science were engaged in creative work here.

Over 20 authors of works, the legitimate scholar Muhammad Mussa al-Kharezmiy traveled to Khurasan, Iran, Iraq, and Syria to expand knowledge and contribute to mathematics, geography and astronomical sciences.

Another of the members of "Bayt-ul-Hikmi", the great astronomer, mathematician and geographer Ahmad al-Ferganiy, is from Fergana, at the beginning in Marw, then in Baghdad, Damascus and in Cairo he was engaged in astronomy, mathematics and geographical sciences.

He was the head of the "Migiyos an-Nil" construction that measures the water level, which is located in the Nile River in the city of Fursat on the island of Ravzo.

A number of our scientists Abu Nasb Farabi, Abu Ali ibn Sina, Abu Reikhan Beruniy who made a huge contribution to the development of culture in our country.

In the work of al-Beruniy “Otmish avlodlaridan qolgan yodgorliklar”, “Hindistan” were written about the geography and culture of Central Asia.

Zakhiriddin Muhammad Babur (1483. 14.03. Andijan - 1530. 26. 12. India, the city of Agra) - a member of Uzbek classical literature, historian, scientist, member of the Temur dynasty. The founders of the “Great Mugul Empire” were actually the founders of the Babur state. Babur in his work "Baburnoma" wrote about the history of the late 15th and early 16th centuries in Mavaraunnahr, Central Asia, Afghanistan and India, there is a lot of information about the culture and nature of these countries and this is proof that Babur was a traveler. (Uzbek Soviet encyclopedia 2 volume).

In addition, many legitimate scientists of Central Asia, predictor historians, geographers have heeded their contributions.

In conclusion, we can say that Central Asia is associated with the emergence of the Great Silk Road; in the 9th and 11th centuries, tourism and scientific tourism were developed.

History is gloriously named after travelers. From the earliest, documented, this is Abbot Daniel, who made a pilgrimage to Athos and the Holy Land in 1065 and described in detail the lands and peoples he saw. Afanasy Nikitin, who traveled to Persia and India in 1471-1474. and who left us with a unique work “Walking the Three Seas”. Later, travelers are known N. N. Miklukho-Maclay (1846 - 1888), N. M. Przhevalsky (1839 - 1888), V. I. Bering (1681 - 1741) and many others.

Round-the-world travel routes were up to 75 thousand miles or more. The most valuable scientific data were obtained, which formed the basis of entire scientific directions and systems of knowledge. Ancient maps of the world have survived, surprisingly accurately reproducing the geographical outlines of the continents, the way of knowing and obtaining information and the method of creating which there are practically no explanations. We know the names of contemporaries who make amazing journeys in extreme conditions associated with the conquest of the highest mountain peaks, deserts, caves, the South and North Poles, explorers of the underwater world. From our compatriots, everyone knows the names of Yuri Senkevich, Artur Chillingarov, Dmitry Shparo and many others.

2.7. Economic indicators of tourism development in Uzbekistan

The adoption of the Concept on Tourism Development 2025 had a positive impact on the development of tourism.

According to statistics, 6,748.500 tourists visited Uzbekistan in 2019, while in 2018 the indicator was 5,346.200 people, showing an increase by 26.2%.

The largest number of tourists came from the Central Asian region – 5,764. 500 people. 495,600 tourists came from the CIS countries. The number of visitors from non-CIS countries amounted to 488,400 people.

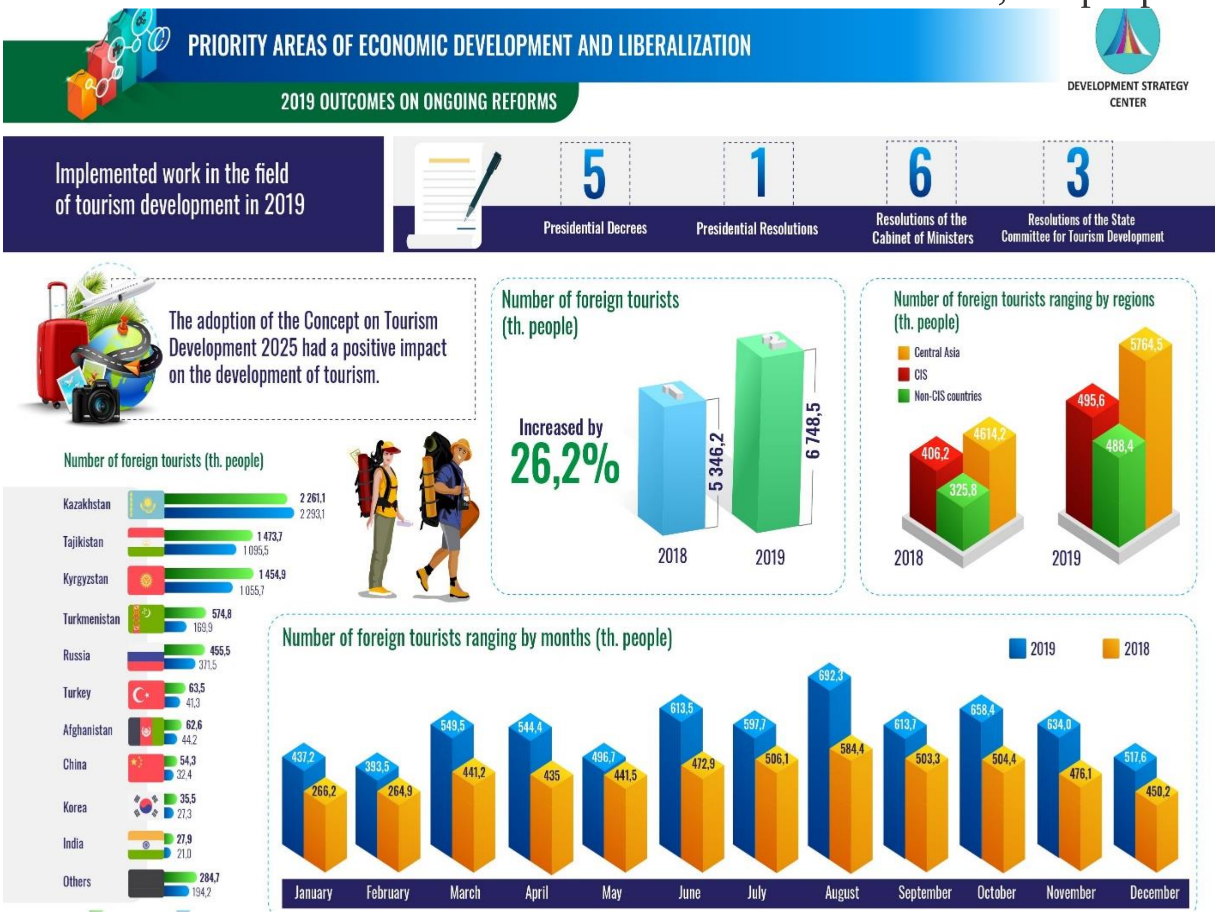

Figure-2.7.1. 2019 outcomes reforms of Uzbekistan[7]

[7] https://strategy.uz/index.php?news=797&lang=en

Most tourists came from Kazakhstan, Tajikistan, Kyrgyzstan, Turkmenistan, the Russian Federation, Turkey, Afghanistan, China, the Republic of Korea and India.

Of these, 81.8% arrived in Uzbekistan to visit their relatives and friends, and 15.5% came for leisure. The proportion of those who came for other reasons, including treatment, shopping, business and study, amounted to 2.7%.

The volume of tourism services exports

At the end of 2019, the volume of tourism services exports amounted to 1,313.032 USD (1,041.089 USD in 2018), showing an increase by 26.1%.

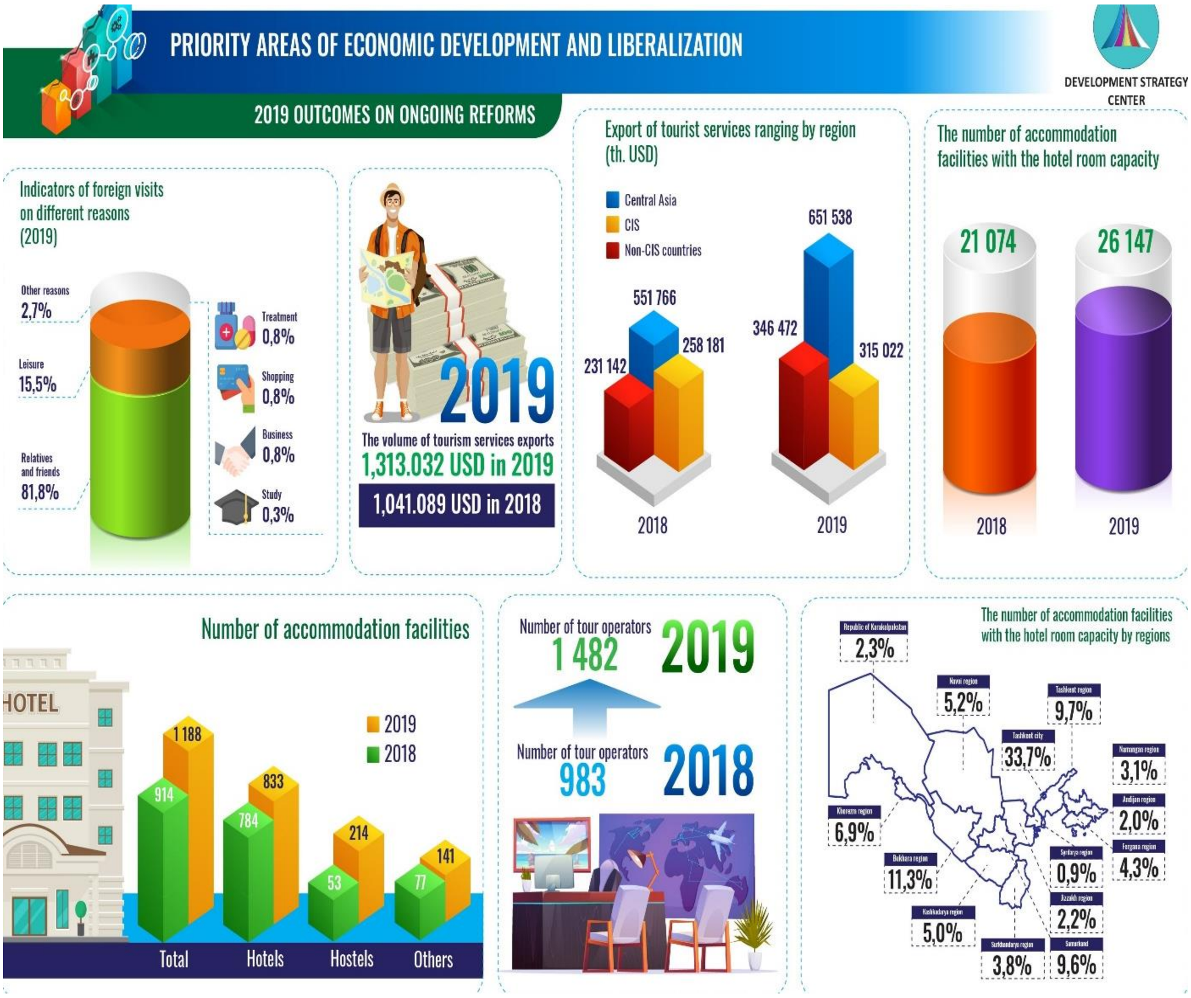

Figure-2.7.2. 2019 outcomes reforms of Uzbekistan[8]

Number of accommodation facilities

[8] https://strategy.uz/index.php?news=797&lang=en

The total number of accommodation facilities reached 1,188, including 833 hotels, 214 hostels and 141 other types of facilities.

The number of accommodation facilities with the hotel room capacity in 2019 reached 26,147.

The number of tour operators in 2019 reached 1,482, against 983 in 2018.

Total number of countries in 2019 covered by visa-free regime

The total number of countries for which Uzbekistan introduced a visa-free regime reached 65 in 2019, against 18 countries in 2018, and from January 1, 2020 the number of countries covered by visa-free regime will reach 86. Citizens of 77 countries gained the opportunity to receive electronic visas, and citizens of 109 countries were granted a residence permit in the Republic of Uzbekistan.

Uzbekistan established a system of double and multiple electronic entry visas, and introduced five new categories of visas for certain groups of foreign citizens (Vatandosh, Student Visa, Academic Visa, Medical Visa, Pilgrim Visa).

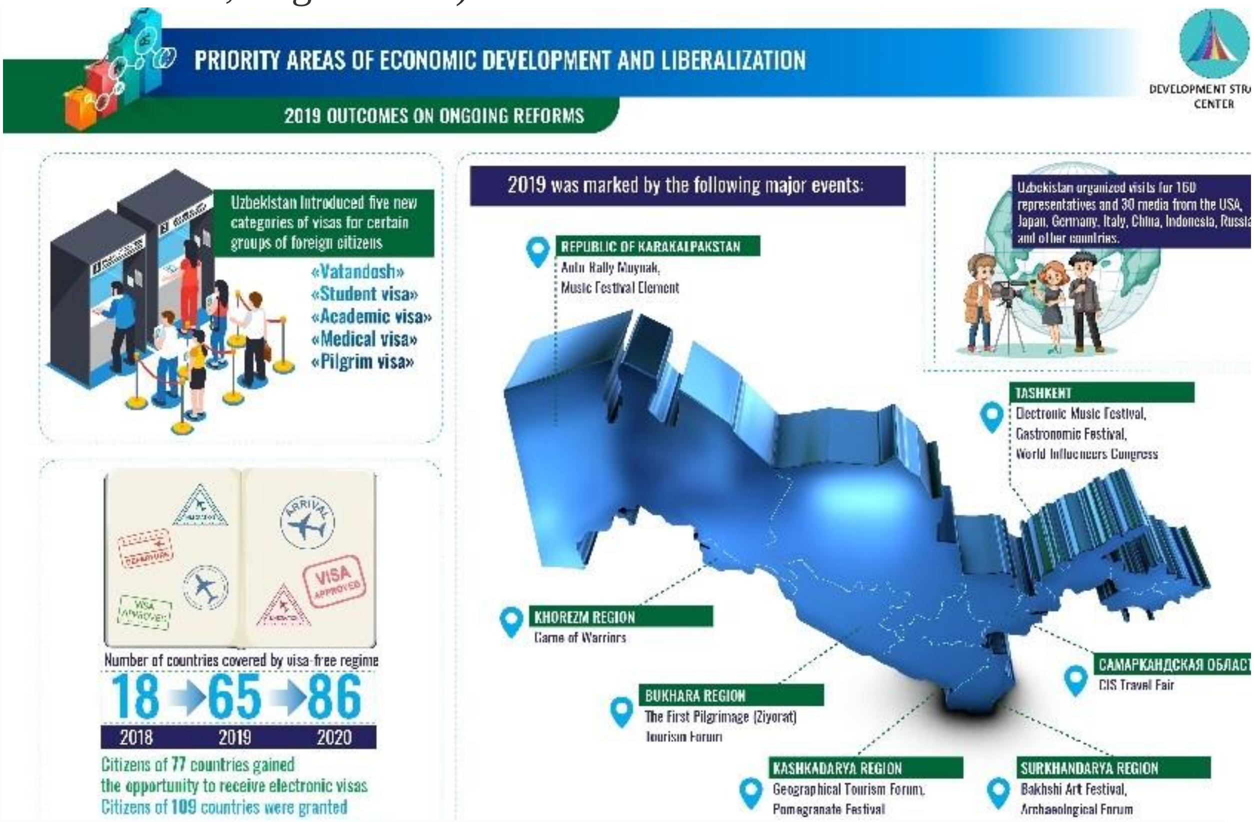

Figure-2.7.3. Total number of countries in 2019 covered by visa-free regime[9]

[9] https://strategy.uz/index.php?news=797&lang=en

Aiming at large-scale promotion of the country's tourism potential among the world community Uzbekistan organized visits for 160 representatives and 30 media from the USA, Japan, Germany, Italy, China, Indonesia, Russia and other countries.

2019 was marked by the following major events:

Taking into account the importance of various cultural and entertainment events in attracting tourists to Uzbekistan, since last year, various mass events have been organized based on the specifics of each region. Including:

- The First Pilgrimage (Ziyorat) Tourism Forum **(Bukhara region)**
- Bakhshi Art Festival, Archaeological Forum **(Surkhandarya Region)**
- Game of Warriors **(Khorezm region)**
- Auto Rally Muynak, Music Festival Element **(Republic of Karakalpakstan)**
- CIS Travel Fair **(Samarkand region)**
- Geographical Tourism Forum, Pomegranate Festival **(Kashkadarya region)**
- Electronic Music Festival, Gastronomic Festival, World Influencers Congress **(Tashkent)**.

Building a bigger, more developed, more internationally competitive tourism market can help Uzbekistan’s economy grow, just as tourism has been an engine of growth in western European and other countries. It can also have domestic social, cultural, and education benefits in addition to boosting a country’s international reputation and identity. Uzbekistan has already made its national strategy, “Concept of the Development of the Tourism Industry — 2025,” a guide and framework. The government has approved its Action Plan for 2019 for implementing the Concept.

The Action Plan contains 36 points, including improving the regulatory framework, further developing the tourism infrastructure, developing transportation networks, establishing a regular intercity bus service, and organizing protected zones. The infrastructure construction will lay a solid foundation for the tourism industry and thus provide better service for tourists from all over the world.

Discussion Questions

1. What are some of the principal challenges facing a destination of your choice when deciding upon an extensive programme of year-round festivals and events to enhance its appeal to visitors?

2. In what ways can festivals and events be used by destinations to enhance the visit 'experience'?

3. Retail is a major component of destinations but very often is managed separately. How do retail and tourism cross over and what are some of the many benefits to be derived from a cohesive retail tourism strategy at the destination level?

4. How would you evaluate the impact of a large rise in oil prices on international travel?

Mini case study 2.1 Tourism Destinations and Quality Management

Two main factors account for the increasing importance being placed on quality in the tourism and hospitality industry (Gilbert and Joshi, 1992). These are, first, increased consumerism and greater media attention on quality issues within the tourism industry, and secondly, an increasing sophistication of consumer markets with non-price factors becoming more important.

Owing to the increasingly sophisticated tourist or the 'new consumer' (Poon, 1993), a new quality consciousness has emerged. As a result of this development, quality has become not only the basis for the competitiveness of the product, but for its survival (Soriano, 1999). A review of the instigators of best practice in the hospitability industry reveals names such as Ritz-Carlton, Disney, Four Seasons and Regent Hotels and Resorts, Hyatt Regency, Marriott International and Hilton.

The foregoing demonstrates that many major players in the industry have embarked on a quality journey with the help of recognised quality tools. However, what also materialises from a literature review of quality management in the tourism hospitality industry, is that most often the focus has been on the agency level, i.e. on the individual organisation (and the larger ones at that), as opposed to the domain level, i.e. the level of the tourism destination. Yet it is the tourism destination as a whole which appeals to potential tourists.

'The fundamental product in tourism is the destination experience. Competition therefore centres on the destination' (Ritchie and Crouch, 2000, p. 1). Owing to the effects of globalisation, the competition in tourism has shifted from inter-firm competition to the competition between destinations (Go and Govers, 2000). This increased competition has highlighted the concepts of quality and branding value as important factors that can make visiting a place more attractive. It also suggests that it is time to devote more attention to the issue of quality at a destination or domain level as opposed to solely concentrating on the individual or agency level.

Complexities at the Destination

Level Quality management at the destination level is particularly complex in view of several factors. First, the tourism destination product is an amalgam of mostly services and, therefore, shares certain characteristics that are common to all services and which render the implementation of quality more difficult. A second factor that contributes to the difficulty of managing quality at a destination is the highly fragmented nature of the tourism destination product.

Thirdly, tourism destinations are comprised largely of small- and medium-sized tourism enterprises (SMTEs), which are unlikely to implement quality in the same way as the larger operators mentioned earlier. Gunn (1988) denotes the tourism product as a complex consumptive experience that results from a process where tourists use multiple travel services during the course of their visit, such as information, transportation, accommodation and attraction services. Likewise, Smith (1994) recognises the role of such travel services.

Various ‘inputs’ from the destination could produce an experiential ‘output’ for tourists ., despite the fragmentation on the supply side; the experience at the destination is perceived, at the same time, as a gestalt by the visitor, and there is a demand on the part of the consumer for a total quality of experience (QOE) (Otto and Ritchie, 1995). The fragmentation of the tourism destination product set against the demand for a total QOE underlines the challenge facing destination managers to ensure a seamless, hassle-free interface among all elements of the total travel experience.

Discussion Questions

1. What are some of the quality and service problems that may be associated with operating a small tourism destination enterprise?

2. If you were planning to run a seminar on achieving service improvements in busy seaside guest houses and small hotels what concepts from this chapter would you include in your talk?

UNIT 3: THE IMPORTANCE OF HISTORICAL CITIES IN UZBEKISTAN IN THE DEVELOPMENT OF TOURISM

3.1. The role of historical cities in the development of tourism in Uzbekistan.
3.2. "Ancient monuments of the East". "World Heritage".
3.3. Cities of Uzbekistan with historical and architectural monuments.
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3.1. The role of historical cities in the development of tourism in Uzbekistan

Many of the world's cultural treasury are architectural monuments. Ichan-Kala, in the historical center of the city of Bukhara and Shakhrisabz, ancient historical monuments in the UNESCO World Heritage List, folklore of the population in the area of the Treasures of the World Intangible Heritage List.

Since ancient times, with many countries of the world trade, economic and cultural cooperation have been introduced. Caravan trade connecting East and West through the Great Silk Road and from Uzbekistan, which is one of the most important centers. East and West across the Silk Road countries in addition to various cattle produced in different cultures, traditions, professions and religions as well. Moral values of exchanges.

The development of relations between the two countries and their contribution to the development of world culture: theoretical countries of the Silk Road, new inventions, scientific achievements and made it possible to achieve cultural and spiritual values, as well as actively participate in international cooperation in this matter of the socio-economic development of all countries.

Tourism, that people in other places, new things and get to know people, its culture and spirituality, to visit distant places to go and see precious time. Hence the need for tourists to foreign countries, for example, citizens living in the Surkhandarya region to visit Zangi-ota, as well as citizens of their brothers in the Khorezm resort in Fergana as a tourist during the trip, even if they are important. At the same time, certain conditions must be met:

Tourists visiting at an honored worker's salary. Now days, there are many types of tourism. Travel tourism, depending on the distance from local (for example, citizens along the way) and international (foreign citizens abroad to go out and people will go to Uzbekistan) forms.

Depending on the purpose of excursion tourism, entertainment (for example, to leave in a water park), health (health promotion or health promotion), cultural events (excursions, museums and concerts) and sports (come to the stadium to watch a football match, to deal with mountains, mountain tourism).

And the development of tourism in Uzbekistan to a qualitatively new level, the first of which is a hotbed of cultural and architectural monuments of Samarkand, Bukhara, Khiva, Karshi, important cities such as the city.

The regulation of these cities, the people of the world was amazed and we have many priceless historical monuments of the ancient. Life in different countries of the Earth, each of these cities, to live in the desire to see with your own eyes. In many countries, these are famous cities. These historical cities of Uzbekistan can be called the Pearls of the East.

In particular, "On measures to accelerate the development of tourism potential of the city of Samarkand and Samarkand region", measures to accelerate the development of tourism potential of Bukhara and Samarkand regions were approved. The resolution provides for the organization and holding of annual thematic festivals in Samarkand region, such as "Samarkand breads", "Samarkand craftsmen", "National dishes", "Oriental sweets", the organization of information tours for foreign tour operators and the media, preparation of tourist maps of excursions.

The issues of promoting the tourism potential of Samarkand on popular foreign TV channels, conducting a comprehensive advertising campaign and promoting the brand of Samarkand through the placement of information on the sights and rich history of the region on the world wide web and popular social networks.

All regions of the country have a rich historical and cultural heritage. Systematic holding of various cultural events and festivals in all regions, taking advantage of event tourism, leads to the socio-economic development of the regions. At the same time, the holding of cultural events through real tourism will allow to demonstrate the tourism potential of our country to foreign citizens, as well as to coordinate organizational and intersectoral relations between the entities engaged in tourism.

Cultural tourism can play an important role and contribute to all three types of compatibility. For example, the promotion of “national-cultural monuments”, the promotion of legitimate conformity, the creation of alternative cultural routes for resistive conformity and, of course, the promotion of new forms of social life for projection conformity (third round) plays an important role in the creation and reconstruction. In other words, tourism as a mechanism of cultural and social change has a significant impact on the transformation of conformity.

At the same time, in some cases, cultural tourism can enhance this compatibility, in other cases it can add new content and meanings for people, thus fundamentally changing and transforming compatibility. Another factor that reflects the inextricable link between compatibility and cultural tourism is the context of globalization, which can be seen in the weakening of social ties, the breakdown of traditional families, and individualism.

These evolving trends require a redefinition of ‘symbolic constructions for social groups’, the dissemination of new images and conformities in response to shared social relations, and the modification of boundaries and constraints between different social groups locally and globally.

3.2. "Ancient monuments of the East", "World Heritage"

As mentioned above, the use of hanging baskets, floral beds in the center of main access roads, extensive tree planting along the pavements and similar horticultural displays can make a pretty village outstanding and even an unattractive town bearable. Some of Britain’s towns have made such a feature of their floral displays that they have become famous internationally.

Bath's hanging basket displays are a highly attractive feature for summer visitors, while the massed floral beds that line the seafronts of towns such as Eastbourne and Worthing draw many older visitors to these resorts year after year. As many flowers bloom in spring, they can be used to attract visitors before the traditional peak summer season. Aberdeen is noted for its display of formal rose beds along its main roads, while, on the Continent, the sight of flower-bedecked chalets in Switzerland and Austria is indelibly associated with these countries' villages and highlighted in all tourist brochures.

The cost of transforming a town in this way is considerable, but, as a way to attract tourists, at the very least, councils need to consider investing funds to make the main approach roads more attractive – both those carrying car traffic to the centre and those providing the principal access for pedestrians to the center from bus or train terminals.

First impressions count for a lot when it comes to attracting tourists. Historic buildings and architectural features Probably what most of us think of first, when considering the appeal of an urban location to tourists, are its historical and architectural features. Often they are subsumed into a general 'feel' of the destination, rather than there being an appreciation of any individual building – the sense that the town is old and beautiful, its buildings having mellowed over time and their architecture quintessentially representative of the region or nation and its people. Thus, old cobbled streets lined with protected shopfronts, gabled roofs and ornamental features, such as those to be found in towns like York and Chester in Britain, Dinant and Tours in France, Rothenburg and Rüdesheim in Germany, Aarhus and Odense in Denmark, Bruges and Ghent in Belgium, all convey an overall impression of attractiveness and warmth, inviting us to shop there and enjoy the local food and lodgings (over 2500 hotels in Britain enjoy listed status, being of historic or architectural interest).

These features are the supreme attraction of the 'old' countries of Europe, to which American, Arab and Japanese tourists alike are drawn when they first visit the country (and, where Britain is concerned, one should not underestimate the influence of Charles

Dickens, whose nineteenth-century novels have had enormous impact in establishing the landscape and townscape images for which the country is known universally).

In spite of an earlier disdain for older properties, the damage wrought by two world wars and the often poor quality of architectural construction in their aftermath, most nations in Europe have retained major elements of their old city centres, even, in some cases (as in Warsaw and Introduction: defining the attraction.

UNESCO World Heritage sites in the UK. Giant's Causeway and Coast Durham Cathedral and Castle Ironbridge Gorge Studley Royal Park and ruins of Fountains Abbey Stonehenge, Avebury and associated sites King Edward I's castles and town walls in Gwynedd St Kilda Island Blenheim Palace Westminster Palace, Westminster Abbey and St Margaret's Church City of Bath Hadrian's Wall (frontier of the Roman Empire) Tower of London Note:

The UK listing also includes the historic town of St George and related fortifications in Bermuda, as well as Henderson, Gough and Inaccessible Islands in the Pacific, which are dependent territories. Canterbury Cathedral, St Augustine's Abbey and St Martin's Church Old and New towns of Edinburgh Maritime Greenwich Heart of Neolithic Orkney Blaenavon Industrial Landscape Saltaire Dorset and East Devon Coast Derwent Valley Mills New Lanark Royal Botanic Gardens, Kew Liverpool Maritime Mercantile City Cornwall and West Devon mining landscape Antonine Wall, Scotland (building entire replicas of the pre-war city centre in an attempt to regain their original character and heighten their appeal to visitors and residents alike.

This type of attraction is not limited to the Old World. Quebec City is among a number of New World towns and cities marketing themselves as winter (and not purely winter sport) destinations to Europeans as well as North Americans, selling the charm of its old town under snow. Britain has been more sensitive than some other European nations in retaining and restoring its buildings, having introduced a policy of listing historic buildings since 1950 (although the French had, in fact, introduced a similar, but less effective, policy at least 100 years earlier). Today, the nation boasts over 500,000 buildings listed as being of special historic or architectural interest. In England and Wales, truly outstanding buildings fall into the Grade I category – of ‘exceptional interest’ – and make up about 2 per cent of the total. A further 4 per cent fall into the second category of Grade II* – of ’special interest’. Most others are listed as Grade II (in Scotland and Northern Ireland, similar buildings are categorized as A, B or C).

Today, all buildings in reasonable repair dating from before 1700 and most between 1700 and 1840 are listed, with strict controls over any cosmetic or structural changes to their exteriors. Among these, a handful (together with some of those scheduled as ancient monuments, but not necessarily all Grade I-listed buildings) stand out as icons, having sufficient power to draw visitors from all over the world. Castles and cathedrals, palaces and historic manor houses have such power, as do key sites of archaeological interest protected under the Ancient Monuments and Archaeological Areas Act (1979).

The Tower of London alone receives over two million visitors annually, attracted not just by the building itself but also by the Crown jewels, which are on permanent display there. At the other end of the scale, ‘listed buildings’ can include post-war prefabricated houses, garden sheds, army camps, pigsties, lamp-posts, even toilet blocks. The National Trust, with the aid of Heritage Lottery Funding, has even saved some of the last survivors of the back-to-back slums built in Birmingham between 1802 and 1831, some of which have been renovated and are now being rented out as visitor accommodation. The importance of all of these structures as key ingredients of our national heritage has been recognized by successive British governments. Most such buildings in England are in the care of English Heritage, while those in Wales are cared for by the Welsh equivalent, Cadw, and those in Scotland by Historic Scotland. The Church Commissioners are responsible for most of the great cathedrals and historic churches, the focal points for tourism in so many cities in the UK, and they part-fund, with government help, the Churches Conservation Trust, which cares for more than 300 redundant churches earmarked as being of historic or architectural merit. Apart from key sites, many other important buildings are open to visitors.

There are believed to be well over 6000 historic houses, commonly referred to as ‘stately homes’, of which over 800 are open to the public. Others are under the care of the National Trust (National Trust for Scotland in Scotland), while still others are in private hands.

The Historic Houses Association comprises around 1500 owners of private houses, of whom some 300 regularly open their houses to the public for at least 28 days a year (the minimum required to reduce inheritance tax). Some will only open by appointment and to small escorted groups, due to limitations of space.

The particular value of all of these properties is their location, generally in the heart of the countryside, so they become a major support for rural tourism and the coach tour industry. On the Continent, historic buildings play an equally important role in tourism for many countries. Notable among these are the châteaux of the Loire in France, Bavarian castles such as Neuschwanstein in Germany and medieval cities such as Florence and Venice in Italy.

In Spain and Portugal, former stately homes – known respectively as paradores and pousadas and operated by the state – have been converted into luxury hotels, attracting upmarket touring visitors.

Even Lutyens' famed government buildings in New Delhi are deteriorating rapidly in the harsh climate. Others needing urgent restoration, and with tourism potential, include Clive of India's house in Calcutta, the Georgetown trading post in Penang Island, Levuka in Fiji and Falmouth in Jamaica. English Heritage has made moves to contribute to their restoration before many such buildings are lost for ever. Although the history of the new world is shorter, funding is more readily available and early buildings that have survived are treasured.

Americans take great pride in their prominent historic buildings, such as Monticello in Virginia – home of Thomas Jefferson, third president of the United States – while the town of Williamsburg in the same state has been preserved as a living museum of the colonial period.

Buildings from the Spanish colonial period are also well preserved, including the missions of San Luis Rey in California, dating from 1789, and what is believed to be the nation's oldest house in St Augustine, Florida. Industrial heritage Britain became the seat of the industrial revolution in the eighteenth century and, over the past half century, interest has been awakened in the many redundant buildings and obsolete machinery dating back to this period.

The fact that so many of the early factories and warehouses were also architectural gems has given impetus to the drive to preserve and restore them for tourism. Other European countries as well as the USA and Australia have also recognized the tourism potential of such redundant buildings.

Lowell, in Massachusetts, where a number of early mills survived intact, received massive federal government funding to be restored as an urban heritage park and, since the conversion of the buildings into museums, offices and shops, it has enjoyed considerable commercial success as an out-of-the-ordinary tourist destination. A similar success has been recorded in Britain for Ironbridge, where the industrial revolution is claimed to have originated in 1709. Now a UNESCO World Heritage site, it has enjoyed the benefit of substantial tourism investment on its seven sites spread over some 6 square miles. The variety of industrial sites is astonishing. Early mining works in Britain, such as the coal and slate mines of South Wales or the copper mines of Cornwall, have been converted into tourist attractions, as have former docks and manufacturing buildings.

Conservation, use and tourism on cultural heritage sites

• "Preservation use" is outdated approach.

• Obviously, you can save and use parallel.

• New revision of the Japanese Protection Act cultural property (2018)

• There is a clear emphasis on the use of

• “Use” refers to tourism in various cultural objects (so-called. cultural tourism).

People who view the use of cultural heritage as the opposite of its preservation are now a minority. Today it has become obvious that you can save and use at the same time. Moreover, there are known cases where active use, on the contrary, led to more active conservation measures. The new revision of the Japanese Cultural Property Protection Act (2018) places emphasis on utilization. Of all its forms, "use" here means, first of all, tourism (so-called cultural tourism) on tangible and intangible objects of a cultural nature[10].

When you look at usage from a conservation perspective, there are many positives. I will list the most basic ones.

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[10] Сохранение и туризм на объеюктах нематериального культурного наследия МАСУИ Масая Киотский университет. JICA.

Firstly, the understanding of the value of heritage sites is growing on the scale of the whole society, and this leads to an increase in the understanding that these sites need to be preserved.

Second, and this is obvious, the use helps build the socio-economic foundation for further implementation of conservation measures.

And thirdly, it helps professionals and ordinary citizens discover new values hat they did not notice before.

The unique history of the Kaliningrad Oblast means that heritage tourism is the main reason for tourists to come to the area. It is possible to distinguish the following types of cultural and heritage tourism: l famous architectural monuments and architectural styles representing different epochs, reflecting the civil and military history of the area l the works of famous representatives of science, culture and art representing the development of cultural exchange in the area – at an average density of over 100 things to see per square kilometre, Kaliningrad Oblast is one of the most fascinating regions in all Russia

3.3. Cities of Uzbekistan with historical and architectural monuments

The architecture of Uzbekistan is noted for its originality. Many consider Uzbekistan’s architecture to be notable despite the changing economic conditions, technological advances, demographic fluctuations, and cultural shifts that the country has experienced.

Notable architectural centers of Uzbekistan include Samarkand, Bukhara, Khiva, Shakhrisabz, Termez, and Kokand. Various ancient architectural masterpieces have also survived, including palaces, mausoleums, mosques, and minarets. Colorful mosaics, religious symbols, and abstract geometrical patterns also characterize architecture in Uzbekistan.

Archaeological research on Central Asia has revealed architectural trends running parallel to the Acheulean era. In fact, remains of monuments from both the Stone and Bronze Ages have been found in the Surkhandarya, Tashkent, Samarkand, Fergana, and Navoi regions of the country.[citation needed] During the Middle

Ages, Uzbek architecture flourished as a result of being a central link in the 11,000-kilometre-long (7,000 mi) Silk Road.

Timurid-period architecture from the 14th to 16th century, as well as the architecture of the Shaybanid era in the 16th century, contributed greatly to the development of Islamic architecture.

In the 21st century, Uzbek architecture has been characterized by its balance of traditional design and modern innovation.

Pre-Islamic architecture

The earliest traces of human habitation in the area of Uzbekistan date back to the Paleolithic Era. Ancient settlements prove that the earliest architecture can be found in Sapallitepa (14th–17th centuries BC) and Jarkutan (9th–14th centuries BC). Buddhist monuments, namely Fayaz Tepe and Kara Tepe, have also been found in the Surhandarya region (1st–3rd centuries AD). Each of these sites reflect the different stages of Central Asian civilization.

The ancient city of Khorezm is a significant factor in Uzbek architecture. Khorezm was established 982 years before Alexander the Great invaded Central Asia, over 34 centuries ago. Settlements of ancient Khorezm antiquity are defined by notable architecture, such as Janbaskala (4th century BC), Koi Krilgankala (2nd century BC–4th century AD), Toprakkala (1st century BC–6th century AD) and Ayazkala (2nd century BC, in the territory of Republic of Karakalpakstan)

Islamic architecture

Bukhara, Samarkand, and Khiva played a vital role in the influence of Middle Ages architecture in Uzbekistan. For instance, palaces of the rulers, aristocratic places of residence, market places, madrasas, and mausoleums are confirmed as exceptional architectural examples.

The Kyrk-Kyz

The Kyrk-Kyz ("Forty Girls") mansion in Termez, dating back to the 9th and 10th centuries, is a fine example of an original country manor. The Samanids Mausoleum in Bukhara still stands as a fine architectural building from the period of the early Middle Ages

Registan

The Registan in Samarkand, with its three madrasas

In the 11th and 12th centuries, Samarkand became one of the major cities in the region. The public square in Registan was termed "the noblest public square in the world" by Lord Curzon, and it remains the main artwork and heart of the ancient city.

Registan is framed by three madrasas (Islamic schools) of distinctive Islamic architecture: the Ulugh Beg Madrasah (1417–1420), the Tilla-Kari Madrasah (1646–1660), and the Sher-Dar Madrasah (1619–1636).

The Ulugh Beg Madrasa was built in the Timurid Empire era of Timur, known as Tamerlane. The madrasa features a lancet-arch (pishtaq), or main square entrance. High minarets highlight each corner. There is a mosaic panel over the entrance arch, which was decorated by geometrical, stylized ornaments. The building consists of a mosque and lecture rooms, specialized for student use. The walls have magnificent art galleries along the axes.

The Sher-Dar and Tilya-Kori madrasas were built in the 17th century. Tiger mosaics appear on the face of each madrasa.

An image of a lion on the Sher-dar Madrasa

The Sher Dar Madrasa has unique features including figures of lions, tigers, deer, and human faces. These are not only paintings, but also special symbols of power according to the perceptions of Islam. The beauty of the combination of the grand portal, decorated pillars, and other masterpieces is impossible to truly capture in photographs and can only be hinted at.

The Tilya-Kori Madrasa (meaning "gold-covered") is known as the last, largest, and most glorious structure of the Registan Square. The Tilla-Kari madrasa includes a 120-meter-long façade, relieving the square's oppressive symmetrical axis. The composition of minarets at the corners gives strength to the architecture of the madrasa. Exterior scenes are enriched by poly-chromatic tiles with geometric patterns. At the center, a tall pishtaq enables each façade to be more glorious.

The architecture of Temur's period captures the 13th century well. In particular, strong castles symbolized strong government, the authority, and victory of the Islamic civilization, while marketplaces and living quarters symbolized the role of trade and the essence of complex urban life.

Bibi-Khanym Mosque

One of the greatest monuments of Uzbek architecture is the Bibi-Khanym Mosque. It has 115 feet high portals, 165-foot minarets, 400 cupolas, and a large courtyard. The gates are made of seven different metals, and the building itself is made of marble and terracotta, and is decorated with mosaics and blue-gold frescoes.

The period of the Timurid dynasty (14th to the 16th century) and the Shaybanid era (16th century) is famous for its colorful architectural designs, such as turquoise-colored domes, exemplified by the dome of the Gur-e-Amir (Timur's mausoleum in Samarkand).

19th century

At the end of the 19th century and the beginning of the 20th century, residential architecture began to focus around ordinary Uzbek citizens. Everyday buildings reflect historical background as well as local and modern conditions of the region. For instance, a house in Bukhara may have a closed character and may be isolated from the street noise and dust. Its isolated rooms may be built according to the climate, creating unique micro-climates suitable for both heat and cold. Another example is Khiva, which has a high terrace opened to the wind to promote favorable micro-climates in houses.

In Ferghana, houses have sliding walls and shutters and are frequently decorated with niches, ganch (wooden architecture), and other features. Although simple in design, residential architecture throughout the country is often rational, yet shows the originality of Uzbek culture.

In conclusion, special features of Uzbek architecture harmonize traditional design, original structures, and innovative consideration of micro-climates. The cities of Tashkent, Samarkand, Bukhara and Khiva are famous for fantastic architectural ensembles such as Khazrat Imam, Registan, Lyabi Khaus, and Ichan Kala.

3.4. Historical and architectural objects in Tashkent, Termez, Fergana

And the development of tourism in Uzbekistan to a qualitatively new level, the first of which is a hotbed of cultural and architectural monuments of Samarkand, Bukhara, Khiva, Karshi, important cities such as the city. The regulation of these cities, the people of the world was amazed and we have many priceless historical monuments of the ancient. Life in different countries of the Earth, each of these cities, to live in the desire to see with your own eyes. In many countries, these are famous cities. These historical cities of Uzbekistan can be called the Pearls of the East.

Tashkent. The Islamic Conference (ISESCO), one of the institutions in the structure of education, science and culture (ISESCO), declared Tashkent the capital of Islamic culture in 2007.

Uzbekistan is down to Islamic culture and science, and Islamic heritage and preservation of monuments and further enrichment of epic services for such high and honorable rank soldiers.

Osman Al-Biruni's World Heritage List is kept in the library.

Uzbekistan is the largest city in Central Asia - the capital of the Republic of Uzbekistan. He unscrewed the first information about Tashkent from the second century BC, the ancient Chinese chronicles have already been mentioned, in China it is called Yuni, BC, the Persian king Shapur I, an inscription near Tashkent was called Shash. Various countries of gold, precious stones, spices and fine horses to be exported to the intersection.

Today, the same criteria mentioned in the historical past of Uzbekistan have developed a modern industrial city, with a diversity of population accounting for more than 2 million.

There are many museums in Tashkent. For example, the Museum of Fine Arts, Sculptures, Paintings and Handicraft Production of a set of the largest in Central Asia. Applied arts museum, over 30 handicrafts and precious jewelry.

Historical Eski Juva - one of the oldest markets in the city, where you can now find all food for industrial products. In the center of the old town in the 16th century, the great monument is Barokkhon Madrasah. Islamic University in the teachings of monks from the CIS countries here.

In addition, in 1966 the Yunuskhon earthquake survived monuments such as the Kukeldash mausoleum.

The Tashkent metro is widely known as one of the masterpieces of modern architecture.

The main historical and architectural monuments of Tashkent

1. Kukeldash madrasah (XIV century);

2. Kaffol Shashi mausoleum (XV century);
3. Hazrati Imam architectural complex (XVI century);
4. Abulqosim madrasasi (XIX);
5. Barokkhon Madrasah (XVI century);
6. Mosque (XIX century);
7. Amir Temur, considered a masterpiece of modern architecture mouseum;
8. Amir Temur Park;
9. Independence Square
10. Friendship of peoples;
11. Monument of Courage;
12. The suffering of the imam;
13. Tilla SheikhM osque
14. Imam Mosque
15. Khadra region;
16. Sufi Ota mausoleum

Fergana

Fergana city south of Fergana region. Fergana region, dry mild climate, warm in summer, too cold only in winter. The area is rich in forests and the mountains are very decorative flora.

One of the largest industrial centers of the city of the Fergana Valley. A city with the name of the city was founded a hundred years ago. Natural History Museum you can get acquainted with the history of the city. Fergana world Shakhimardan, Kiziltepa of popular resorts.

The capital of the former Kokand of the Kokand Khanate, one of the most popular cities. Kokand, Tashkent after the beginning of the twentieth century, the population of the second largest city, which is larger than in all regional centers.

Kokand last khan Khudayarkhan palace is one of the most important architectural monuments of the city. Khan's palace elegance and decoration are a fixed impression.

In addition, the poets name Nodirabegim on the two towers of the Modarixon mausoleum is also interesting. Next to the shrine dedicated to the memory of the poet made of white marble and bronze monument.

Margilan. In 2000, the city's city anniversary was celebrated in 2007 based on a government decision. Discovery of the Great Silk Road, Margilan was founded by receiving proud sug'dlar freedom.

Silk fabric. X century, the whole world of the city, which is famous for its silk fabrics. Early fifteenth century sixteenth century to become one of the most important cities in the city valley.

Decorated monumental monuments mosque in the city - towers, turbines and song pigeon (eighteenth century), as well as the show can bring to the mosque.

The main historical and architectural monuments of the Fergana Valley:

1. Khudayarhkan Palace (1870),
2. Ring Mosque (1913)
3.Cathedral mosque and tower (1809-1812)
4. Mulkobod Mosque (1913)
5. Said Ahmadxoji Madrasah (XIX century)
6. Mosque (1911)
7. Mausoleum of Khoja Magix (eighteenth century)
8. Mulla Panikhida Madrasah (XX century
9. Akhsikent ancient city (II centuries-I BC).

Key provisions: historical, ancient monuments of the East, "World Heritage", "Treasures of the World Intangible Heritage, a water park, the Islamic Conference (ISESCO), the International Islamic Organization (ISESCO), the capital of Islamic culture, historical and architectural monuments, Samarkand, Bukhara, Khiva cities. Being often referred to as the Pearl of Uzbekistan, Fergana Valley is famous for its magnificent landscapes and ancient history. The picturesque valley is located in eastern Uzbekistan. Covering the territory of more than 22,000 square meters, the area is inhabited by almost 7 million people.

The *Tien Shan mountains* and the *Syrdarya* and *Naryn* rivers create the most favorable conditions for animal husbandry ad agriculture. Thanks to its soft dry climate, with temperatures varying from +28ºC in summer to -2,5 ºC in winter, the valley is a popular tourist destination all over the year.

The major cities located in the Fergana Valley are *Andijan, Fergana, Kokand, and Namangan*. The ancient architecture in a combination with picturesque scenery attracts not only travelers but also many researchers and archeologists.

Insights into Fergana Valley History

The first settlement on the territory where the valley now appears already in the 4th century BC. The silk route going through the Ferghana Valley stimulated its growth as it appeared to be the only connection of China with the Mediterranean. The region was famous for its blood-sweating horses, which were fast and intelligent. No wonder that even the Chinese emperors sent several expeditions to acquire at least one Ferghana horse for import purposes.

This region was exposed to various cultural impacts throughout the centuries. The Arabs lived there in the 8th century, while the Seljuk Turks of Khwarazm occupied the valley 4 centuries later. And another 4 centuries later, the area was taken over by the Uzbeks and the valley joined the Kokand Khanate.

In the time of the Russian civil war, this entire region was the major center of the anti-Bolshevik Autonomous Turkistan Government. Under Soviet rule, the Ferghana Valley faced a number of border tensions, which is the case even these days.

Fergana Valley’s Potential

The Fergana Valley Uzbekistan is widely recognized as the Golden Valley, namely the most productive land in Central Asia. The land is highly cultivated by the local government. Being rich in natural resources, including oil, copper, gold, etc. the area has become a significant industrial center. Fergana is the capital of Fergana province and a European-style city with busy streets and modern architecture.

Sightseeing in the Fergana Valley

Everyone who decides to visit the Fergana Valley or one of the nearby cities should be ready to enjoy the pristine beauty of nature and the astonishing architecture of the ancient cities. Thus, travelers are highly recommended to visit at least one of these places:

- **Khan’s Palace** is a palace complex with 119 rooms located around seven small courtyards and built-in 1871.
- **Kumtepa Bazaar** is a shopping highlight with endless rows of handmade hanatlas and adras silk. Even if you are not going to buy any of those, the abundance of colors and materials won’t leave you cold.

- **Babur Literary museum** houses the former apartments of Fergana’s ruler Zahiruddin Babur. The museum aims to demonstrate Babur’s literary exploits, including Baburnama, his personal memoir about his extraordinary life adventures.
- **Yodgorlik Silk Factory** is one of the major attractions in the town of Margilon. The factory unveils the traditional methods of silk manufacturing. You can also buy some clothing and carpets as well as embroidered items directly at the factory.
- **Sahib Mian Hazrat Medressa** is the former residence of the famous Uzbek poet Mohammedamin Muqimi, who resided there in the 19th century. Currently, there is a museum in one of the Muqimi’s rooms, where you can find some of his personal belongings, including the Arabic calligraphy.
- **Rishton Ceramic Museum** is one of the centers of traditional ceramics, offering a number of ceramic platters, pots, and some other decorative objects. Overall, the works of more than 300 ceramists are represented in the museum.

These are only some of the numerous historical and cultural masterpieces, which attract a constantly increasing number of tourists. Therefore, you can imagine how exciting your vacation in the Fergana Valley can be.

The easiest way to reach the valley is by plane or by car if you are traveling from Tashkent. There are more than enough flights operating between large cities, such as Tashkent, and the cities of the valley, including *Andijan* and *Fergana*.

The local settlements follow their own life philosophy, which you as a foreigner may not understand or accept. However, just keep in mind, whether you need a glass of water or you are lost, the locals will surely help you out.

3.5. Historical cities of Uzbekistan list of the UNESCO

His is a list of World Heritage Sites in Uzbekistan with properties of cultural and natural heritage in Uzbekistan as inscribed in UNESCO's World Heritage List or as on the country's tentative list. As of 2016, five sites in Uzbekistan are included.

In addition to its inscribed sites, Uzbekistan also lists thirty properties on its tentative list.

Table- 3.5.1

List of properties in the tentative list[11]

Site	**Location**	**Criteria**	**Area ha (acre)**	**Year**
Historic Centre of Bukhara	Province of Bukhara 40 10′N 63 40′E	Cultural: (ii)(iv)(vi)	216 (530)	1993
Historic Centre of Shakhrisyabz	Province of Kashkadarya 38 50′N 66 50′E	Cultural: (iii)(iv)	240 (590)	2000
Itchan Kala (Khiva)	Province of Khorezm 41 20′N 61 0′E	Cultural: (iii)(iv)(v)	37.5 (93)	1990
Samarkand – Crossroads of Cultures	Province of Samarkand39 50′N 66 15′E	Cultural: (i)(ii)(iv)	1,123 (2,770)	2001
Western Tien-Shan	Province of Tashkent 41 10′N 69 45′E	Natural:(x)	-	2016

In addition to sites inscribed on the World Heritage List, member states can maintain a list of tentative sites that they may consider for nomination. Nominations for the World Heritage List are only accepted if the site was previously listed on the tentative list.

Table – 3.5.2.

The sites, along with the year they were included on the tentative list are:

Name	**Date**	
Sheikh Mukhtar-Vali Complex	1996	
Khanbandi	1996	
Ak Astana-Baba	1996	

[11] https://ru.wikipedia.org/wiki

Name	**Date**	
Kanka	2008	
Shahruhiya	2008	
Abdulkhan Bandi Dam	2008	
Zaamin Mountains	2008	
Arab-Ata Mausoleum	2008	
Historic Centre of Kokand	2008	
Shokhimardon	2008	
Ahsiket	2008	
Ancient Pap	2008	
Gissar Mountains	2008	
Andijon	2008	
Siypantosh Rock Paintings	2008	
Ancient Termiz	2008	
Zarautsoy Rock Paintings	2008	
Boysun	2008	
Poykent	2008	
Varakhsha	2008	
Chashma-Ayub Mausoleum	2008	
Chor-Bakr	2008	
Bahoutdin Architectural Complex	2008	
Sarmishsay	2008	
Rabati Malik Caravanserai	2008	
Mir-Sayid Bakhrom Mausoleum	2008	
Khazarasp	2008	
Desert Castles of Ancient Khorezm	2008	
Minaret in Vobkent	2008	
Silk Road Sites in Uzbekistan	2010	

UNESCO decided to keep Shahrisabz on the World Heritage List

UNESCO World Heritage Committee (WHC), during its 43rd session in Baku, made a decision regarding the World Heritage Site “Shakhrisabz Historical Center”.

The document welcomes the measures taken by the Government of Uzbekistan to protect World Heritage sites, including the adoption of a government decree on the suspension of all construction works in historic cities.

It contains specific recommendations for the further development of the city and decides to keep Shakhrisabz on the list of World Heritage in Danger. The Uzbek side undertook to develop a draft plan for the regeneration of the city within two years.

Discussion Questions

1. What is the role in the development of tourism in historic cities?
2. Samarkand, Bukhara, Khiva cities of ancient monuments, the decoration of the East is the reason?
3. In the main cities of historical and architectural monuments "cascade" What is the technology of visual expression?
4. The main historical and architectural monuments of the city 'cascade' of Samarkand What is the technology of visual expression?

Mini Case Study 20.1 Rural Tourism: Planning For a New Generation

Rural tourism survived the doubts expressed by some government officials at OECD meetings and it appears to have grown steadily over the last 25 years, becoming a worldwide phenomenon. On the demand side, that growth has come from changing market demand, linked to rising micro-mobility, lifestyle changes, and new and fashionable outdoor recreation activities.

The Future: Towards a New Generation Rural Tourism Rural tourism has become well established, but it is now at a critical point where it could decline, stagnate or reform. There are problems of competition, funding and, perhaps above all, of insufficient organisations capable of helping its activities to better cope with a changing future. One of its weaknesses is its fragmentation into many non-cooperating, short-term businesses, struggling against well-organised, long-term competition. Another is its lack of control over or even influence on the infrastructure, natural as well as manmade, that Rural Tourism: Planning For a New Generation it uses and requires. There is also the need to embrace the complexities and skill requirements of both new marketing media and experiential marketing. There is, however, so much potential. There is growing interest in biodiversity, in living hands-on history, in wellness through outdoor recreation, and discovery through better heritage interpretation. And there is the challenge and potential pleasure of the slow tourism concept. One possible way forward would be for land owners, agencies, communities and rural researchers to work together to create a better form of rural tourism.

The concept of a New Generation Rural Tourism envisages the development of rural tourism as neither a series of totally independent, free-standing enterprises nor as enterprises that are part of national marketing organisations, but as a new form of regional destination, using partnership concepts.

Crucially, rural tourism has failed to develop a destination management culture that can cope with the decentralised, multi-player, multi-stakeholder nature of the rural tourism business and its essential links to the conservation and economic management of rural areas. Those links are essential because the raw material of rural tourism is rural life and the rural landscape, the ‘traditional’ wildlife-rich countryside that surveys repeatedly show visitors to admire and enjoy. Rural tourism also needs to firmly adopt the concepts of sustainable development and sustainable tourism (Bramwell and Lane, 1993). It needs to become proactive as well as reactive. New Generation Rural Tourism must grasp the benefits enjoyed by resorts while retaining the unique selling points linked to not being ‘conventional’ resorts. Seven Stanes is the brand name of a group of seven mountain bike areas in southern Scotland that has become a well-known example of best practice in mountain bike route design. It also exemplifies on a small scale the idea of a loose but effective partnership, founded in 2010, that has created a decentralised rural destination, bringing cycle route development and maintenance, marking and grading together with cycle hire shops, cycle retailers and repairers, hospitality and accommodation, to coordinate and market their businesses through a partnership agreement .

The name Seven Stanes is based on Scottish dialect for seven stones: each area has a sculpted entrance stone as a brand marker. The partnership includes local government, landowners and businesses, as well as professional advisers. Launched as a development and marketing concept, it is becoming a more holistic management tool. Knowledge gathering Key areas could include the issues of multi-motivation markets, and knowledge about the growing potential market in the retired/semi-retired sectors of society with increased longevity and activity. Little is known in the rural tourism sector about its market's interests, its needs, its seasonality, and about how rural providers could satisfy this market segment's needs. Marketing techniques include questions about how rural tourism could best use Internet marketing and social media; assessing destination strategy-making techniques and models; and assessing visitor experience planning systems, as methods of informing and improving local businesses and administrations, informing product development initiatives, and creating better and relevant visitor experiences (US National Park Service, 1997).

Methods could also include assessing interpretation systems, a technique that cannot be easily used by single enterprises, so that implementation often requires a collaborative approach

By implementing a well-designed and visitor-orientated heritage interpretation system rural tourism can better compete with the museums and galleries of large urban centres: the countryside is potentially both a museum and a gallery. Interpretation can unlock the doors to understanding and enjoying the countryside and it can bring into play the much discussed links to experiencing biodiversity. Source: Adapted from Lane, B. and Kastenholz, E. (2015)

'Rural tourism: the evolution of practice and research approaches – towards a new generation concept?'

Discussion Questions

1. Provide details of what would be included in a draft marketing plan related to improving demand for the seven cycling areas in Scotland.

2. How can the use of SWOT or other analysis help in the marketing planning for a rural area?

3. Discuss what new forms of tourism are required for the new generation of tourists to rural area

UNIT 4: TOURISM SUPPLY

4.1. The concept of tourism market

Marketing is an important tool in an industry where loyalty in both the distribution chain and to the company is low. Government organizations often find it more cost-effective to market to intermediaries and carriers or enter into joint promotions rather than market directly to potential travelers.

Furthermore, due to the pressures of oversupply of capacity in many sectors of the tourism industry marketing is becoming a more important function.

We would contend that improving training and education among the tourism workforce, coupled with the realities of increasingly intense competition, are encouraging a new emphasis on marketing management and a greater marketing orientation within the industry.

Although levels of real discretionary income are the main determinants of demand for tourism, there are also supply factors which ‘pull’ tourists to specific destinations. Some of these factors include the supply of accommodation and amenities and the ease of access to the destination. These factors combined can be regarded as a measure of the attractiveness of the destination. Relative attractiveness is an important aspect of choosing a destination, but will always be constrained by the budget available to the potential tourist.

For example, if a potential tourist has a holiday budget of £1000 (including discretionary spending money at the destination) available, he or she will not consider holidays costing in excess of £1000. As most travelers calculate holiday budgets as a total, cost of holiday plus spending money, not many people will squeeze the discretionary expenditure part of their budget to a level which might jeopardize the enjoyment of their holiday.

For these reasons the travel cost of the proposed holiday will constrain the range, choice and destinations and the concept of relative value will become important in the actual choice of destination.

Real discretionary income levels will determine the volume of demand for tourism; relative prices will influence the choice of destination. The price levels in the destination will be affected not only by the cost structures within the particular country, but also according to the level of exchange rate which applies. This can be demonstrated by looking at travel trends between the USA and Europe. When the dollar moves to a stronger position against European currencies, then more American travelers come to Europe because Europe becomes a cheaper destination.

The reverse applies when the dollar declines in value against the European currencies. The parity of exchange rates has a role in determining where people travel, but in an era of floating exchange rates the time lags between purchasing and taking a holiday can mean that fluctuations in exchange rates no longer have the same influence that they once had. The cancellation charge itself might be greater than the actual increase in his holiday expenditure budget caused by the change in the exchange rate.

This is a very complicated area, but generally the volume of demand for international travel is determined by the growth in real incomes and particularly in real discretionary incomes. The direction of demand is affected in the short term by motivational and marketing factors and in the longer term will be influenced by relative changes in exchange rates and travel prices. The precise influence will depend very much on the income elasticity of demand and how that is affected by exchange rate influence on prices. It should be noted that exchange rates reflect general economic conditions within a country. Many of the factors which affect exchange rates, such as rate of inflation, balance of payments and economic outlook, are important national economic indicators but may not be particularly relevant to the visiting tourist who is more concerned with the relative prices of tourist consumption items, accommodation, food, drinks, shopping, and so on.

Some countries have tried to reflect tourism-specific items in a tourism cost of living index, attempting to disaggregate tourism from general consumption items. At the simplest level this is done by tour operators who cost items such as a ‘meal for four’, ‘bottle of wine’ or a ‘packet of cigarettes’.

The attempt is to provide a relative cost of purchasing these items compared to similar purchases in the home country. It further attempts to differentiate destinations on the basis of ‘value-for-money’. The value-for-money concept is very important at all levels of holiday expenditure. It is particularly significant at the lower levels of budget because it provides more purchasing power for the discretionary expenditure portion of the holiday budget.

Macro evidence of this fact can be seen in Europe, where relatively rich countries such as Germany, France and Britain have significant outflows of tourists to relatively poor and therefore cheaper countries such as Greece, Portugal and Turkey. In addition to the relative price factors, the quality of amenities and accommodation at a destination will influence demand.

There has to be a sufficient critical mass of attractions, supported by accommodation and good access to stimulate market demand. In many countries where tourism is based on a limited range of attractions, e.g. beach tourism in the Caribbean area, then there can be a high degree of substitution between country destinations.

Countries have to develop a range of attractions which in totality enable some form of market differentiation to take place. Real disposable income levels facilitate travel. However, as the importance of the inclusive tour has increased, so the nature of the travel decision has changed. The packaging of travel has meant that tour operators have actually become surrogates for the individual travelers.

This means that the tour operator will package destinations and offer that package to the potential tourist. In this sense the potential tourist buying a package from a travel agency or a tour operator will be choosing from a range of products which have been interpreted for him by the tour operator.

The tour operator then becomes the ‘interpreter and coordinator’ of demand. It is the tour operators’ specialist knowledge which allows them to offer particular destinations, knowing that there is a market for that destination within a particular price band. Most tourists, except repeat visitors, do not have a good knowledge of a location. The holiday purchase decision is made within the individual's budget constraint. They have a notional idea of how much they want to spend on a holiday and their choice will take place within a range of prices available and products. Over a period of time it is the tour operator who promotes or drops destinations according to his interpretation of the relative price and value for money attractions of the area.

So, in many cases, it is the tour operator who provides the major channel of demand for international tourism. However there are now large numbers of experienced foreign travelers able to make their own individual travel arrangements and enjoy the freedom and flexibility this offers.

4.2. Tourism market segmentation

Marketing has evolved against a background of economic and business pressures. These pressures have required an increased focus on the adoption of a series of managerial approaches based upon satisfying consumer needs.

The key to the importance of marketing within tourism has been the overall level of economic growth which has historically led to improvements in living standards and led to increased travel, but more recently economies have stagnated and placed more emphasis on marketing. Also, the enlargement of the population of tourism-generating countries has slowed due to falling birth rates.

The early changes among consumers led the Disney management in 1955 to launch the Disneyland theme park concept and in the same year McDonald's to open its first fast-food restaurant. In Europe an understanding of consumer change led Centre Parcs to open its first village in Holland in 1968 and in the United Kingdom in 1987. However, soon after the start of the financial crisis in Europe the Greek government took steps to offer better prices to attract tourists by reducing levies on different forms of transport, and to reduce the tax on tourist accommodation. Often the need to transform tourism businesses has been forced upon the industry because of the changes that have occurred in relation to consumer and market forces. Modern tourism marketing has emerged as a business reaction to changes in the social and economic environment, with the most successful companies or tourist bodies having provided the right organizational.

Marketing is the analyzing, organizing, planning and controlling of the firm's customer impinging resources, policies and activities with a view to satisfying the needs and wants of chosen customer groups at a profit.

The task of marketing is essentially to provide the right product at the right price and the right time. Kotler comments further that:

The marketing concepts hold the key to achieving organizational goals, consists in determining the needs and wants of target markets, and delivering the desired satisfactions more effectively and efficiently than competitors. Two more useful definitions come from practitioners in the tourism field. Gerry Draper, Marketing Director of British Airways for some years, describes the activity concisely as ascertaining customer needs, tailoring the product as closely as possible to meet those needs, persuading the customer to satisfy his needs, and finally, ensuring that the product is easily accessible when the customer wishes to purchase it.

This latter point is especially important in tourism when major purchases are infrequent and the customer often lacking in knowledge and experience, so that 'making it easy to buy' can be a crucial factor in commercial success. Melvyn Greene (1982, p. 6), with great experience in the hotel industry, writes: Marketing is basically seeking out a demand first and then making the product or supplying the service to satisfy that demand. Selling is rather the other way round – creating a product or service and then trying to find a market for it.

There is much common ground, as there should be. Summing up a commentary on definitions and concepts, Alan Jefferson, Marketing Director of the British Tourist Authority for some years, wrote: Marketing is common sense applied to a coordinating function. Marketing is concerned with research which is the foundation for organized planning. Marketing is concerned with production and pricing and promotion, and not least 'profits'. To be successful in positioning, a company or destination has to understand how to modify the perception of the consumer by improving, reinforcing or defending its position in the marketplace. Ries and Trout (1986) argue that positioning has to be correctly addressed, as it is the only way to counteract the confusion created by the communication jungle.

Accordingly, Ries and Trout recommend ‘the best approach in our over-communicated society is the over-simplified message’. This has to happen at the right time and as such the secret of positioning becomes the organized system for finding the window in the mind. Ries and Trout contend that: ‘Positioning starts with a product. A piece of merchandise, a service, a company, an institution or even a person .

But positioning is not what you do to a product. Positioning is what you do to the mind of the prospect. That is, you position the product in the mind of the prospect.’ To achieve success at positioning the tourism product or brand there is a need to ensure the position has clarity, is credible, has consistency over time and will remain competitive in relation to the needs of the company’s chosen target groups. This is explained as follows:

● Clarity. It is important to realize that positioning is about communicating a message to the consumer so as to spatially place the tourism service offered in their mind. This has to be based upon a clear message with no confusion. If the message is not clear the consumer will not understand what the brand or offer is about. A positioning strategy requires a clear message that most people will understand.

● Credibility. A positioning message has to be believable. If we claim that our travel agency offers better service than it delivers in reality, consumers may well utilize it a first time but never again. They may well feel cynical about the company claims if they find the delivery does not match the promise. This is particularly vital in the case of services where it is not possible for customers to sample an offering very easily. Also, customers have a preconceived set of relative positions already in their minds as expectations and therefore they have learnt what is possible in terms of any claim to a specific position.

● Consistency. It has been pointed out that positioning is all about creating an image in the mind of the consumer. Clearly for this to be achieved the message has to be consistent. If a company changes its communications policy there will be no clear messages and the public will not be able to visualize the positioning the company is attempting to occupy. Of course, it is possible to change positioning but this takes time to achieve.

● Competitiveness. In any decision over position there needs to be a strategic decision which positions the company relative to that of the competition (we are friendlier, larger, offer more value, have better service, more modern, safer, etc.) and this has to be accepted by the customer. Positioning the brand with a set of attributes that the customer does not care about is never going to be effective.

In order for segmentation to be successful there is a need to apply intellectual rig our to the segmentation procedure. When a target group is identified it is prudent to use a checklist to ensure the segment offers a viable opportunity for the organization, such as:

● Is the segment measurable? Progress at various stages of the segmentation activity needs to be measured. Segment composition, size, purchasing power in order for assessment need to be measurable.

● Is the segment accessible? The targeting decision requires that individual buyers can easily be contacted through promotional messages as well as be accessible to be offered a purchase opportunity or service.

● Is the segment substantial? The segment must be large enough to provide a viable level of business.

● Is the segment sustainable? The choice of segment has to take into account whether the demand will last. Fashion and 'lifestyle' market segments are prone to change and fall into demise.

● Is the segment actionable? Are there any impediments to putting together a marketing mix so that the target market can be reached with a clear product positioning strategy and message which will fit the needs, aspirational ideals and behavior of the segment?

● Is the segment defendable? Can the target market be defended against competitor activity if they also select the same target group, and will rivalry cause any viability problems? Segmentation leads to positioning the service or product offer so that it is right for the target audience.

This is reliant on adherence to the initial objectives and results in the final choice of the marketing mix. Once the segments have emerged from the consideration process the objectives need to be reconsidered. So far in this chapter we have looked at the individual factors that give rise to our various needs and wants. In the tourism industry, those responsible for marketing destinations or holidays will be concerned with both individual and aggregate, or total, demand for a holiday or destination. For this purpose, it is convenient to categorize and segment demand according to four distinct sets of variables – namely, geographic, demographic, psychographic and behavioral.

These categories are examined in more detail in a companion book to this text,1 but will be briefly summarized here. Geographic variables are determined according to the areas in which consumers live. These can be broadly defined by continent (North America, Latin America, Asia, Africa, for example), country (such as Britain, France, Japan, Australia) or according to region, either broadly (for instance, Nordic, Mediterranean, Baltic States, US mid-western States) or more narrowly (say, the Tyrol, Alsace-Lorraine, North Rhine-Westphalia, UK Home Counties). It is appropriate to divide areas in this way only where it is clear that the resident populations' buying or behavior patterns reflect commonalities and differ from those of other areas in ways that are significant to the industry. The most obvious point to make here is that chosen travel destinations will be the outcome of factors such as distance, convenience and how much it costs to reach the destination.

For example, Europeans will find it more convenient, and probably cheaper, to holiday in the Mediterranean, North Americans in the Caribbean, Australians in Pacific islands such as Fiji and Bali. Differing climates in the generating countries will also result in other variations in the kinds of travel demand. Demographic variables include such characteristics as age, gender, family composition, stage in lifecycle, income, occupation, education and ethnic origin. The type of holiday chosen is likely to differ greatly between 20–30-year-olds and 50–60-year-olds, to take one example.

Changing patterns will also interest marketers – declining populations, increasing numbers of elderly consumers, greater numbers of individuals living alone and taking holidays alone or increases in disposable income among some age groups – all these factors will affect the ways in which holidays are marketed. Significant factors influencing demand in the British market in recent years have been the rise in wealth among older sectors of the public, as their parents – the first generation to have become property owners on a major scale – died, leaving significant inheritances to their offspring.

This, and the general rise in living standards, fueled demand for second homes in both Britain and abroad, changing leisure patterns and encouraging the growth of low-cost airlines to service the market's needs. Demographic distinctions are among the most easily researched variables and, consequently, provide readily available data. Market differentiation by occupation is one of the commonest ways in which consumers are categorized – not least because it offers the prospect of a ready indication of relative disposable incomes. Occupation also remains a principal criterion for identifying social class.

4.3. Types of tourism market

A survey of the literature reveals an account of the history of marketing and modern business practice as having developed in three distinct stages (adapted from Gilbert and Bailey, 1990):

1. The production era. This occurred when there was a belief that if products were priced cheaply enough they would be purchased. Therefore, it was important to supply products to the marketplace with the emphasis on consistently reducing costs. The focus of management was on increasing efficiency of production which involved an inward, product-orientated emphasis rather than an outward, market-orientated emphasis. The main focus for managers at the time was a concern for improving production capacity, financing expansion, having quality and cost control and meeting the rise in demand. The over-riding objective for management was the development of a standardized product which could be offered at the lowest price to the market. The market was characterized by a lack of problems with demand and as such managers focused on process and systems and not the customer.

Nowadays in many destinations there is a limited view of the consumer, which ignores the importance of planning for customer experience and satisfaction.

2. The sales era. This was an evolutionary phase where companies attempted to sell the products they had formulated without assessing the acceptability of the product or offer. The problem is often one of a market with declining demand and surplus capacity, which in turn

leads to a search for more effective means of selling. We can recognize this today in declining destinations where hotels or restaurants face greater competition, and there is often a shift to increase promotional and sales efforts to improve demand. However, there is little analysis as to the reasons for the problems as the belief is that the product is acceptable. In the sales era companies attempted to influence demand and tailor it to meet their supply but primarily through simple sales techniques.

3. The marketing era. This era is characterized by a reversal of the preceding philosophy as organizations started to provide the products they had researched and knew they could sell.

Managing Marketing for Tourism rather than trying to sell what they had simply produced or formulated. Organizations adopted a consumer-led approach and concentrated on improving the marketing mix. This era was effectively based upon the recognition that utilizing a full range of marketing in meeting customer needs and providing consumer satisfaction proved the most effective basis for planning and that an organization has to be outward-looking to be successful.

The philosophy of this era is that tourism business activity has to recognize the customer as the central driving force of an activity that realizes survival and prosperity is based upon meeting individual customer needs.

There are continuing arguments as to the dates of the above eras leading up to marketing as we need to understand it today. Moreover, some question whether they can be treated as discrete periods at all. For our purposes, in the majority of texts, the marketing era is identified to have been established from the 1950s onward. The interesting aspect of living in today's marketing era is that we can still find tourism companies which act as if they are in a preceding era.

The important factors that have ushered in marketing during the past half-century are as follows:

● The increases in demand were at a lower rate than the rises in supply and production. In tourism, this culminated in an oversupply of accommodation in specific locations, and of aircraft seats on important routes. This culminated in too many inefficient companies in the marketplace who could not survive with low levels of demand. The increase in competition and the risks associated with the tourism marketplace led to the realization of the benefit of an increased use of marketing. In more graphic terms, the business system can be viewed as an organism that is concerned with survival and proliferation. Following this argument, when a business system is threatened it needs to take functional steps to improve the situation. As marketing can provide for tactical change and modification of the system, in times of risk where there is over supply and market saturation, marketing assumes a much more important role.

● A number of consumers became more affluent in terms of discretionary income and therefore it was possible to develop products that could be sold using a range of non-price-sensitive attributes. This required the development of methods designed to create or change consumer attitudes and behavior.

An example of this is American Airlines development of a loyalty scheme – its Advantage scheme of frequent flying rewards – in 1981 in order to build repeat business, which was then copied by many other different tourism-based companies from hotels to restaurants.

● The distance between the tourism product provider and the tourist has been continually increasing due to increasing size of organizations. This led to a need for marketing research related to the gathering of information on market trends, evaluating levels of satisfaction and understanding consumer behaviour.

● New tourism and hospitality products were being launched which required more emphasis on marketing. For example, the large attractions that have been developed in different countries and the setting up of low-cost airlines have required high levels of demand to make them viable.

● As society developed, the mass market splintered into a number of sub-markets, while at the same time the mass market became increasingly difficult to reach. This was due to the increase in specialist media and the potential for a whole range of alternative leisure pursuits. The changes required improved expertise in the segmentation of markets and the provision of different marketing mix strategies which would maximize demand for individual segments.

Whereas much time and effort was traditionally invested in the production of brochures, with work starting several months prior to the publication date with initial agreements about printing arrangements, marketing efforts today are dominated by websites, apps, social media and a whole host of new and emerging technologies.

The speed with which such trends are changing the face of travel are evidenced by 18% of all direct (i.e. supplier) flight and hotels bookings being made by Chinese travelers on their smartphones, with 64% being indirect via online travel agencies. These numbers compare favorably to the United States and the United Kingdom at 13% and 33% for the United States and 9% and 18% respectively.

Although brochures are still used, most notably in cruising where the demographic is slightly older than in other markets, they are now part of a much wider portfolio of marketing collateral than was previously the case. In addition, whereas decision making was traditionally made at certain times in the year, especially among families, communication and decision making is now ongoing with the particular influence of social media most startling.

For example, 42% of millennials in the United Kingdom believe that holiday photos posted by social media contacts influence their choice of destination, 50% value socializing over instant messaging as much as – or more than – socializing face-to face, while 31% of UK millennials state that social media comments on holidays are of key importance. Most interesting, perhaps, is that when they return many relive the holiday experience through virtual reality using headsets and associated headgear. Monitoring the progress of advertising and sales campaigns is achieved through booking patterns.

Typically operators are looking for capacity utilization factors of 85–90% in order to break even. Past experience enables wholesalers to establish reference booking patterns so as to compare actual with predicted bookings. Tour operators/wholesalers reserve the right to cancel or ‘consolidate’ holidays, for example merging flights or combining itineraries and switching accommodation, if the demand take-up is insufficient. This makes it relatively easy for operators to test new products in their brochures.

However, on the supply side, merging charter flights is not normally feasible for a summer program after January because of the cost of airline cancellation charges. Large operators benefit here by having their own airlines. On the demand side, consolidation is a common source of annoyance to customers and leaves the travel agent with the unenviable task of advising his or her clients of the changes.

Tour operators defend this practice on the grounds that if they were unable to use cancellation or consolidation to reduce overcapacity, then the average price of a holiday would rise. Underestimating demand is less of a difficulty because there is usually some flexibility in the system for procuring extra flights and accommodation. On the other hand, tour operators protect themselves against cancellation by their clients. Refunds are normally arranged on a sliding scale, so that the cancellation of a holiday six or seven weeks before departure may result only in a lost deposit, but after that the amount of the purchase price returned falls relatively sharply to zero for a cancellation only a day or so before departure. Owing to the negative effects of consolidation on customers and the wider impacts this may have on public relations, tour operators and wholesalers prefer to use market stimulation techniques to boost sluggish booking patterns. Such tactical (as opposed to strategic) marketing methods will depend upon the time available and may vary from increasing advertising expenditure through special discounts for booking by a certain time, to substantial price cuts some six to four weeks before departure.

Critical to obtaining last-minute sales is a network of retailers linked into the operator's own computer reservation system so that price promotions may be quickly communicated to the travelling public via this distribution channel, as well as own website postings and distribution to e-intermediaries. Consumers, in turn, have recognized the bargains on offer and these have, over the years, encouraged later booking.

4.4. Mechanisms of the tourism market

The dynamic nature of business activity has led to many different sales and marketing opportunities in the tourism industry. The industry has thrown off many of its traditional attitudes toward the customer. This has come about through the realization of the importance of a marketing orientation.

As such, five main areas can be identified, as follows.

1. It is a management orientation or philosophy. The focus of the organization's effort is placed on the consumer as a set of guiding values, and this then leads to the customer being the Centre of attention. These ideals should lead to a proactive approach in ensuring marketing efforts optimize exchange transactions within which consumers feel they have been rewarded with value and satisfaction. When customers' needs are met they are more likely to return to the cruise line, tour operator, hotel or restaurant, and, more importantly, to let others know of their satisfaction. There is the recognition that the conduct of the organization's business must revolve around the long-term interests and satisfactions of the customers it serves. This is an outward-looking orientation which requires responsive action in relation to external political, economic, social or technological events, and competitive actions.

2. It encourages exchange to take place. This involves the attitudes and decisions of consumers in relation to the willingness to buy from producers or distributors. As the marketplace becomes more competitive, strategies to strengthen an existing customer base have become increasingly important in tourism as it has been recognized that long-term relationships with existing customers are less expensive to maintain than forever attempting to attract new customers. If a close long-term relationship can be achieved, the possibility is that customers are more likely to provide higher purchase patterns and lower marketing costs per customer. While the objective of marketing is to achieve enduring relationships with the customer it should also be recognized that, in some situations, short-term sales (i.e. transaction marketing) may be just as important when there is little likelihood that the customer will be a repeat purchaser.

As such marketers have to develop innovative methods to encourage both exchange transactions as well as retention.

There is the need to ensure the service offers value for money, which may mean there is a requirement for creating a range of benefits over time. This has led to loyalty schemes and what is known as 'relationship marketing' (RM). Relationship marketing is an approach whereby marketers attempt to retain the customer over longer periods of time through club or loyalty programs such as hotel, car rental or airline frequent flyer programs.

This is based upon the organization becoming more involved with the customer as part of relationship marketing as opposed to the idea of concentrating on only a single sale or transaction. As part of the analogy, the RM process is available to advance relationships to higher levels of loyalty until a status is achieved whereby the customer is not only loyal but also advocates the company, the employees and service to others. RM should not be confused with brand loyalty based upon simple commitment to the product, as RM is far more complex. The rationale for RM is that it makes business sense to focus on long-term financial benefits that can accrue once a customer has been won for the first time. This is because it has been estimated to be five to ten times more expensive to recruit a new customer than to retain an existing one.

Therefore, there is importance placed upon the retention of a customer with commercial consideration of the lifetime value of customers based upon quantity of repeat purchases. Such an approach enables the costs of acquisition and conversion of the prospect to be set against the revenues earned over the longer term. In an effective scheme sales and profits improve in direct proportion to the length of the relationship. In relationship marketing customers will represent a diverse set of purchasing and spending patterns.

However, it is important to be able to make marketing decisions which reflect the worth and potential of any one customer over a period of time. The analysis which allows this is known as lifetime value (LTV). Lifetime value, related to a frequent flyer program or similar tourism loyalty scheme, allows for the measurement of the total worth to the organization of its relationship with a particular identified customer over a period of time. This is based upon the time-related income and costs of that individual adjusted so that the future amounts are discounted in order to provide a net present value worth of the individual.

Therefore, in order to make a calculation of LTV the company has to capture or estimate the costs and revenues of each relationship. The costs will be related to the acquisition, communication and any rewards or incentives given during any one year. The analysis of a frequent hotel guest or frequent flyer will reveal the profile of customers who provide high returns as well as those who are costly for the company to service.

The LTV information will allow for improved decision making based upon assessing the asset value of each customer regarding:

● The assigning of appropriate acquisition allowances to attract the higher-spending customers. The profile of these individuals is utilized to identify and segment the targeting strategy.

● Improving media strategies in order to acquire higher LTV individuals. Database analysis will provide information as to the optimal allocation of marketing communications budgets to alternative media in recruitment campaigns.

● Providing selection policies for customer marketing programs. LTV analysis will allow a division of customers into graded levels of worth to the company. This allows for different rewards and privileges to be given to the different levels or categories of customer. It also allows for the cutback in communication for those individuals who represent only breakeven or loss when marketing costs are taken into consideration.

Which individuals to contact and reactivate from the lapsed category. The database can identify the timing and worth of purchases made by individuals. If a previously higher-spending individual indicates lapsed behavior a 'win-back' policy may be triggered. Such a reactivation allowance can be allocated based upon the likely return of the individual and their future revenue potential. The use of data mining based upon customer records allows for the determination of the optimal level of investment in future marketing activities. Such measurement by customer can provide knowledge of purchase, purchase frequency and timing of demand.

3. It involves long and short-term planning. This requires the systematic organization of strategic planning and tactical activity. In the short term an organization does not normally have the flexibility to change rapidly even if the marketplace warrants this.

The physical infrastructure of a hotel building, the skills of the workforce and other production capabilities can often only be changed marginally. Therefore, in the short term the constraints of earlier planning will restrict the choice a company or resort area may have. Because of the short-run constraints one aspect of planning which increases in importance to capacity risks is the control mechanisms for the monitoring of performance against targets. The long-term success of an organization requires the efficient use of resources and assets, while tactical action will be required to keep plans on course. IT systems offer the opportunity to model demand and take tactical action at the earliest opportunity to sell unsold inventory or expand supply.

4. It requires efficient, cost-effective methods. Marketing's principal concern within any organisation has to be the delivery of maximum satisfaction and value to the customer at acceptable or minimum cost to the company so as to ensure long-term profit. The use of resources within marketing has to be both efficient and effective. The trend in the use of relationship marketing to build closer bonds and better retention with valued customers who provide repeat business is more effective than treating all customers as equal.

However, in many organizations, the dilemma is that management is often judged by short-term success in relation to sales and profit performance and this places less emphasis on longer-term investment in marketing.

5. It requires the development of an integrated company environment. The organization's efforts and structure must be matched with the needs of the target customers. Everybody working for the organization must participate in a total corporate, marketing environment with each division maximizing the satisfaction level of consumers. Integration is not just a smile or politeness. Barriers to serving the customer well have to be removed. The onus is on the organization to provide organizational structures that are responsive and able to undergo change to suit customer needs. Such an environment has to be based upon a culture of customer-focused adaptation.

4.5. Development of the tourism market at the international level

Increasing per capita income is driving the growth of global tourism market leading to continuous growth in international tourism. Over the last five years, tourism market in emerging economies, especially countries in South America and Asia have driven the global tourism market. Compared to a decade ago, global tourism market has undergone a lot of changes. Emerging economies now account for more market share as compared to developed economies. As per International Travel Association (ITA), the number of international tourists arrivals in the U.S.is expected to grow from 69.8 million in 2013 to 83.8 million by 2018.

Government bodies and organizations such as World Tourism Organization UNWTO are promoting tourism in order to attract diverse tourists across the globe. These initiatives are leading to the growth of global tourism market. Adventure tourism is new concept in tourism market driving the overall tourism market.

Further, medical tourism is also a new trend observed in global tourism market. Significant price difference of medical procedures between different countries is driving the trend of medical tourism across the world. Global sports and game events is another driving factor for the global tourism market. People travel to enjoy sports events such as FIFA World Cup 2014, London Olympics 2012 and ICC World Cup 2011. However, disease outbreaks such as Ebola in specific countries affect the global tourism up to large extent. Ebola outbreak in West Africa affected the tourism market in African region.

The global tourism market is segmented on the basis of type, industry products, activities involved and geography. On the basis of type, international tourism and domestic/local tourism are the two major types of tourism market. Along with it, on the basis of purpose of travel or tourism the market for global tourism is segmented into adventure tourism, leisure business travel, conference or seminar travel, business tourism, visiting relatives and friends. The companies providing tourism services offer various products and services to their customer. Thus, the industry products included in the global tourism industry are traveler accommodations, travel arrangement and reservations, air transportation, other local transport such as car rental, food and beverage establishments, recreation and entertainment, gasoline and other retail activities.

Further, the industry activities considered within the global tourism market include traveler accommodation services, providing hospitality services to international tourists, airline operation, automotive rental, travel agent and tour arrangement services. Countries such as U.S., Germany and France are popular destinations for global tourism; but in recent years other less well known countries from Asia and Africa have emerged as destinations of interest for international travelers. Thus, tourism service providers are realigning their services in order to reap the economic benefits from this trend.

The global tourism market has a low level of concentration as there are large numbers of international and local players in tourism market. The market for global tourism is highly fragmented in nature. Aban Offshore Ltd., Accor Group, Crown Ltd., Balkan Holidays Ltd., Fred Harvey Company and G Adventures are some of the players in global tourism market.

This research report presents a comprehensive assessment of the market and contains thoughtful insights, facts, historical data and statistically-supported and industry-validated market data and projections with a suitable set of assumptions and methodology. It provides analysis and information by categories such as market segments, regions, product type and distribution channels.

The report covers exhaustive analysis on:

- Market Segments
- Market Dynamics
- Market Size
- Supply & Demand
- Current Trends/Issues/Challenges
- Competition & Companies involved
- Technology
- Value Chain

Regional analysis includes

- North America
- Latin America
- Western Europe
- Eastern Europe
- Asia Pacific
- Japan
- Middle East and Africa

The report is a compilation of first-hand information, qualitative and quantitative assessment by industry analysts, inputs from industry experts and industry participants across the value chain. The report provides in-depth analysis of parent market trends, macro-economic indicators and governing factors along with market attractiveness as per segments. The report also maps the qualitative impact of various market factors on market segments and geographies.

- A neutral perspective on market performance
- Must-have information for market players to sustain and enhance their market footprint

It is important to understand what is expected of the plan from the long-term goals set at corporate level. The goals may be based upon the values and objectives of the key shareholders, board directors or senior managers. In some situations goals are set only after the establishment and evaluation of the marketing programs. This is a parochial, program led method of planning, where management does not attempt to meet higher-level corporate goals within the planning process because managers are more prepared to settle for what they believe will work. An organization with this approach will not investigate as broad a range of strategies as the organization that is driven to ensure consistency with the overall corporate strategy and goals.

The most effective form of planning creates a balance between corporate direction and ensuring different levels of employee involvement (see Figure 20.2). If goals are dictated to employees, there is very little sense of ownership of the plan and a corresponding lack of motivation. Goals can be set in a functional, top-down approach or as a negotiation of goals through the combination of bottom-up and top-down processes. The mission statement is a guide for employees to know what the purpose of the organization is. The mission statement acts as a confirmation of what business the organization is in from a consumer viewpoint. It then represents the overriding goal of the organization.

Britain's ambitious strategy up until 2020 indicates how marketing and policy objectives can be aligned. It aims to attract 40 million international visitors a year, spending £31.5 billion, by 2020. Four key elements are believed to be important for future success:

1. To build on Britain's image;
2. Increase distribution through the travel trade;
3. Broaden the product offering with easier visa process access; and,

4. Improvements in transport links, including rail.

and internal audit It is necessary to gather enough relevant information about the external and internal organizational environment to be able to construct a business and market picture of current and future pressure and trends. One important part of marketing planning is knowing what to analyze.

Executives have to be careful that they do not have too limited a view of the environment. Understanding the different needs of the tourist is only one aspect which requires investigation.

Market knowledge requirements are so complex these days that having checklists of necessary The focuses of rivalry among existing competitors are

- the outcome of rivalry;
- the bargaining power of suppliers;
- the bargaining power of buyers;
- the threat of new entrants;
- the threat of substitute products or services. Each of these forces, in turn, can be broken down into its constituent elements.

The following discussion of these forces helps with our understanding of the tourism industry and clarifies the considerations we must take into account.

1. Rivalry among existing competitors Factors which might affect the nature of competitiveness or ‘the jockeying for position’ by the use of tactics in the industry include the following:

● the degree of concentration in the industry and the number and relative size of the competitors – the different sectors compete such as self-catering versus hotel accommodation or trains versus air travel etc.;

● if industry growth is slow there will be increased struggle for market share;

● the extent and nature of product differentiation where less differentiation leads to more of a stress on price competition;

● when fixed costs are high or the product perishable as is the case with much of the tourism industry offerings;

● capacity in relation to demand and the seasonal characteristics of demand;

● high exit barriers will keep companies competing even though they may be earning low or negative returns.

1. Bargaining power of suppliers Factors relevant to the supply side of the industry will be similar to those mentioned on the customer side of the industry and thus include:

2. Identify some of the recent changes in technology and discuss how these may affect the tourism consumer or company.

3. What do the acronyms PESTEL and SWOT stand for and how do they inform marketing decisions?

4. List the main problems that could be encountered when producing a marketing plan for a hotel group of companies.

5. Describe the four levels of marketing environment and identify how these may affect the company.

6. Determine, with reasons, the most effective segments to target for farm tourism in Europe

Questions

1. Is flexible pricing an essential ingredient in hotel marketing or are there circumstances where fixed prices would be preferable

2. Does the move to new premium budget hotels by the budget chains threaten the existing mid-budget chains?

3. Undertake research to discover public attitudes to timeshare and views on the pros and cons of owning timeshare accommodation. Suggest how the information you have obtained could be useful to a timeshare developer in marketing its products.

4. Write a report giving your views on whether or not independent hotels have a future, given the greater marketing power of the chains and forecasts that these will dominate the future market for hotel accommodation. Explain how niche marketing might still be an effective weapon in the independent hotels' armoury.

UNIT 5: TOURISM DEMAND

5.1. The concept of demand

Tourism demand is the total number of persons who travel or wish to travel to use the tourist facilities away from their places of work and residence. (Mathieson and Wall, 1982)

Tourism is a dynamic field. It varies on the number of factors related to the tourists; the country of destination, the market from which the tourists emerge, and market of the destination. The tourism managers and researchers study a lot about tourists' motivations and cultures, their changing behavior, and the driving and affecting factors of tourism. They also study the destinations investigating the amenities and attractions they provide or any prospective ways to attract the tourists.

The tourism businesses can figure out the demand of tourism in a particular area, by identifying the types of various tourists, their behaviors, and create right offerings for the right market.

Let us see, the types of tourists and how tourist behavior varies with respect to various factors.

Knowledge of individual behavior and how it relates to the market makes it possible to predict future trends for planning and visitor management purposes, and enables suppliers to correctly read the signals given in the marketplace so as to provide the right tourism products.

Equally it is important for government policy, for example in terms of taxation or influencing visitors' behavior. In the latter respect, the perceptions of demand have changed over the years with early pronouncements such as the UN's Universal Declaration of Human Rights encouraging everyone to travel as a 'right', to the present day when the tourist is urged to travel 'responsibly' and to offset his or her carbon emissions generated from air travel, though airlines have found that these voluntary schemes attached to ticket prices have not had much take-up. To benefit the destination, the UNWTO (1999) has produced a Global Code of Ethics for Tourism, which requests visitors to observe the laws, practices and customs in the countries they visit. In other words, if individuals demand tourism they should take responsibility for the environment and host societies at the destination and the hosts have a right to expect this.

Table 5.1

The major influences on tourism demand

Economic factors	**Social-psychological factors**	**Exogenous factors**
disposable income	Demographic factors	Availability of supply resources
GNP per capita income	Motivations	Economic growth and stability
Private consumption	Travel preferences	Political and social environment
Cost of living (CPI)	Benefits sought	Recession
Tourism prices	Images of destinations	Technological advancements
Transportation costs	Perceptions of destinations	Accessibility
Cost of living in relation to destinations	Awareness of opportunities	Levels of development, infrastructure and superstructure
Exchange rate differentials	Cognitive distance	Natural disaster
Relative pricing among competing destinations	Attitudes about destinations	Epidemics
Promotional expenditures	Amount of leisure time	War, terrorism
Marketing effectiveness	Amount of travel time	Social and cultural attractions
Physical distance	Paid vacations	Degree of urbanisation
	Past experience	Special factors/Olympic Games, mega events
	Life span	Barriers and obstacles
	Physical capacity, health and wellness	Restrictions, rules and laws
	Cultural similarities	
	Affiliations	

Source: Adapted from Uysal, 1998

The exogenous factors are those outside the individual's control, which Uysal regards as the environment in which tourism transactions take place. It is to be expected that different subject disciplines will approach the matter of tourism demand in alternative ways, but in general, for ease of exposition, when looking at demand for the tourism product we will divide the factors influencing demand into motivations on the one hand and determinants on the other. Motivations deal with Uysal's psychological factors as to why people travel and what needs they are trying to satisfy. In tourism development work this is part of what is known as the 'triple bottom-line', namely taking account of the economic, social and environmental situation at the places where visitors stay. In economic terms this implies guidance to encourage visitors to support local businesses. Unlike most other goods and services, consumption of the tourism product by an individual involves purchasing a bundle of goods and services that are consumed at the destination, which is the point of supply.

The potential demand for a new tourism offer and removing barriers to travel at the destination end, for example visa restrictions, perceptions on security and concerns about the tourism infrastructure, particularly accommodation and transport. Security is a major concern but potential visitors frequently do not discriminate between one country and another, thus the 'Arab Spring' which commenced in 2011 had dramatic consequences for visitor numbers to neighboring countries such as Jordan, with its world class attractions in the rose city of Petra and the Dead Sea, where security was not an issue.

Determinants are factors influencing demand which can be economic, sociological, demographic, political and geographical. The latter has a spatial context, in the sense that distance when expressed in both travel time and cost serves to limit travel from the generating region to the destination, as noted in Leiper's model. As a rule, most destinations find that their near neighbors generate the largest volume of international visitors and this tails off with distance. But, as is well known, if we were to redraw the map of the world based on airfares between countries some very unusual configurations would be the result, since due to different competitive practices in the airline industry the pricing of air tickets does not necessarily correspond to the distance travelled . Within countries domestic airfares are often several times more than the equivalent distance when flying internationally.

Economic determinants of demand

Leisure travelers

The major economic determinant of demand is the availability to the potential tourists of a sufficient level of real discretionary income. Real income is a measure used to track the purchasing power of income. Real income is the purchasing power of received income after adjusting it to take into account inflation. For example, an increase in a person's annual income by 10 per cent is a nominal increase; if inflation, as measured on a cost of living index is 5 per cent per annum, the increase in the real income is only 5 per cent.

Once the person has received his net income, after statutory deductions for taxes, insurances and pensions, this is termed as disposable income. From the disposable income the person will meet basic living expenses such as mortgage or rent payments, heating, food, clothes and similar expenditure. After these necessary expenditures have been met the remaining income is termed as discretionary income, it is that proportion of his disposable income which he is free to spend (or save) as he wishes. In totality, it is the availability of discretionary income which determines demand for tourism.

Although economists have measured demand for travel and tourism at the macro level, relating changes in real income levels to overall demand (number of trips made), an important travel determinant for leisure travel is family income levels. The extension of the working family (working wives/partners) has considerably increased family per capita income levels.

From an economic perspective what is important is derived demand, desire and ability to travel, supported by a sufficient income level to facilitate this desire. Potential demand is where the necessary conditions to facilitate travel exist, but for some reasons people choose either not to become domestic or international tourists. It is well known, for example, that over 90 per cent of the American population have not taken an international trip. There is potential to do so, but for whatever reasons this has not happened. Potential markets are important because they are areas where tourism marketing can be targeted.

Business travelers

The business travel market is very large and is international in scale, as Table 4.2 shows. Business travel is affected by economic circumstances but, for most companies, travel by their representatives is essential rather than a luxury expenditure. In times of business decline or recession, companies may switch from a higher to lower class of air fare, from expensive to less expensive hotels, or limit the duration and number of trips. Forgoing an annual holiday is not going to be life-threatening to the potential tourist; a failure to overcome recessionary conditions could be for a business. Therefore, business travel, even at lower levels, will continue when leisure travel might suffer severe disruption because of prevailing economic circumstances.

Motivational factors

There are a number of motivational factors which are important as determinants of demand for travel. The factors will vary according to countries but perhaps five are sufficiently important to be regarded as generally applicable – education, urbanization, marketing, the travel trade, and destination attractions.

Education

In most developed countries education is a compulsory requirement, at least until the age of 16. As people progress through the education system we find that growing numbers go on to secondary and tertiary levels. There is a correlation between the level of education and the income levels which are earned by groups in society. We find from American studies particularly that there is a well-developed correlation between the level of education achieved by a person and his or her propensity to travel. There is believed to be a connection between the level of education and a person's cultural curiosity. Many long-haul travellers, perhaps because of the expense of the journey, are relatively wealthy people, often with high education levels. At the other extreme, other long-haul travellers are budget tourists sometimes associated with the ubiquitous phrase 'back-packers'. These are people, usually young, who are prepared to travel often vast distances, to seek information, knowledge and experience. The proliferation of travel guides, e.g. Lonely Planet, provides some testimony to the scale of this market.

5.2. Classification of tourist activities

Domestic and international tourism, it is usual to separate domestic from international tourism and leisure from business travel. Domestic tourism involves a person travelling away from home for recreational or business purposes and is characterized by a trip within the frontiers of a country; for example, a trip for shopping purposes travelling from Bradford to Manchester or from New York to Miami.

The trip will involve an overnight stay or otherwise it is classified as an excursion. In the two examples given it will be noted that the two trips involve very different travel distances. For definitional purposes, this does not matter; what distinguishes domestic from international tourism is whether or not the trip is taken within or outside national frontiers. This situation often gives rise to considerable difficulties in analysing trends. In very large countries such as the United States, Australia and the People's Republic of China, long-distance travel (e.g. from Beijing to Gangzhou) would be classified as domestic tourism; a journey from Brussels to Luxembourg, however, would constitute an international trip.

The dichotomy between international and domestic tourism is important for a number of reasons.

First, as international travel implies the crossing of a frontier, there is a foreign currency implication. Inbound foreign tourists will bring with them currency to spend in the host country and therefore contribute to the economic impact of tourism. For most countries seeking to attract foreign tourists it is the potential to earn foreign exchange which is the important objective in supporting and developing the tourism sector. For developing countries, it is usually the priority objective.

Another relevant factor is that on a per capita spend basis, international visitors tend to have a higher per trip spend than domestic tourists. With the exception of relative higher per visit expenditure and the generation of foreign exchange, domestic and international tourists cause similar general economic impacts; both groups generate employment, incomes, contribute to tax and other revenues, and through locational decisions contribute to regional development.

As a global phenomenon, domestic tourism is estimated by the WTO to contribute approximately 80 per cent of all tourism trips, although with a much lower proportion of total tourism spend, but is a major force in tourism. That disproportionate emphasis is given to international tourism is based largely on its foreign exchange potential. In many developing countries the domestic tourism market is small and economically insignificant. It is not only the expenditure of the visiting international tourist which is of importance but also the ancillary expenditure, transportation costs. A French visitor to Australia travelling on Quantas airline would contribute a foreign exchange credit to the Australian economy. A ticket purchased on Air France would effectively remain within the French economy. As tables of international tourism receipts exclude air fares, these gross figures often substantially understate the total revenues generated by tourism activity. shows for the UK. In considering the determinants of demand, it is useful to separate economic from social determinants, and structural from motivational determinants. The structural determinants also give us some insight into the short-term and the long-term trends in demand

5.3. Types and forms of tourism

Forms of tourism In relation to a given country, the following forms of tourism can be distinguished:

1 Domestic tourism, involving residents of a given country travelling only within this country.

2 Inbound tourism, involving non-residents travelling in the given country.

3 Outbound tourism, involving residents travelling in another country. The same forms of tourism may be described by replacing the word ‘country’ with the word ‘region’. In this case these forms of tourism would no longer refer to a country or to a group of countries.

The three basic forms of tourism can be combined in various ways to derive the following categories of tourism:

1 Internal tourism, which comprises domestic tourism and inbound tourism.

2 National tourism, which comprises domestic tourism and outbound tourism.

3 International tourism, which consists of inbound tourism and outbound tourism.

The term ‘domestic’ used in the tourism context differs from its use in the national accounts context. ’Domestic’, in the tourism context, retains its original marketing connotation, that is, it refers to residents travelling within their own country. In the national accounts context it refers to the activities and expenditures of both residents and non-residents travelling within the reference country, that is, both domestic tourism and inbound tourism.

Basic tourism units

Basic tourism units refer to the individuals/households which are the subject of tourism activities and can therefore be addressed in surveys as the statistical units (notwithstanding broader or different concepts of statistical unit, e.g. ‘unit of observation, enumeration, classification, analysis’). The overall concept of ‘traveller’ refers to ‘any person on a trip between two or more countries or between two or more localities within his/her country of usual residence An international traveller is defined as ‘any person on a trip outside his or her country of residence (irrespective of the purpose of travel and means of transport used, and even though he or she may be travelling on foot)’.

A domestic traveller is defined as ‘any person on a trip in his or her own country of residence (irrespective of the purpose of travel and means of transport used, and even travelling on foot)’. These concepts do not correspond to those of ‘passenger’ in transport statistics, since the latter usually exclude crew members as well as nonrevenue or low-revenue passengers.

A distinction is made between two broad types of travelers: ‘visitors’ and ‘other travelers’. All types of travelers engaged in tourism are described as visitors. Therefore, the term ‘visitor’ represents the basic concept for the whole system of tourism statistics. The term ‘visitor’ is further divided into two categories: ‘tourists (overnight visitors)’ and ‘same-day visitors’. Visitor For purposes of tourism statistics, the term ‘visitor’ describes ‘any person travelling to a place other than that of his/her usual residence for less than 12 months and whose main purpose of the trip is other than the exercise of an activity remunerated from within the place visited’

The three fundamental criteria that appear sufficient to distinguish visitors from other travelers are as follows:

(a) The trip should be to a place other than that of the usual environment, which would exclude more or less regular trips between the place in which the person carries out his or her work or study and the place in which he or she has his or her domicile.

(b) The stay in the place visited should not last more than 12 consecutive months, beyond which the visitor would become a resident of that place (from the statistical standpoint).

(c) The main purpose of the visit should be other than the exercise of an activity remunerated from within the place visited, which would exclude migratory movements for work purposes. Usual environment of a person.

The main purpose of introducing the concept ‘usual environment’ is to exclude from the concept of ‘visitor’ persons commuting every day or week between their home and place of work or study, or other places frequently visited.

The definition of usual environment is therefore based on the following criteria:

- Minimum distance travelled to consider a person a visitor;
- Minimum duration of absence from usual place of residence;
- Minimum change between localities or administrative territories. Usual residence The country of usual residence is one of the key criteria for determining whether a person arriving in a country is a visitor or other traveler, and if a visitor, whether he or she is a national or overseas resident.

The underlying concept in the classification of international visitors by place of origin is the country of residence, not their nationality. Foreign nationals residing in a country are assimilated with other residents for the purpose of domestic and outbound tourism statistics. Nationals of a country residing abroad who return to their home country on a temporary visit are included with nonresident visitors, though it may be desirable to distinguish them in some studies.

Resident in a country for purposes of international tourism statistics ‘a person is considered to be a resident in a country if the person:

- has lived for most of the year (12 months) in that country
- has lived in that country for a shorter period and intends to return within 12 months to live in that country’.

Resident in a place

In parallel with the definition of the previous paragraph, for purposes of statistics on domestic tourism ‘a person is considered to be a resident in a place if the person:

- has lived for most of the past year (12 months) in that place, or
- has lived in that place for a shorter period and intends to return within 12 months to live in that place’.

Nationality The nationality of a traveler is that of the ‘government issuing his or her passport (or other identification document), even if he or she normally resides in another country’.

Nationality is indicated in the person’s passport (or other identification document), while country of usual residence has to be determined by means of a question. Nevertheless, a traveler is considered either an international or domestic visitor on the basis of his or her residence, not his or her nationality.

Visitors according to forms of tourism For the purpose of tourism statistics and in conformity with the basic forms of tourism, visitors should be classified as:

- International visitors
- tourists (overnight visitors)
- same-day visitors

Domestic visitors:

- tourists (overnight visitors)
- same-day visitors

For statistical purposes, the term ‘international visitor’ describes ‘any person who travels to a country other than that in which he has his or her usual residence but outside his/her usual environment for a period not exceeding 12 months and whose main purpose of visit is other than the exercise of an activity remunerated from within the country visited'.

International visitors include:

- Tourists (overnight visitors): 'visitors who stay at least one night in a collective or private accommodation in the country visited'.
- Same-day visitors: 'visitors who do not spend the night in a collective or private accommodation in the country visited'.

The following categories of travelers should not be included in international visitor arrivals and departures:

Persons entering or leaving a country as migrants, including dependents accompanying or joining them.

- Persons, known as border workers, residing near the border in one country and working in another.
- Diplomats, consular officers and members of the armed forces when travelling from their country of origin to the country of their assignment or vice versa, including household servants and dependents accompanying or joining them.
- Persons travelling as refugees or nomads.

Persons in transit who do not formally enter the country through passport control, such as air transit passengers who remain for a short period in a designated area of the air terminal or ship passengers who are not permitted to disembark. This category would include passengers transferred directly between airports or other terminals. Other passengers in transit through a country are classified as visitors.

For statistical purposes, the term 'domestic visitor' describes 'any person residing in a country, who travels to a place within the country, outside his/ her usual environment for a period not exceeding 12 months and whose main purpose of visit is other than the exercise of an activity remunerated from within the place visited'. **Domestic visitors comprise**:

- Tourists (overnight visitors): 'visitors who stay at least one night in a collective or private accommodation in the place visited'.
- Same-day visitors: 'a visitor who does not spend the night in a collective or private accommodation in the place visited'.

The following categories of trips should not be included in domestic visitor arrivals and departures:

- Residents travelling to another place within the country with the intention of setting up their usual residence in that place.
- Persons who travel to another place within the country to exercise an activity remunerated from within the place visited.
- Persons who travel to work temporarily in institutions within the country.
- Persons who travel regularly or frequently between neighboring localities to work or study.

The growing importance of business travel

The growth in world trade in these decades saw a steady expansion in business travel, individually and in the conference and incentive travel fields, although recession in the latter part of the century caused cutbacks in business travel as sharp as those in leisure travel. As economic power shifted between countries, so emerging nations provided new patterns of tourism generation. In the 1970s, Japan and the oil-rich nations of the Middle East led the growth, while in the 1980s, countries such as Korea and Malaysia expanded both inbound and outbound business tourism dramatically.

The acceptance of eight Eastern European nations (together with Malta and Cyprus) into the EU in May 2004 led to new growth areas in the movement of tourists during the first decade of the century, plus the rise of a new, free-spending elite within the Russian community and adjacent countries has resulted in those nationalities being among the fastest-growing sector in international tourism, albeit from a low base.

Meanwhile, uncertainty in the Western world – particularly the fall and slow recovery of the stock market since the events of September 2001, followed by a deepening recession and escalating oil prices – has continued to limit the recovery of business and leisure travel well into the twenty-first century. Nevertheless, business travel of all kinds remains of immense importance to the tourism industry, not least because the per capita revenue from the business traveler greatly exceeds that of the leisure traveler. but it should be stressed here that business travel often complements leisure travel, spreading the effects of tourism more evenly in the economy.

A major factor is that business travelers are not generally travelling to areas that are favored by leisure travelers (other than in the very particular case of the conference market). Businesspeople have to go to locations where they are to conduct business, which generally means city centers, and often those cities have little to attract the leisure tourist. Travel also takes place all year round, with little peaking, and the demand for hotels occurs between Mondays and Fridays, encouraging the more attractively situated hotels to target the leisure market on weekends. Often, spouses will travel to accompany the business traveler, so their leisure needs will have to be taken into consideration, too.

Thus, in practice, it becomes difficult to distinguish between business and leisure tourism. Although business travel is less price-elastic than leisure travel, as was noted earlier, efforts to cut costs in the world of business today are ensuring business travelers no longer spend as freely as they did formerly. Fewer business travelers now travel first class or business class on airlines (many are making use of the new budget airlines to minimize costs) than before, less expensive hotels are booked and there is even a trend to travel on weekends to reduce prices. Companies are buying many more tourism products, particularly air tickets, through the Internet, where they can shop around for the cheapest tickets.

These changes are not seen as short-term trends and, in future, any distinction between the two major tourist markets is likely to become less apparent.

Conference and incentive travel business

Conferences and formal meetings have become very important to the tourism industry, both nationally and internationally, with continued growth between the 1960s and the end of the century. The British conference market alone is responsible for the organization of some 700,000 individual conferences each year, the very large majority lasting just one or two days.

As most of them are held in hotels, this market is vital to the accommodation sector. Low-cost carriers, having broken the traditional carriers' imposition of conditions requiring a weekend stopover to gain low fares, changed business protocol and began to win a share of those important markets. Major conferences, such as that of the American Bar Association, which accounts for up to 25,000 delegates each year travelling all over the world (the 2000 conference was held in London), impact on all sectors of the industry, from hotels to the destination itself, which benefits from expenditure in shops, theatres, nightclubs and other centers of amusement. To serve the needs of the largest conferences, international conference centers seating up to 5000 or more delegates have been built in major cities such as London and Berlin, but the number of conferences of this size is inevitably limited, so the competition to attract them is intense.

The logistics of organizing these and other major events are generally in the hands of professional events organizers, most of whom in Britain belong to the Association of Conference Executives (ACE). As international conferences generally have English as the common language (although simultaneous translations are always available where necessary), countries such as Britain and the USA greatly benefit from this market. Exhibitions also account for another form of business travel. Major international exhibitions can be traced to at least as far back as the Great Exhibition, held at Crystal Palace in London in 1851, and world fairs have become common events in major cities around the globe as a means of attracting visitors and publicizing a nation's culture and products.

Many national events are now organized on an annual basis, some requiring little more than a field and marquees or other temporary structures – the Royal Bath & West agricultural show being one example of a major outdoor attraction, held annually in the UK's West Country. As such events have grown and become more professionally organized, so have they, too, become an important element in the business of tourism

5.4. Features of active and passive types of tourism

Medical tourism

An increasingly important form of tourism, centered almost exclusively on urban areas, is that undertaken for medical reasons. While health tourism has a long history and is linked to spa tourism, about which more will be found towards the end of this chapter, the term medical tourism is now being used to refer to tourists who travel to another country specifically to consult specialists or undergo medical treatment. British patients have sometimes been referred by the National Health Service for treatment in other EU countries, but others are seeking medical attention privately and often further afield. Private hospitals in Eastern Europe are now openly targeting patients in Britain who could not afford private treatment in their own country, but could be persuaded to pay the lower fees charged abroad. It has to be acknowledged that British patients are being driven by not only cost but also NHS waiting lists and by fear of MRSA, C. Difficile and other increasingly common diseases found in hospitals.

It has been estimated that some 52,500 UK residents go abroad for medical treatment each year, spending in the region of £161 million in 2006. About half of them travel to have dental work undertaken and a large majority of the others do so either for cosmetic operations or hip and knee replacements.

Similarly, large numbers of Austrians now travel abroad for treatment, particularly to Sopron in Hungary for dental treatment and some towns on the Austro-Hungarian border now have economies based largely on dentistry. Many Danes travel to Szczecin in Poland for dental treatment, while the Finns visit Tallinn for eye tests and dental work. Americans are responsible for some of the fastest growth in medical tourism.

From just 150,000 tourists in 2004, there numbers grew to more than half a million travelling abroad for treatment in 2006, 40 per cent of them for dental work, according to the US Medical Tourism Association. Good medical treatment delivered promptly, cheaply and efficiently is appealing in cases where lengthy waiting lists for operations exist, such as for hip replacements.

Over 50 countries actively promote medical tourism and some 19 million medical tourists were estimated to have gone abroad for treatment in 2005,6 at a total cost of some £10.5 billion (a figure that some have estimated as having risen five-fold by 2008 – see the Example). India alone received around 150,000 of these tourists in 2005 and expects to expand its provision for them to deliver revenue of over US$1 billion by 2012.

IVF treatment is promoted in medical centers in Kiev, Ukraine, cosmetic surgery in Venezuela, Brazil, Argentina and the UAE, while

Budapest in Hungary and Cyprus promote dental treatment for visitors. Thailand, which, like Singapore, has a good record of Western medical training, offers private healthcare to medical tourists in Bangkok, Chiang Mai and Phuket, while South Africa attracts tourists for specialist cosmetic surgery. India has perhaps gone furthest, even taking a stand at the World Travel Market in London to promote its medical tourism. It offers specialist treatment at reasonable prices for dentistry, cosmetic surgery and alternative medicine such as Ayurveda. Organizations are now setting up package tours around such treatment, with accommodation at 4-star hotels included. Some forecasts put the total numbers travelling abroad for medical treatment at over 40 million by 2010.

5.5. Tourism demand and its formation

Many variables will influence the way consumption patterns differ. Recent technological innovations, demographic changes and changing consumer tastes and expectations all affect tourism demand. Patterns will change based upon the different products available and the way individuals have learnt to purchase tourism products. The variations are complex and therefore it is more practical to deal with general behavioral principles. These are often dealt with in a framework that includes the disciplines of psychology, sociology and economics.

Simplification of some of the main influences affecting the consumer as decision maker. It is possible to view the tourism consumer decision process as a system made up of four basic elements.

1. **Energizers of demand**. These are the forces of motivation that lead a tourist to decide to visit an attraction or go on a trip. Motivation allows us to understand the activation of behavior.

2. Effectors of demand. The consumer will have developed ideas of a destination, product or organization by a process of learning, attitudes and associations from promotional messages and information. This will affect the consumer’s image and knowledge of a tourism product, thus serving to heighten or dampen the various energizers that lead to consumer action. Destinations, or forms of tourism (such as green tourism), may become more or less fashionable on the basis these processes.

3. Roles and the decision-making process. Here, the important role is that of the individual or group/family member as to their involvement in the different stages of the purchase process and the final resolution of decisions about the when, where and how of the overall tourism product.

4. Determinants of demand. In addition, the consumer decision-making process for tourism is underpinned by the determinants of demand. There is a difference between the motivation to travel and the ability to travel. Even though motivation may exist, demand is filtered, constrained or channeled due to economic (e.g. discretionary income), sociological (reference groups, cultural values) or psychological (perception of risk, personality, attitudes) factors. As the complementary costs of travel change (air travel, accommodation, activities, etc.) then demand may switch from one destination to another.

Table 5.5	**Measurements of tourism demand (currency units in millions)**				
Tables 1 to 4	**TSA 1 Inbound tourism consumption**	**TSA 2 Domestic tourism consumption**		**TSA 3 outbound tourism consump-tion**	**TSA 4 Internal tourism consumption**
Products	same-day + tourists = all visitors	By residents travelling only within the country	By residents travelling abroad	By residents travelling abroad	tsa 1 + tsa 2
A. Specific products					
A.1 Characteristic products					
1. accommodation	69	39		323	108
2. restaurants and similar	96	307	12	301	415
3. Passenger transport	36	52	9	471	97

4. travel, tour and guide services	15	48	116	31	179
5 & 6. Culture, sport and recreation	21	70		156	91
A.2 Connected products					
1. Renting and business services6	6	40	22	39	68
B. Non-specific products					
1. Retail	135	597	25	257	757
ToTAL	378	1,153	184	1,578	1,715
number of trips (000s)	2,319	31,814		4,623	34,133
number of overnights (000s)	8,693	5,360		21,827	14,053

After deductions of fares paid to international carriers, which go into the transport account of the balance of payments, the remaining inbound and outbound tourism expenditure in columns two and five are put into what is known as the travel account for the country of reference.

A negative travel account means that spending by incoming visitors is less than spending abroad by outgoing visitors, and the combined effect will be to the detriment of the balance of payments. Politically, a negative imbalance is often looked at pejoratively as a measure of the performance of the domestic tourism industry, given the importance attached to foreign exchange earnings, and national tourist administrations are often urged to do better in attracting inbound visitors. Such a view is naïve as the imports and exports of travel services are often strongly differentiated or non-competitive products, say city breaks versus summer sun holidays. What is a more sensible alternative is to evaluate the net foreign exchange yield from inbound tourism, namely earnings less the foreign exchange cost of servicing this tourism.

This is known as the tourist propensity to import which can range from more than 50% for small island destinations to 10–15% for major developed countries.

. One argument is that it will happen anyway, and another is that they do not achieve prominence because they are not major users of the commercial accommodation industry (domestic tourists often stay with friends and relatives), as column three in Table 5.5 will testify, but knowing the volume and value of domestic tourism has a number of important implications:

- measuring the contribution of tourism to the overall economy;
- regional development policies;
- market intelligence for local businesses;
- additional public sector infrastructure provision, as in the case of seaside resorts, to compensate for influxes of visitors;
- understanding the holiday-taking habits of residents in order to deliver social tourism assistance to the underprivileged in society.

Questions and discussion points

1. The first package tours were to Corsica, a destination that has failed to fulfil its early potential and now caters largely for independent tourists or modest numbers of package holidaymakers. Suggest possible reasons for Corsica's failure to develop as a major resort destination in the manner of, for example, the Balearic Islands.

2. Offer possible explanations for the resurgence of cruising in the 1980s and the reasons for its limited appeal in the preceding decades. What lessons are to be learned from the failure of shipping managers to adapt their products to the needs of the time?

3. Critically evaluate the potential benefits and drawbacks of the popular 'taster' tours that have introduced so many North Americans to Europe.

4. With the present free currency market in Europe, it is no longer possible for a European government to restrict foreign travel as a means of aiding the balance of payments. What other steps can a government take to improve the tourism balance?

5. Given the increasing emphasis on serving the individual needs of the tourist, is it still possible to segment markets today?

6. How can providers offer an unlimited supply of alternative opportunities?

7. Do travel agents have the necessary skills to understand their customers' needs and match these to products? Is such an ability based on education, training, experience, native intelligence or some combination of all these?

8. Discuss the pull of adventure holidays incorporating increasingly dangerous sports such as white water rafting, paragliding or even base jumping versus the natural desire to avoid excessive risk. Is age the dominant factor in this dichotomy?

9. Where do you and your colleagues place themselves on this continuum? Why?

10. Suggest examples of the ways in which our current concern for healthy living is influencing patterns in holiday taking

UNIT 6: TOURISM SUPPLY

6.1. Supply in tourism and its components

Online travel

The significant development and growth of online travel, predominantly on the back of the development of information technologies and telecommunications plus phenomenal growth of the Internet and electronic commerce, has been one of the great success stories for tourism generally, and tourism intermediaries in particular.

The volume of online tourism-related transactions is anticipated to reach over half of all e-transactions in the near future, with considerable implications for intermediaries and their competitors across the wider tourism industry – and none more so than for the four major GDSs which still dominate the distribution of travel products, notably Sabre and Worldspan, which dominate in the United States, and Galileo and Amadeus, which are market leaders in Europe.

Back in 1996, Sabre was the first GDS to venture online with its launch of Travelocity.com, a virtual agency. At the same time, Expedia.com was launched by USA Networks. This was then followed by Amadeus.net in 1997 by Amadeus Global Travel Distribution and the purchase of TRIP.com by Galileo International in 2000. After just three years in operation, Travelocity.com and Expedia.com were among the 10 largest US distributors of travel products in terms of revenue.

In Europe, lastminute.com was launched in 1998 and eBookers.com in 1999, demonstrating that new methods of online communication were able to cross entry barriers to a market previously outside the scope of new players. One of the biggest contributors to the growth in the purchase of e-tickets has been the rise of discount ‘no-frills' airlines, especially across the United States and Europe, and their replication elsewhere in Asia and Australia.

The principal catalysts for change were Southwest Airlines in the United States and easyJet and Ryanair in the United Kingdom and Ireland respectively, leading to AirAsia in Malaysia and Virgin Blue in Australia. For airlines generally, although they are subject to the same rules as travel agencies, they often are able to offer special rates and exclusive deals and so motivate consumers to purchase tickets directly rather than via a travel Notwithstanding, the primary task of travel agents is to supply the public with travel services.

This they do on behalf of their suppliers or principals. An agent may also offer travel-related services such as insurance or foreign exchange. For providing these services, the agent is rewarded by commission from the principals. Traditionally, commission amounts to 10% of the selling price, but this is normally 1% or 2% less for hotel bookings and rail travel, while, as noted earlier, major airlines have moved to a zero commission model, so that agents now charge the customer a booking fee. Insurance will usually generate commission of around 30% and car hire can, on occasions, make considerably more than the basic 10%.

Sales of travelers' cheques, which are less used today, and currency will yield no more than about 2%.

However, by dealing with preferred suppliers and achieving specified sales targets, agents can achieve 'overrides', which are extra commission amounting to about 2.5% of sales. The fast-changing nature of this sector in the new arena of e-intermediaries implies that commission rates and what is commissionable in the future, both for traditional and virtual players, is likely to be the subject of continual negotiation and debate, with all rates going down rather than up. How a retail travel agency should set about discharging its primary function is a matter for discussion.

Where an agent has no wholesaling function and therefore does not share in the risk of tour production by holding stock, it is suggested that the agent's main concern should be the choice of location to ensure ready availability of the principal's products in the marketplace. The agent has access to a principal's stock through the reservation system and here efficiency is important. The customer expects instant confirmation and staff at the agency do not want to waste time with repeated telephone calls. Instant availability on a computer screen permits the staff in the traditional agency to share the booking process with the customer to reinforce the buying decision.

This approach to the role of the retailer likens the agent to a 'filling station' for travel: creating demand is the responsibility of the principals. If demand is given, then controlling costs is the best way for the agent to maintain profitability. An alternative view argues that the acquisition of product knowledge and the assumption of the risks involved in assessing the extent and nature of demand is the job of the agent. The agent should thus take on the role of a travel counsellor to give the public impartial advice and seek to generate business in the local market area. Many countries have national associations for travel agents that also act as regulating bodies that encourage this approach through their respective codes of business practice, such as ABTA in Britain and ASTA in the United States. Likewise, these bodies link with the United Federation of Travel Agents' Associations (UFTAA), which acts internationally and liaises closely with the International Air Transport Association (IATA). It has already been noted that the counselling role has been far more prevalent in North America than in Europe. It appears that in Europe the tour operator's brochure, together with advertising and promotion, and more recently use of the web, has held greater sway in destination choice, thus conforming to the filling station model.

However, the process of reintermediation in Europe has seen travel agents changing their ways of operating by harnessing ICT to their own advantage through Sabre's Travelocity and Galileo's range of agency web products. These have allowed agents to have full access to air, rail, hotel and car rental reservations, so as to put together independent inclusive tours (IITs) for their customers, thus moving them firmly in the direction of travel counsellors, remaining as agents and not principals, yet acting like tour operators. They are able to compete with the large companies by buying seats on an ad hoc basis from low cost carriers in the main, charters or even scheduled airlines for 'upmarket' tours. Concern has been expressed about the impartiality of advice in that while agents want to meet their clients' needs they are also mindful of the different rates of commission on offer and any bonuses. In the case of corporate chains, this is known as ‘switch’ or ‘directional’ selling and can be described as a ‘sale or attempted sale by a vertically integrated travel agent of the foreign package holidays of its linked tour operator, in preference to the holidays of other operators.

This anti-competitive practice is against the ‘level playing field’ concept required by regulating bodies and the consumer has recourse to complaint procedures, which act as a constraint on such activities. However, one has to accept that agents will give prominence on their shelves to the products of their principals. Retail agency economics Traditionally the retail travel trade has been characterized by ease of entry. This is because the retailer carries no stock and so capitalization is relatively low. All that is required is a suitable shop front and the acquisition of agency agreements from tour operators to sell their products. It is then up to the marketing skill of the agent to establish the business within the locality.

If the agent wishes to offer air transport services worldwide, which is essential for dealing with business travel, then it is necessary that the agent holds a license from IATA. This requires a thorough investigation of the agency by IATA, particularly the qualifications and experience of the staff. In the United States virtually all retailers are members of both IATA and the Airlines Reporting Corporation (ARC), which allows them to sell both international and domestic air tickets. ARC is an airline-owned company serving the travel industry with financial services, data products and services, ticket distribution, and settlement in the United States, Puerto Rico and the US Virgin Islands. An ARC appointment is essential for retail agents in the United States and normally enables an agent to obtain other licenses without difficulty.

The example is drawn on European experience and is standardized to 1 million currency units of turnover. gives an indication of the items that enter the operating account and shows that inclusive tours and ticket sales, of which the majority continue to be airline tickets, are by far the most important sales items. Transport tickets, other than for airlines, include sales arising from acting as an agent for rail, shipping and coach companies. Miscellaneous includes independent bookings of accommodation, excursions, ground handling services, theatres, foreign exchange transactions and the sale of travel goods such as luggage, sports items, first aid kits and travel clothes.

Table 6.1	**travel agency operating accounts**
Item	Currency units
Sales	
independent inclusive and package tours	640,000
transport tickets	269,000
Insurance	10,000
car hire	4,000
Miscellaneous	77,000
Total	1,000,000
Revenue	
Commission	69,000
Other income	32,000
Total	101,000
Costs	
Payroll expenses	46,500
communications	11,000
Advertising	4,000
Energy	2,000
Administration	7,000
repairs and maintenance	500
Accommodation expenses	12,500
Depreciation	2,500
Total	86,000
Net income	15,000

The most important item of income to the agent is commission and, since there exists considerable pressure on commissions in some markets, it will be appreciated that the ability of the agent to generate turnover is crucial, particularly for the independent retailer. The latter has been trebly squeezed: first, by fierce competition from the multiples and virtual intermediaries, secondly, from the fact that the relative cost of holidays has fallen in real terms while overheads have been generally increasing and, thirdly, from zero commissioning of airline tickets; however, low capitalization has enabled them to adjust to these changes.

The major item of ‘Other income’ in the revenue statement is charges for ticket provision, but this also includes interest earned on clients’ deposit money. For accounting purposes the latter is a profit item, which is only indirectly sales-related. It could be excluded here and added into the net income statement afterwards. The largest item of cost is remuneration to staff (including payments to directors or owners). The difficulty that independent agents experience in trying to expand turnover has tended to make them cost-orientated in the operation of their businesses. Controlling costs, especially for the smaller agent, has been the short-term recipe for survival and this in turn has served to keep staff salaries low, which creates difficulties in both attracting experienced staff and retaining existing staff when compared to multiples, but with their changing role they can no longer afford not to invest in new technology and staff professionalism. Administration costs include: IT support, website maintenance, printing, stationery, insurance, bonding levy, legal and professional fees, bank charges, accounting and record keeping, and any travel that may be incurred.

Accommodation expenses refer to charges arising from occupation of the premises. Although the independent retailer can compete with the multiple and virtual intermediary on the basis of the level of personal service, the argument for raising commission rates has always been a strong one. The difficulty is that in a competitive environment higher commission rates may simply be countered by the multiples and virtual intermediaries offering larger discounts and so independents must look to their own ability for creating personalized packages and stocking exclusive products for their survival. Under pressure from the budget airlines the multiples are already closing down high street branches in favor of increasing direct sales via the Internet. It is interesting to note, however, that in the UK TUI suggest that the costs of its stores in relation to the costs of running social media sites is not as disadvantageous as one would think. The volume of sales from its stores, the cost-efficient nature of its store operations and the opportunity stores provide in cross-selling other travel options can result in a highly efficient retail operation alongside, rather than in competition with, the use of social media.

Despite the growth of urban tourism since the 1980s to the world's major cities, the dominant international leisure tourism flows are still short haul to sun resorts, although the falling cost of long-haul travel has made previously considered exotic destinations more accessible. Therefore, it is not surprising that much of the work of tour operators and wholesalers is bound up in providing single destination inclusive or package holidays. Multi-centered holidays are more common on long-haul travel where the period of stay may extend to three weeks.

There is still a buoyant market for coach tours, which were the main form of inclusive holiday before the arrival of low-priced air travel in the 1950s, although Vladimir Raitz took the first group of holidaymakers on a tour by air to Corsica in 1949 (their accommodation was in tents). It was operated by Hickie Borman and would be considered today as a tailor-made package and therefore outside the EU 1992 definition of a 'prearranged' inclusive tour. That same year Raitz founded the British company Horizon Holidays (later acquired by Thomson), which is considered to be the first business to introduce the modern form of package holiday when, in 1950, in order to circumvent exchange controls by paying the whole price in the country of origin, Horizon marketed combined transport and accommodation arrangements to Corsica (Bray and Raitz, 2001). At its most fundamental, tour operating is a process of combining aircraft seats and beds in hotels (or other forms of accommodation), in a manner that will make the purchase price attractive to potential holidaymakers. As we noted earlier, tour wholesalers achieve this through bulk buying which generates economies of scale that can be passed on to the customer.

Despite the increasing popularity in the use of operators' websites, the most essential link in this process remains the tour operator's brochure, which communicates the holiday product to the customer.

The brochure must include within it:

● illustrations which provide a visual description of the destination and the holiday;

● copy, which is a written description of the holiday to help the customer match the type of product to his or her lifestyle;

● price and departure panels which give the specifications of the holiday for different times of the season, duration of stay and the variety of departure points. Large tour operators and wholesalers normally sell a wide portfolio of tours and therefore have a range of brochures.

For instance, there will be separate brochures for summer sun and winter sun holidays, ski holidays, long-haul travel and short breaks. Popular destinations will have tour operators' brochures dealing solely with holidays to that country or region, and the number has continued to grow. Research has shown that the place to visit is often the first holiday decision made by some travellers. The brochure is designed to encourage customers to buy and may be the only information they might have concerning the resort until they arrive there, though more and more are obtaining information over the Internet even if they are not booking directly by this means.

However, the brochure cannot be a comprehensive travel guide. The number of pages is limited by considerations of cost and size, and operators try to put as much detail about accommodation and resorts as they can in the space available, but in so doing they must also conform to the legal requirements of the consumer protection legislation that exists in the country where the brochure is marketed. Clearly, the contents of the brochure must be consistent with the brand image each operator is trying to convey, as they will each be competing for the customer's attention on travel agents' brochure racks.

There is a wide range of environmental indicators that can be used. However, few countries have instigated data collection procedures to monitor these environmental variables. The OECD (2017) provides an ongoing programme that highlights green growth indicators. The framework incorporates a wide range of aspects including quality of life, carbon dioxide production and growth, natural asset base and economic opportunities.

The development of harmonized environmental indicators has to be pursued with the recognition that there is no one universal set of environmental indicators but many sets that will meet the needs of different purposes and audiences. More emphasis is now given to the conceptual framework of environmental indicators.

The framework has evolved from the criteria initially set out by the OECD in 1994 when it subdivided indicators into the following categories:

- climate change and ozone layer depletion;
- eutrophication;
- acidification;
- toxic contamination;
- urban environmental quality;
- biodiversity;
- cultural landscapes;
- waste;
- water resources;
- forest resources;
- fish resources;
- soil degradation;
- material resources; and
- socio-economic, sectoral and general indicators. The criteria for indicator selection are that they should:

- provide a representative picture of conditions or society's response;
- be simple, easy to interpret and able to show trends over time;
- be responsive to changes in the environment and related human activities;
- provide a basis for international comparisons;
- be either national in scope or applicable to regional environmental issues of national significance; and
- have a threshold or reference value against which to compare it.

These criteria should be expanded further to allow for intersectoral comparisons if they are to facilitate future development planning and the optimum use of resources. Environmental indicators should not be confined to a role of simply measuring what we do; they should also provide information as to what we should do.

Once the preliminary assessment has been completed, a pre-feasibility study should be undertaken followed by a detailed EIA that evaluates specific environmental costs and benefits. Again the results of the impact assessment are compared with the environmental policy and, if no serious conflicts arise, the proposal can move forward to a full feasibility study and modifications can be introduced to minimize any negative environmental impacts and bring the project in line with policy. The physical planning and design of the project can then take place together with the introduction of measures designed to protect the environment in line with environmental policy. At this stage the project can be implemented and the project's development can then be monitored in terms of its future environmental impact.

6.2. Formation of supply in tourism

Business travelers have broadly similar demand characteristics as leisure travelers – they require transport, accommodation, food and services. The main differences relate to the types of services bought and the levels of transport and accommodation. Many business travelers will buy executive class air tickets and choose hotels which in location and services provided will facilitate the conduct of their business. Expenses will be paid for by their companies and not from personal resources. Business travelers will therefore tend to be higher per visit spenders than tourists; their net value to destinations will usually be higher than leisure travellers.

Business travelers can also be an important part of tourism by utilizing their non-business time for leisure pursuits. So a business traveler in Delhi, for example, might take advantage of his location to use free time to visit the Taj Mahal. Similarly, a business visitor to Sydney might visit the Opera House.

Categories of Tourism Supply Components

Tourism supply incorporates the following components −

Natural Components.

They are mainly the Environmental components. They are the natural elements for visitors' experience and enjoyment.

- Climate
- Milieus of the destination
- Flora and fauna
- Natural beauty of destination

Constructed Components

They are the **infrastructure** and **superstructures**. They include all surface, underground, and above the ground constructions and facilities.

- Water Supply System
- Cooking gas supply system
- Electric supply system
- Drainage and sewage system
- Rest rooms for sanitation
- Airports
- Transport hubs
- Parking hubs
- Accommodations/hotels/Restaurants
- Museums
- Gardens
- Shopping centers
- Attractions

Operating Components

They are mainly related to the services. They include the work force that is instrumental in imparting excellent experience to the tourists.

- Transport service
- Food service
- Accommodation service
- Service at the places of attraction

Regulatory Components. **They are the permitting authorities**

- The public sector − Government policies
- Licensing
- Civil rights authorities

- NGOs

The tourist supply inspires, conducts, and affects the entire tour. If any one of the above given components does not work well, it impedes the experience of the tourists and the tour does not turn out to the tourists' satisfaction.

Tourism organizations in many countries have been slow to realize the potential of business travelers to become leisure travelers when they are at their destinations. Supply factors Although levels of real discretionary income are the main determinants of demand for tourism, there are also supply factors which 'pull' tourists to specific destinations. Some of these factors include the supply of accommodation and amenities and the ease of access to the destination. These factors combined can be regarded as a measure of the attractiveness of the destination. Relative attractiveness is an important aspect of choosing a destination, but will always be constrained by the budget available to the potential tourist. For example, if a potential tourist has a holiday budget of £1000 (including discretionary spending money at the destination) available, he or she will not consider holidays costing in excess of £1000.

As most travelers calculate holiday budgets as a total, i.e. cost of holiday plus spending money, not many people will squeeze the discretionary expenditure part of their budget to a level which might jeopardize the enjoyment of their holiday. For these reasons the travel cost of the proposed holiday will constrain the range, choice and destinations and the concept of relative value will become important in the actual choice of destination. Real discretionary income levels will determine the volume of demand for tourism; relative prices will influence the choice of destination.

The price levels in the destination will be affected not only by the cost structures within the particular country, but also according to the level of exchange rate which applies. This can be demonstrated by looking at travel trends between the USA and Europe. When the dollar moves to a stronger position against European currencies, then more American travelers come to Europe because Europe becomes a cheaper destination. The reverse applies when the dollar declines in value against the European currencies.

The parity of exchange rates has a role in determining where people travel, but in an era of floating exchange rates the time lags between purchasing and taking a holiday can mean that fluctuations in exchange rates no longer have the same influence that they once had. For example, if a Spaniard purchases a holiday in the USA and if the peseta should decline against the dollar, making the USA a more expensive destination, the Spaniard is unlikely to cancel that holiday, particularly if it involves a cancellation charge.

The cancellation charge itself might be greater than the actual increase in his holiday expenditure budget caused by the change in the exchange rate. This is a very complicated area, but generally the volume of demand for international travel is determined by the growth in real incomes and particularly in real discretionary incomes. The direction of demand is affected in the short term by motivational and marketing factors and in the longer term will be influenced by relative changes in exchange rates and travel prices. The precise influence will depend very much on the income elasticity of demand and how that is affected by exchange rate influence on prices. It should be noted that exchange rates reflect general economic conditions within a country.

Many of the factors which affect exchange rates, such as rate of inflation, balance of payments and economic outlook, are important national economic indicators but may not be particularly relevant to the visiting tourist who is more concerned with the relative prices of tourist consumption items, accommodation, food, drinks, shopping, and so on. Some countries have tried to reflect tourism-specific items in a tourism cost of living index, attempting to disaggregate tourism from general consumption items. At the simplest level this is done by tour operators who cost items such as a ‘meal for four’, ‘bottle of wine’ or a ‘packet of cigarettes’.

The attempt is to provide a relative cost of purchasing these items compared to similar purchases in the home country. It further attempts to differentiate destinations on the basis of ‘value-for-money’.

6.3. Offer chain in tourism.

Destination management is predominantly a micro-level activity in which ‘all the stakeholders carry out their individual and organisational responsibilities on a daily basis in efforts to realise the macro-level vision contained in policy, planning and development.

However, the fact that destinations are comprised of so many products, stakeholders, and complex management and political relationships contributes to their being regarded as one of the most difficult ‘products’ to manage and market. To best manage the complexities and ‘imperfections’ inherent within destinations it is accepted that destinations need to bring together all parties to collaborate rather than to compete, and to pool resources towards developing an integrated management and delivery system. Referred to by King (2002) as the ‘network economy’, destination management organisations are, in the future, recommended to enter into strategic partnerships that can collectively deliver a seamless visitor experience to customers. This is likely to occur because it is the significance of the experience that they offer the customer, rather than the destination they promote, which will be the key constituent for success in the years to come.

The UNWTO also recognises that there is a growing need for destinations to develop alliances with a broad range of organisations, even on occasion with potential competitors. Despite this sense of currency and urgency, collaboration among and between destinations is not a new phenomenon. For example, various forms of destination collaboration have taken place in Bali and the Caribbean. In the case of Bali, collaboration was deemed essential in overcoming the island’s perceived migration ‘downmarket’, while in the Caribbean cooperation among the public and private sectors in tourism was not merely desirable but a necessity in view of the particular characteristics of the tourism industry. Fyall and Garrod (2005: 289–90) highlight a number of advantages that exist with respect to collaboration within and among destinations.

These include:

● Reduction in risk through strength in numbers and interconnectedness within and across destinations.

● Efficient and effective exchange of resources for perceived mutual benefit.

● The generation of increased visitor flows and positive economic impacts.

● The potential for collaborative initiatives to counter the threat of channel intermediary powers.

● In peripheral locations, collaboration serving as a significant vehicle to broaden the destination domain.

● The ability to counter greater standardization in the industry through the use of innovative collaboration marketing campaigns.

● The potential to develop destination-wide reservation systems and two-way dialogue with customers through technological collaboration, whereby the emerging technologies can facilitate relationship building and customer relationship management programs.

● Further collaboration on the Internet, so affording DMOs the ability to reach large numbers of consumers, to transmit information and offer products at a relatively low cost, to provide complete and more reliable information, to make client reservations quickly and efficiently, and to reduce the costs associated with producing and distributing printed material.

In addition, such activity may be particularly useful when a country's tourism product is underdeveloped or when existing products are in an advanced stage in the product life cycle.

Similarly, collaboration in a promotional sense often starts at the 'national' stage of the resort development spectrum, which involves joint campaigns by state and local government and local businesses together with campaigns by hotels and major attractions . Destination collaboration is, however, far from widespread. Indeed, there remain a number of constraints and drawbacks to collaboration both within and between destinations.

These include:

● General mistrust and suspicion among collaborating partners due to governance or structures that are inappropriate for moving the shared project forward.

● Inability of various sectors within the destination to work together due to excuses of a political, economic or even interpersonal nature.

● Instances where particular stakeholders fail to recognise the real value of collaboration and remain closed to the benefits of working together.

● The frequent lack of interest in collaboration from 'honey-pot' attractions, where the need to work more closely together is discounted due to their own individual success in the marketplace.

● Competition between municipal authorities that administer separate geographical regions within a recognised destination resulting in inertia . Despite the above shortcomings, inter-organisational collaboration, often in the form of public–private sector partnerships, is a popular strategy for tourism destinations

This phrase is used to describe the system by which a product or service is distributed from its manufacturing/creative source to the eventual consumers. The alternative term marketing channel can also be used to describe this system.

Traditionally, products are distributed through the intercession of a number of intermediaries who link producers or manufacturers with consumers. These intermediaries are either wholesalers (they buy in large quantities from suppliers and sell in smaller quantities to others further down the chain), or retailers (they form the final link in the chain and sell individual products or a bundled set of products to the consumer).

Producers, of course, are not obliged to sell their products through this chain. They may instead choose to sell direct to consumers or retailers, thus avoiding some or all of the intermediaries. Wholesalers, in turn, sometimes sell products direct to the consumer, avoiding the retailer. Producers The core tourism product consists essentially of transport, accommodation and attractions, whether constructed or natural.

The producers, or 'manufacturers', of these services include air, water-borne, road and rail carriers, hotels or other forms of tourist accommodation and the various forms of constructed facilities designed to attract the leisure and business tourist, such as stately homes or heritage sites, amusement parks, conference and exhibition venues and other purpose-built activity centers such as ski resorts.

These services can be sold to the tourist in a number of ways – either direct, through travel agents (still the principal retailers in the tourism industry) or through tour operators or brokers, who could best be described as wholesalers of tourism. Wholesalers Tour operators can be viewed as wholesalers because they buy a range of different tourist products (such as airline seats, hotel rooms or coach transfer facilities) in bulk, then bundle or ‘package’ these for subsequent sale to travel agents or to the tourist direct.

By buying an amalgam of individual products and services in this way and presenting them as a single product – the package holiday – they are seen by some theorists as producers of a new product rather than wholesalers of an existing product. This is a debatable point, but in the authors’ view they are best viewed as intermediaries, in the sense that their fundamental role is to bulk purchase products, organize them into bundles and sell those bundles off individually .

The current pattern of trading – in which both tour operators and agents are moving towards dynamic packaging, which involves bundling products to meet a consumer’s needs at the point of sale (or ‘unbundling the package tour’ as some operators express it) – is muddying the distinction between the roles of operators and agents.

In the UK, the Federation of Tour Operators (FTO) suggests that ‘tour operators are the organizers and providers of package holidays. They make contracts with hoteliers, airlines and ground transport companies, then print brochures advertising the holidays that they have assembled.

Travel agents give advice and sell and administer the bookings for a number of tour operators’.

1 These two roles are no longer distinguishable from one another, however. More tour operators are establishing operations that allow them the opportunity to sell direct to the customer, bypassing the travel agent. In response, travel agents are looking to tailor-make holidays for their clients, drawing on a range of travel elements from many different suppliers — a process know as dynamic packaging. For UK travel agents, this shift in business practices has been assisted by the development of technology systems such as Dolphin Travel scanner and I tour, developed by BlueSky Systems, that let agents find and book individual travel elements with ease. As the linkage between the travel agents and the technology providers has developed, so the distinction between travel agent and tour operator has blurred.

Brokers – who bulk buy tourist products and sell in smaller quantities – are most frequently found in the distribution system within the air transport sector, although others involve themselves in the bulk purchase of hotel rooms or certain other services. As with tour operators, by purchasing aircraft seats in bulk, they are able to negotiate much lower prices, which can be sold on to tour operators or travel agents either individually or in quantity at net prices, allowing the other intermediaries to determine their own profit level and the selling price for the seats. One of the commonest forms of brokering in the travel industry is found in the role of the consolidator. These are specialists working in airline brokerage who bulk purchase unsold charter aircraft seats to sell through intermediaries, thereby helping airlines to clear unsold 'stock'

6.4. Types of tourism services

Rural

The product strengths of many rural areas lie in their strong natural environments – for example, hills, mountains and lakes, and remoteness – which make them increasingly attractive for tourism development at a time when an increasing proportion of the world's population are becoming urban dwellers and where environmental guilt brings 'green tourism' into vogue. Benefits are seen in the rural way of life, physical activity from hill walking to adventure sports, tranquility, aesthetics of the landscape and so forth.

Within Europe, as in many other regions, the promotion of rural tourism is part of a greater convergence and cohesion policy. In many rural locations, the outlook for small farmers and therefore the fabric of the landscape, culture and way of life of the rural economy is bleak without the expenditure of substantial sums of public money for little return.

Supporting farm tourism is just one of a number of ways in which essential and inevitable subsidies can be paid to farmers, and it seems to be among the more cost-effective measures. Policies aimed at developing this sector, especially those seeking to improve the qualitative characteristics such as suitable transport infrastructure, accommodation facilities, cultural activities in the form of festivals, and food quality, are intended to generate higher tourism revenues, which would be beneficial to sustaining local income growth.

However, although every location has some tourism potential, it would be naïve to suppose that tourism development could be effective in every region. Increasing market segmentation will generate niche markets for some areas, but the cost of supplying these markets could be prohibitive, for in higher latitudes the lack of tourist infrastructure in rural areas is compounded by weather conditions, which limit the length of the season, as in so many of the outlying regions of the world. On the other hand, there is concern for the social impact of tourism on small, close-knit communities and the environmental threat to undisturbed wilderness.

Scenic areas may be protected by zoning landscape for different use patterns, creating intermediate or buffer zones and limiting tourist flows, which is the purpose of creating national parks and designating areas of outstanding natural beauty. This is to protect them from inappropriate developments, so as to preserve the landscape and rural structure.

As a rule, when considering the impact of tourism on the local community, the greater the difference in lifestyles between rural hosts and tourists, and the less the former have been exposed to visitors, then the longer should be the period of adaptation. Phasing development over time and space is a fundamental underlying principle, but any program for growth is made all the harder when the community lacks the necessary skills, capital, organization structures and information sources to progress the plan.

Solutions for such difficulties could include bringing in ‘flagship’ projects from outside and inviting the operators to invest long term in the community, forming a development corporation or taking a low-key approach by running a small business extension service backed up by development grants. Although there is always the risk with outside companies that they might, in response to commercial pressures, revert to short-term profit goals, there is no guarantee that local owners will not be even keener to exploit tourism opportunities, particularly when they have the necessary political representation to do so

6.5. Organization of tourism products

Tourism is a composite industry product. That is, it is composed of the output of the travel, accommodation and food and beverage, retail, entertainment sectors plus many others. This means that its economic and development impacts are felt widely from the initial impact onwards. It also tends to suggest that tourism has strong linkages with many other sectors of the economy and it is the strength of these linkages that determines the value of the output, income and employment multipliers associated with tourist expenditure.

The variety of industries included under the umbrella of tourism means that there are a variety of employment opportunities generated by tourism activity. This may stimulate the labor market and the delivery of vocational training. Price flexibility Many developing countries are dependent upon the world market prices for primary agricultural produce for their foreign exchange receipts.

That is, the prices of, say, cocoa, sugar, rice, are determined in world commodity markets where individual countries have very little say in determining the final price of the goods. Tourism, on the other hand, provides a source of foreign exchange that is subject to some degree of control by the host country.

Product differentiation, either through natural endowments or man-made resources, can provide some price-setting power. The greater the product differentiation that is either innate or can be engineered, the greater the monopolistic power and hence the greater freedom a destination has in setting its own price. Product differentiation can be based on natural factors, ranging from broad aspects such as climate (Florida, Bermuda and Iceland as examples) to specific natural attractions (such as Victoria Falls, Great Barrier Reef and Grand Canyon). Differentiation can also be achieved through socio-cultural aspects, heritage (such as the Pyramids of Egypt, the Great Wall of China and Stonehenge in the United Kingdom) and even in terms of the quality of the tourism product itself.

Basically, it does not matter what aspect is used to differentiate the product providing there is sufficient demand for it. However, tourism is also highly price competitive.

For instance, international holiday packages aimed at attracting family groups from Europe or the United States would need to bear in mind that the availability of most families will be determined by the school holidays. The effect of this can be seen by searching for flight costs during school term periods and those during school holiday periods. The latter tend to be associated with a premium price tag.

Therefore, the forces of seasonality attack the consumption of the product from both sides of the market – demand and supply.

Irrespective of the cause of the seasonality in the tourism industry, it tends to be reflected in:

- employment (casual/seasonal staff);
- investment (low annual returns on capital);
- pricing policies (discounted off-season prices).

From an economics point of view, any business subject to seasonal fluctuations in demand for its output is faced with a dilemma. If it purchases sufficient resources to meet the peak load demand, then it will have to carry spare productive capacity for the remainder of the year. If it gauges its resources according to the average level of demand it will spend part of the year carrying spare capacity and be unable to meet the peak-load demand level. Alternatively, it can take on variable resources (staff) to meet the peak-load demand and then shed these variable factors of resources during the off-season. Although attractive from the point of view of the profit and loss account, this widely practiced solution does nothing to improve employer/employee relations. Also, there is an inherent waste in taking on staff each year on a temporary basis, investing in human resources (by training) and then losing that investment at the end of the main season. In order to offset some of the costs associated with seasonality many hotels and operators offer holidays for off-season periods with heavily discounted prices. By offering lower prices it is possible to induce visitors to a destination at a time when they would otherwise not visit. However, there are limits to such discounting.

First, the revenue that establishments receive during the off-season must at least cover the variable costs of production opening in the off-season, they will be able to maintain their staff and, perhaps, make some contribution to their fixed costs. Secondly, the discounting of off-season packages should not be so great as to damage the desirability of the main season product.

There are also destinations that do not suffer much from seasonal variations and this provides them with a competitive advantage by allowing them to operate at a higher throughput of tourist activity across the year without suffering from as much socio-cultural and environmental impacts as their seasonal competitors. With tourism, hospitality and leisure products we are dealing with a service product that has specific characteristics which set the product apart from the more general goods sold in the marketplace.

An understanding of the complexity of the service product concept is an essential prerequisite for successful tourism marketing. This is because the emphasis is increasingly placed on the service provider to develop a deeper understanding of the linkages that correspond to consumer benefits sought and the nature of the service delivery system itself. A starting point is an examination of the dimensions and characteristics of the service product concept. Products can be placed along a continuum of services and goods, with most products being a combination of the two. A pure service would be consultancy or teaching whereas a pure good would be a can of beans or clothing. Some products will have more service content than others, and if they are able to be placed to the left-hand side of the continuum , they may be termed service products.

The service product has the characteristic of intangibility, which means it cannot be easily evaluated or demonstrated in advance of its purchase. For example, a travel agent cannot allow the testing or sampling of the tourism product or a sales representative for a hotel cannot take anything but secondary material to a sales call meeting. On the other hand, a car or computer game can be tested prior to purchase, and clothing can be tried on. Much of the selling of tourism and hospitality is related to the promise of safe and timely delivery of the individual by transport companies, or comfort and good service by accommodation companies. Only a ticket, voucher or Internet reservation number is exchanged at the time of purchase. The marketers of tourism and hospitality products, therefore, face greater difficulty as the sale is based upon a promise of future benefit.

Because of fixed time and space constraints staff cannot easily demonstrate the benefits of the products they are selling. The problem for the tourism service marketer is overcome by the production of a range of printed literature, videos or other means of providing cues as to the type of product on offer in an attempt to increase tangibility. In addition, there is a need to ensure marketing provides clear and well-managed branding of accommodation, transport and distribution organisations.

This positions the brand name more tangibly in the mind of the consumer, in addition ensuring that the tangible aspects related to uniforms, decor and physical evidence give cues as to the quality of the service. These final points are important as marketers need to realize that there is a distinction which should be made between the degree of intangibility of the actual service and the intangibility, or lack of physical evidence, surrounding the process of this service delivery. The airline industry is an example of this where the physical evidence represents a major component of the service because the service performance characteristics of staff are supported largely by means of tangible elements.

For scheduled carriers this includes quality of food and drink, the cabin configuration and comfort of the seat, in-flight entertainment system, etc. Service products are often referred to as having inseparability, which means the product is often consumed and produced simultaneously. This means that both the service provider and customer are present when the service function occurs. Because there is less opportunity to manage and pre-check a tourism or hospitality product, it can vary in the standard of its service delivery.

This is sometimes characterized by authors as heterogeneity or variability. The tourism sector offers an amalgam of services which make up the delivery of the product. This occurs in a fragmented system where different organizations may have responsibility for the level of service delivery. Even for a single service such as air travel there will be the travel agent, airport checking-in agent and staff, airline staff, catering company, baggage handling staff, cabin cleaning staff, all of whom provide the single continuous flight experience.

Variance occurs because of the inseparable nature of the product's delivery when the customer is part of the production system. The simultaneous process of production and consumption can lead to situations where it is difficult to ensure the overall satisfaction of consumers.

For example, peak demand load cannot always be forecast and may create dissatisfaction by way of secondary problems of lack of staffing. There is also the potential problem of having groups or types of clients with conflicting needs that may result in disharmony. A couple wanting a quiet romantic anniversary dinner in a restaurant could find the evening unacceptable if a group of the local football club's supporters decide to eat at the same time.

Whether on the aircraft, in the hotel, or in the restaurant there could be the clash of social values, noisiness, drunkenness, high spirits or a child crying. Staff may also have had personal problems or be feeling ill or tired, and this can affect their level of commitment to their performance of giving good service or resolving problems. As the nature of the tourism service product is largely one of interpersonal relationships, where the performance level of staff is directly related to the satisfaction and overall experience of the consumer, there is a need for quality assurance programs. Staff are emotional and changeable and if a high content of the product is based upon interpersonal relationships between 'strangers', as guest and service provider, it is important to ensure standardized service levels are adhered to. Quality assurance is important as a basis of planning for competitive advantage and controlling the standards of staff interactions. To reduce the problems that can be associated with inseparability there is a need for investment in company training programs for all service staff and policy standards as to service delivery requirement.

Other aspects of tourism as a service product

1. Shorter exposure to service delivery. The customer's exposure to the delivery of the service is normally of short duration. This allows only a limited time during which company personnel can build a relationship and effect repeat business.

2. More personal. The human aspect of 'self' is very much involved emotionally in the service encounter and as such the personal feelings created by contact service personnel are an important determinant of future demand. Therefore, it is important to recruit staff for personal qualities and then train for skills as such qualities are not easy to develop through training.

3. Growing use of self-service. To reduce costs and provide more timely service companies are more likely to introduce self-service buffet meals, Internet reservation technology etc. rather than interpersonal service alternatives. This requires the customer to handle the self service process or technology appropriately and for the service not to be so complicated that there is any danger of negative

consequences. An important consideration for companies using self-service processes and technology is the potential lack of personal interaction between the service employee and the customer which allows the opportunity to exceed customer service expectations. This combination of producer and consumer being involved in the service process is often described as co-creation.

4. Greater significance on managing evidence. Due to the intangible nature of the tourism product it is important to plan to deliver cues as to the positioning and quality of the offer by means of cleanliness, decor, uniforms, signage style, etc.

5. Complementarity is greater. The overall tourism product is often made up of an amalgam of many different services, all of which has to add up to an overall positive experience. Destinations are aware that they have to control service quality to ensure a satisfactory experience and therefore attempt to regulate tourism providers.

6. Easier copying of services. Services can be benchmarked and copied by other organizations due to their visibility

7. Every product is a package of problem-solving services and tangible attributes that will be successful if the package is valued enough to satisfy a need or want. A product includes everything that the customer receives and this includes the central level of the core product which is made up of the delivery of benefits and features.

A holiday consumer in a travel agency is looking for the benefit of relaxing in the sun and having no hassle in the journey or stay. They leave the detail of how to arrange this to the travel agent. To put it another way, buyers ‘do not buy quarter inch drills; they buy quarter inch holes’.

Marketing staff have to uncover the subtle benefits that the consumer seeks when utilising a retail distribution channel or purchasing a product. We know that consumers buy products for the benefits they are expected to deliver. It therefore makes sense to incorporate different additions into the product that will help to differentiate it from the comparable product offered by competitors. Adding in the right features creates a higher probability that a purchase will occur. There are the different features that are added as the tangible aspects of the product which help to differentiate it from competitors. The tangible features may be the size of the hotel entrance, the physical aspects of a destination or the comfort of the airline seat. In order to understand a product it must be understood that service products are different and as such should not be confused with other general marketing literature concepts which are less complex in their approach

6.6. Price policy in tourism.

A common approach to voluntary society membership is the two-part tariff, where the annual fee is designed to cover fixed costs and there is an ongoing charge to meet usage costs for meetings and activities. In the commercial sector the annual fee is commonly segmented by membership category to extract the maximum willingness to pay (WTP). Thus, through pricing policy, the pattern of ownership can alter the financial outcomes of an attraction and the nature of competition.

A valid criticism of the not-for-profit sector, whether it is public or voluntary, is that it has the inclination to try and do too much, because the management looks to meet perceived needs rather than market demand. To take a simple analogy; if people are asked if they want more of a collective good, then, in the absence of a price system, they will surely vote 'Yes', putting the onus of the public sector to meet these needs, as there is a political incentive to do so.

Failing public sector attractions rightly raise scorn from commercial operators who argue that if public funding and project inflation results in a situation where there is no relationship between the cost of delivering and what the customer actually pays, then this is a case of predatory pricing (technically defined as price less than the average variable costs of provision) in an over-supplied market that is likely to harm them commercially. Governments are sensitive to this kind of criticism and as a rule avoid trying to compete 'head on' with the private sector. The effects of having high fixed costs also spill over into pricing policy. The difference between the price charged for admission to an attraction and the variable or marginal cost of providing the visitor experience for the customer is the contribution margin per customer towards paying the fixed costs and meeting targets on profitability.

This is known as cost-orientated pricing. On the other hand, where there are high fixed costs, the admission charge has to be set considerably above the marginal cost of provision, in order to ensure a high contribution margin to meet the financial costs of servicing the investment that has been sunk into the attraction. In this instance, the marginal cost of provision is no longer a good guide to pricing and the enterprise is forced to take a market-orientated stance in its pricing policy.

The difference between the admissions price and marginal cost is the range of price discretion that the business has, for it must cover its operating costs in the short run but may take a longer-term perspective in terms of how it might cover its fixed costs. By seeking out a range of different market segments with a variety of different prices, including discounts for volume sales and long-term contracts, the commercial attraction operator will try to optimise the yield (the difference between price and marginal cost) on the site's assets. This is termed yield management. It is the same principle as haggling in tourist markets, where the trader assesses each visitor's ability to settle the bargain. For performing arts venues, once the repertoire is fixed then the marginal cost per seat falls to zero, so yield management is effectively revenue management (which is also true when unit costs are taken as constant), hence major cities often have discount ticket booths located in 'theatreland' to dispose of surplus tickets for 'today's performances', since any price greater than zero represents a contribution to fixed expenses. Modern revenue management software is able to automatically recommend an appropriate price (using historic data) when a booking is being made. This is termed real time revenue management, which is commonly practiced by airlines, and allows venues to raise or lower prices depending on the current state of bookings.

Price competitive

The bulk of the tourism market, which is resort tourism, is extremely price sensitive and, consequently, internationally competitive. The effects of currency fluctuations on the number of international arrivals and the volume of tourist expenditure adequately demonstrate this fact. Although most mass tourism destinations claim a high degree of product differentiation, a brief examination of the major tour operators' brochures selling sun, sand and sea products will show that the major battleground is fought not on hotels, the quality of beaches or the sea, but the price of the package.

Price competition is a fundamental feature of the budget tourism market for both destinations and operators. Seasonality A striking feature of tourism in many countries is the way in which the level of activity fluctuates throughout the year. This is not a characteristic unique to tourism – agriculture is also an industry used to seasonal fluctuations in activity – but the majority of industries are not subject to the degree of seasonality experienced by tourism establishments. Seasonality in tourism can be caused by either supply factors, such as those mentioned above, or demand factors such as the availability of tourists to travel at different times of the year.

The measurement of the economic impact of tourism is far more involved than simply calculating the level of tourist expenditure. Indeed, estimates of the economic impact of tourism based on tourist expenditure or receipts can be not only inaccurate, but also very misleading. Before examining how the economic impact is measured, it is necessary to look at the different aspects of the economy that are affected by tourism expenditure. To begin with, a difference can be drawn between the economic impact associated with tourist expenditure and that associated with the development of tourism. The former refers to the ongoing effects of, and changes in, tourist expenditure, whereas the latter is concerned with the one-off impact of the construction and finance of tourism-related facilities.

The difference between these two aspects of impact is important because they require different methodological approaches. The calculation of the economic impact of tourist expenditure is achieved by using multiplier analysis and the estimation of the economic impact of tourism development projects is often achieved by resorting to project appraisal techniques such as cost–benefit analysis. The measurement of the economic impact of tourist expenditure, if it is to be meaningful, must encompass the various effects of tourist spending as it impacts throughout the economy. That is, the direct, indirect and induced effects associated with tourist expenditure need to be calculated. Tourist expenditure has a 'cascading' effect throughout the host economy. It begins with tourists spending money in 'front-line' tourist establishments, such as hotels, restaurants and taxis, and then permeates throughout the rest of the economy. It can be examined by assessing the impact at three different levels – the direct, indirect and induced levels.

Direct effects

The direct level of impact is the value of tourist expenditure less the value of imports necessary to supply those 'front-line' goods and services. Thus, the direct impact is likely to be less than the value of tourist expenditure except in the rare case where a local economy can provide all of the tourist's wants from its own productive sectors.

Indirect effects

The establishments that directly receive the tourist expenditure also need to purchase goods and services from other sectors within the local economy, for example hotels will purchase the services of builders, accountants, banks, food and beverage suppliers, electricity and water, etc. Furthermore, the suppliers to these 'front-line' establishments will also need to purchase goods and services from other establishments within the local economy and so the process continues.

The generation of economic activity brought about by these subsequent rounds of expenditure is known as the indirect effect. The indirect effect will not involve all of the monies spent by tourists during the direct effect since some of that money will leak out of circulation through imports, savings and taxation.

Finally, during the direct and indirect rounds of expenditure, income will accrue to local residents in the form of wages, salaries, distributed profit, rent and interest. This addition to local income will, in part, be re-spent in the local economy on goods and services and this will generate yet further rounds of economic activity. It is only when all three levels of impact (direct plus indirect plus induced) are estimated that the full positive economic impact of tourism expenditure is fully assessed. However, there can be negative aspects to the economic impact of tourist expenditure.

Questions and discussion points

1. It has been suggested that high street travel agents will benefit from being able to dynamically package holidays. Do you think that

this is really the case or will tour operators and principals instead capture the market for bespoke or tailor-made holidays?

2. Many students are now studying for qualifications such as honors degrees in tourism related subjects. As a student or when they graduate, they may be asked to join a professional body such as the Tourism Society. What are the benefits of joining such an organization? How might it have an impact on their careers?

3. What are the benefits of a small business becoming a member of its local destination marketing organization? Are there drawbacks or limitations that should be considered?

4. What is meant by the term ‘vertical integration’? Do you think there are benefits for a small hotel chain in forward integration

UNIT 7: ENTERPRISES PROVIDING BASIC SERVICES IN TOURISM

7.1. Basic services in tourism.
7.2. Organization of transport services in tourism.
7.3. Placement tools and their types.
7.4. Catering establishments.
7.5. Guides, tour companies and their functions.

7.1. Basic services in tourism.

In the context of the tourism sector in general, accommodation rarely has a place or rationale in its own right. It is rare for a tourist to select to stay in a hotel or other form of accommodation for its own sake. Rather, the choice is made because the accommodation provides a support service for the wider motivation that has brought the visitor to the destination, whether for business or leisure purposes. It is arguable that some resort hotels may fall outside this generalization in that guests may choose to stay at Greenbriars or Gleneagles because of the accommodation experience that such hotels provide but, generally, this motivation will be coupled with the desire to avail themselves of a wider tourism product within the resort or locality. That said, an emerging trend in many destinations is for the need to provide the discerning tourist with an innovative or even unusual mix of accommodation in which to stay. In such instances, ‘unusual places to stay’ become the essence of the visit experience rather than as an ancillary product or service.

Ultimately, accommodation is a necessary component in the development of tourism within any destination that seeks to serve visitors other than day-trippers. The quality and range of accommodation available will both reflect and influence the range of visitors to a location. As such, achieving the appropriate balance of accommodation to meet the destination’s strategic tourism development objectives can be a challenge. It is arguable, for example, that the inability of traditional destinations such as the Isle of Man to create new market opportunities in the wake of the decline of its traditional visitor base (family holidays) was directly linked to its old and inflexible accommodation stock. We can identify situations where accommodation is seen as part of the overall tourism infrastructure without which tourists will not visit the location. It therefore also assists in attracting wider investment in the tourism product at the locality. For example, the province of Newfoundland, in Canada, built four hotels in strategic locations as part of its tourism development strategy in the early 1980s.

Accommodation can also feature as an element in wider economic development strategies. The town of Akueryi, in Iceland, built and operates a hotel at a deficit because it is seen as an essential support facility for wider economic development, particularly in the fisheries sector. More recently, the phenomenal growth in hotel construction in the likes of Dubai and parts of coastal China represent perfect examples of where accommodation is an integral but varied role in the wider development of tourism.

Accommodation also plays an important role in the overall economic contribution which tourism makes at a local and national level. It is difficult to generalize about the proportion of total tourist expenditure that is allocated to accommodation because this varies greatly according to the market, accommodation type and nature of product purchased. As a very general rule, perhaps 33% of total trip expenditure is allocated to this sector but this varies greatly between different market segments. It decreases in the case of fully inclusive packages to, for example, the Mediterranean resorts where intermediaries negotiate low-cost bulk purchases of apartments or hotel rooms. By contrast, the proportion may be considerably higher in the case of domestic tourism where transportation costs are, generally, lower than is the case with international travel.

Accommodation may be sold as a loss leader to promote expenditure on other components of the tourism product in casino and other specialist resorts. Off-season offers are frequently promoted whereby hotel rooms are provided ‘free’ on condition that guests purchase a specified minimum in terms of food and beverages.

This strategy recognizes important dimensions of the accommodation sector:

- demand is highly volatile and fluctuates on a seasonal and weekly basis; and

● accommodation can act as the catalyst for a range of additional sales opportunities within complex tourism and hospitality businesses – traditionally, casino hotels have discounted accommodation in anticipation of generating considerable profits from customers at the gaming tables, while golfing hotels may seek to generate profits from green fees rather than room revenues.

Indeed, accommodation pricing in general is a complex and, sometimes, controversial area. Rack room rates (those formally published as the price of the room) are rarely achieved and extensive discounting for group bookings, advance reservations and corporate contracts are widespread. Fixed pricing is generally only successful and commonplace within the budget hotel sector. Yield, measured against potential, often runs at little more than 60% in the mid- to upper-market levels of the hotel industry in some countries, although locations such as Hong Kong are very different and see occupancy percentage rates running in the high 80s and above, with some in the high 90s. Yield maximization systems are in place, within most large companies, in order to ensure that achieved rates are designed to optimize occupancy potential. Managing contracts in order to maximize yield is also an important strategy for accommodation units with the objective of replacing low-yield groups or aircrew business with higher yield business or fully inclusive tour (FIT) guests.

Defining the Accommodation Sector Hotels

Hotels are undoubtedly the most significant and visible sub-sector within accommodation or lodging. Although a highly varied collection of properties in most countries, hotels are the tourism sub-sector that provides the greatest total employment in global terms and probably accounts for the highest level of receipts.

The traditional view of a hotel was an establishment providing accommodation as well as food and beverage services to short-stay guests on a paying basis. This view has influenced most attempts to define hotels. But, as we shall see later in this chapter, this is a somewhat inadequate description in view of the growth of ancillary activities commonly associated with the hotel sector (leisure, business, etc.) and the withdrawal of many hotel companies from the operation of food and beverage services entirely. In many countries of the world, hotel businesses are dominated by small, family-owned operations, which have developed hand-in-hand with the tourism sector often earlier in the twentieth century and, in particular, since 1945.

Thus, the typical hotel business is represented by 30-bedroom seafront establishments in resorts, country house hotels or the wide range of city properties. This small business sector has declined in importance in recent years, faced with the challenge of branded multiple operators offering a range of products from budget to luxury.

The cost of reinvestment in order to meet changing consumer demand combined with the marketing and operational challenges posed by technology have forced many hotels of this kind out of business. Those that do survive successfully in the contemporary tourism industry do so because they have recognized the importance of niche marketing by tailoring their products and services to meet the specific niche requirements of identified market groups. An important survival strategy for small, independent hotels is membership of a marketing consortium representing similar operations at a national or international level.

Best Western and Golden Tulip are two of the best-known international consortia. The group or chain component of the hotel sub-sector accounts for upwards of 10% of the property stock in most European countries but this figure is much higher in South-East Asia and in North America.

In terms of the bedroom inventory of most countries, the percentage penetration of groups/chains is rather greater:

- up to 40% of the total in the United Kingdom; and
- over 60% in the United States. This reflects the fact that hotels that are part of multiples tend to be considerably larger (and generally more recently built) than independents.

The almost universal trend in the hotel subsector is for multiples to gain market share from independent operators within expanding markets. Ownership and management of hotels reflect the growing complexity of business formats within the private sector generally.

There are three major operating models with various combinations:

1. Hotel companies may own and operate the hotels that are marketed under their name or they may have a part equity stake in the property.

2. Alternatively, the hotel may be operated and owned by a franchise partner – this is a rapidly growing business format, especially within the budget market. Franchises may be operated at an individual property level or as part of a master franchise arrangement whereby a company owns or operates a large number of properties, typically at a national or regional level, under the umbrella of an established brand or brands.

3. Finally, the hotel company may manage the property on behalf of an owner – this is a common format at the top end of the international market, to be found in the portfolios of major companies such as Hilton, Hyatt, Inter Continental and Marriott. A major influence on the publicly quoted hotel sector in recent years has been that of increasingly focused performance demands placed upon operators by stock market investors.

In the past, especially in Europe, average return on investment within the hotel sector was considerably below that achieved in other industrial and service sectors. This reflects in part the small business structure of hotel companies as well as perceptions of an operating culture that sets hotels apart from other businesses – one where the focus was on hospitality rather than profitability. The view was that the two were, in some way, incompatible.

This perception lost its primacy in North America some time before influencing the European industry. The success of many Asian companies in combining the two objectives of profitable service and excellence has led to change in Europe as well. Companies such as Accor, Marriott and Premier Inn, each owners and operators of a portfolio of different hotel brands, now operate to profit criteria designed to satisfy City interests as their first priority. One of the largest and most significant changes of late has been the acquisition in September 2016 of Starwood Hotels & Resorts Worldwide by Marriott International.

This US$13 billion deal brings together Marriott's Marriott, Courtyard and Ritz Carlton brands with the acclaimed brands of Starwood, which include Sheraton, Westin, W and St Regis properties.

The Marriott umbrella of brands now represents the largest anywhere in the world with 30 hotel brands in total composed of 5,700 properties and 1.1 million rooms spread across 110 countries.

Quite simply, Marriott International now operates 1 out of every 15 hotel rooms around the globe! Boutique hotels One of the newest forms of accommodation, first popularized in the United States and the United Kingdom, is the boutique hotel, which normally relates to the accommodation of a highly individual, quality and full-service hotel, frequently on a distinct theme.

Although they often vary in size, boutique hotels tend to be located in the main cities with their ultimate point of differentiation being the need to avoid the uniformity of corporate hotels. That said, a number of the larger chains are beginning to include boutique-style hotels in their portfolios as they start to recognize the market appeal, especially among discerning travelers, of this type of accommodation.

Guest houses, bed and breakfasts, farmhouse accommodation.

This sub-sector brings together a number of different types of operation with the common characteristics of offering accommodation plus some food and beverage (often just breakfast) in a small, family-style environment. Such properties may provide many similar facilities to smaller hotels, although the category also includes simple and limited operations where guests may share facilities and, indeed, meals with their hosts.

Internationally there are significant contrasts in the operation of this sub-sector:

- In the United Kingdom, bed and breakfast and guest house enterprises are not significantly different, although the former require fewer controls in order to operate. Indeed, it is a subsector where many operators take guests on a seasonal or sporadic basis and, as a result, can offer a flexible accommodation resource to a city or locality, available for use as and when required, but without large fixed costs, particularly in terms of labour. Although with a heritage of being a cheaper alternative to small and niche hotels, the bed and breakfast or guest house has gradually closed the gap in terms of perceived quality in relation to expectation and price.

● Bed and breakfast enterprises in the United States, however, tend to be rather more sophisticated in their approach and comprehensive in their services. In European terms, they resemble inns or small hotels and are frequently members of national or regional marketing consortia.

● In Canada, inns are similar and can be grouped together on a themed or regional basis for marketing purposes. The Historic Inns of Atlantic Canada is one example and membership depends upon a number of criteria, of which one is age – all properties must have been built before 1930. Some Canadian inns offer very sophisticated facilities. One example is the Spruce Pine Acres Country Inn in Port au Port, Newfoundland, which is a modern, purpose built facility with just six bedrooms, but its services also include a licensed dining room, a well-equipped meeting room and full electronic business provision. Farmhouse accommodation is a central component in the growing international agritourism movement.

Not only has this become a major feature of tourism development in a number of countries such as Ireland and New Zealand, but it is also a component in the development plans of countries in Eastern Europe and Asia.

Accommodation is, generally, similar to that afforded by bed and breakfast operations but the context is different. Provision is usually within a working farm environment and guests may be able to participate in various aspects of the agricultural working routine as part of their stay. Small, independent operators across this sub-sector face significant challenges from the growing budget hotel sector, especially in Europe. In physical product terms, there may be considerable similarities between the two in terms of their bedrooms – indeed, budget properties may well exceed the competition in this respect.

For example, the growth of the budget sector has forced the generally unregulated family-style property in the United Kingdom to upgrade their facilities or to cease operating. As a result, many such operations now provide unsuited bathrooms, multi-channel television and tea- and coffee-making facilities. Self-catering accommodation – apartments, cottages, guts.

Self-catering accommodation is an important and varied component of the lodging sector within tourism. Essentially, what such properties have in common is a combination of accommodation with additional recreational areas and the facility to prepare food on a personal basis.

Apartments form a major element within the accommodation available in many Mediterranean resorts but the sector also includes:

● individual cottages and gates – frequently adapted from normal residential use; and

● purpose-built cottage colonies developed and marketed as a distinct brand – for example, Rent an Irish Cottage, established in 1968 by Shannon Development (a public sector body) but subsequently sold off to private interests in the early 1990s. Self-catering holiday accommodation may be rented as part of a vacation package, through an agency or independently directly from the owner. Alternatively, holiday accommodation ownership is a major component in the tourism industries of some countries and specific destinations.

This is so much so in some places that in the off-season communities can be just a fraction of those at peak periods. In some countries, ownership of a country or beach cottage is commonplace and not confined to the wealthy, as in Scandinavia – for example, Norway with the seaside or mountain hutte. Where holiday homes are not purpose-built but purchased within the normal housing environment, they can create considerable distortion to the local property market and resentment within local communities through rising prices that exclude younger residents from the local housing market.

North and West Wales and the coastal regions of Cornwall are examples of areas where holiday homes from time to time have become a sensitive political issue. In Denmark, the ownership of second homes is confined to people residing in the country for taxation purposes, which excludes the offshore ownership that can be found in many Mediterranean destinations. It is quite common for local residents' homes to form the accommodation for self-catering vacations. This may be through a number of mechanisms:

● House-swap schemes, by which a family from, say, Sweden, exchanges homes for a month with counterparts (often in the same professional or work area) from Canada; the exchange may include use of vehicles and responsibility for pets as well as accommodation.

● Major events can also prompt local residents to vacate their homes in favour of visitors on a pay basis – SW19 in London experiences much of this during Wimbledon tennis fortnight, as does the village of Silverstone during the British Formula 1 Grand Prix weekend.

Campus accommodation

Campus accommodation includes facilities that are used both within and outside the tourism sector. For much of the time, most campus accommodation is used on a semi-permanent basis by students, as many readers of this book will know. However, increasingly, universities and colleges seek to utilize a resource that is underused during major periods of the year when students are on vacation.

Accommodation is, therefore, widely used not only for conference and meetings purposes, but also as a leisure location, especially by campuses close to scenic or vacation areas. In addition, some campuses include permanent hotel-style facilities, designed for short-term visitors such as those attending executive development modules in business schools.

Generally, the trend is towards upgrading facilities in campus accommodation so that its use for non-student lets is competitive with other accommodation providers. The marketing of campus facilities is also now professional – in Scotland, an umbrella organization, the Scottish Universities Accommodation Consortium, is responsible for supporting this aspect.

Time-share and fractional ownership Time-share or fractional ownership is a form of period-constrained (one or two weeks a year) self-catering holiday home ownership, which provides additional benefits to owners in the form of possible access to similar properties in resorts throughout the world through exchange consortia. Many time-share properties also provide a range of additional services and facilities, including food service and sports/recreation so that they have much in common with resort hotels. Pressure selling of timeshare has gained the sector a bad reputation in some countries.

Youth accommodation

Youth travel is an important, growing and little researched sector of the tourism market. The extent of such travel and the specific facilities designed to meet its needs vary greatly between countries. Young people tend to utilize accommodation at the low-cost end of the market – bed and breakfasts, youth hostels such as those run by the Youth Hostel Association (YHA), Young Men's Christian Association (YMCA) and Young Women's Christian Association (YWCA) and their local equivalents as well as camp sites. Specialist accommodation providers to the youth market, such as youth hostels in many countries, YMCA/YWCAs and backpacker hostels in Australia, have moved from offering simple, frequently dormitory-style accommodation, to providing greater comfort, a more sophisticated product and more comprehensive services.

In some cases, there is little to distinguish these providers from equivalently priced hotel products – the YMCA in Hong Kong is a good example. These trends reflect changing youth market demand, expectations and travel experience together with the increasing affluence of young people in many countries. Camping and caravan sites An important component in the domestic and international tourism of many countries is that where visitors bring their own accommodation to the destination in the form of tents, caravans or trailers.

The accommodation levels provided on these sites has improved greatly from the camping experience of earlier generations but is still restricted in terms of space and privacy. An important provider, within tourism, is the sub-sector offering sites for campers or caravanners. Such sites may be basic fields with few if any utilities provided or sophisticated resort locations including a range of comfort services as well as leisure, food service and retail options.

While camping stereotypes often conjure up images of low-value tourism, more recent developments in camping and caravanning are very much at the upper end of the market with the camping 'experience' enjoyed by high- as well as low-end markets. Some sites offer permanently sited tents or caravans and tourists travel to the locations for a one- or two-week stay.

Companies such as Eurocamp package these site holidays in Mediterranean locations for north European clients on very much the same basis as hotel or apartment based fully inclusive packages. Permanent caravan sites include vehicles for short-term let, as well as those owned by visitors who may use the accommodation on a regular basis throughout the season. Medical facility accommodation

This area is not normally seen as part of the tourism industry although facilities in hospitals, especially private institutions, are close to the best available within tourism accommodation. However, some specialist medical facilities also offer quality accommodation to relatives and friends. This may be true of premium children's hospitals, for example. Nursing homes and other long-stay facilities for the elderly, likewise, are not normally associated with tourism.

However, this market has attracted increasing attention from hotel companies such as Accor and Marriott which have developed a long-stay product for the seniors market which is a hybrid of a luxury hotel and a nursing home, offering medical as well as leisure facilities within the one establishment.

In Eastern Europe, countries such as Romania have spa tourism where resorts offer integrated medical treatment and hotel accommodation at all levels from the very basic to the very luxurious. Cruise liners and ferries Long-distance passenger liners were, of course, the main form of transport for those wishing for transatlantic or intercontinental travel in the era that preceded the development of wide-bodied jets. Such liners provided functional accommodation to all but first-class passengers, designed as a necessary facility and ancillary to the prime purpose of transport.

Likewise, ferries provided functional but limited accommodation services. The growth of cruising from European and North American ports in the 1960s grew as an alternative use for the now-redundant liners and little attempt was made to alter the form of accommodation or the attendant facilities provided. Accommodation management also retained a marine and functional ethos.

The building of dedicated cruise ships has changed the focus of on-board services from one where the main purpose was transport to an environment where the cruise itself became equally important to the destinations visited. The popularity of the 'cruise to nowhere' concept in South-East Asia testifies to this. Modern cruise ships have more in common with all-inclusive resorts than with traditional marine transport. From an accommodation perspective, they are designed to offer comfort, facilities and service comparable to that of equivalent resort hotels. Indeed, the terminology used and the culture is that of hotel services. Ferries, too, have changed in a similar way, particularly those offering longer services between, for example, the United Kingdom and Scandinavia or Spain.

7.2. Organization of transport services in tourism

The most obvious way of analyzing transport is by mode.

There are four major modes:

● road;
● rail;
● water;
● air.

The choice of mode of transport is related to the type of person as well as the purpose of travel, although visitor types are no longer as homogeneous as previously assumed. Some leisure passengers will elect to travel business class and a significant percentage of passengers using low-cost airlines are business passengers.

Factors influencing modal choice include:

● distance;
● length of stay;
● status and comfort;
● safety;
● price;
● geographical location of origin or destination, especially remote or peripheral destinations;
● availability;
● reliability;
● frequency of service;
● convenience;
● flexibility. Increasingly transport operators are attempting to identify segments of demand for which specific categories of service will appeal.

In Europe coaches now offer degrees of comfort and service unheard of in the 1970s and express coach services in the United

Kingdom now offer WiFi while ferry companies have become expert in organizing varied itineraries for motoring holidays. International tourism travel is dominated by air and domestic tourism by private car, although this will vary between countries influenced by spatial factors and by the level of economic development.

There are significant variations in modal share among the EU-28 countries. Air accounts for large shares for Eire, Cyprus and Malta reflecting that they are islands, but is lower for developing countries in Eastern Europe and at its lowest for Bulgaria, the Czech

We can identify four basic elements in any transportation system, namely:

- the way;
- the terminal;
- the vehicle; and
- motive power.

These elements vary for each transportation mode but performance is dependent on the interaction of these four elements. Speed, capacity, safety, security and even perceived quality of service for each mode is dictated by the weakest element in the system.

The way is the medium of travel over which the vehicle operates. Railways and inland waterways restrict vehicle movement to specific pathways, while road offers a much greater degree of vehicle flexibility over the route network.

At first sight air and sea would appear to allow unlimited flexibility but international regulations and conventions dictate otherwise. Significant areas of airspace over a country are reserved solely for military use and the civil airspace is delineated into air corridors and controlled by air traffic control (ATC) systems, such as NATS in the United Kingdom, utilizing sophisticated computer systems and comprehensive radar coverage.

Likewise, although less rigorous, there are designated shipping lanes. In considering transport modes, the availability of the way is very important and requires considerable investment. A shortage in capacity leads to inefficient services, congestion and unscheduled delays. Currently in the UK congestion on the rail network has resulted in restricted numbers of services on some routes in an attempt to improve reliability. In contrast, in mainland Europe rail use has been encouraged by expanded rail capacity with the addition of new high-speed lines. The first, the Train à Grand Vitesse (TGV) line between Paris and Lyon was developed between 1976 and 1981 but investment in high-speed rail in Europe has increased dramatically in recent years.

Three new lines opened in 2007 and the European network continues to expand, with several lines scheduled to open in 2017 such as LGV Sud Europe Atlantic in France and Stuttgart– Wendlingen in Germany reaching 4,000 km by 2020 (Mintel, 2008) with an EU target to triple the high-speed rail network by 2030 (COM, 2011). The United Kingdom plans to increase capacity with a new high-speed line (HS2). Construction is scheduled to commence in 2017 with Phase 1 between London and Birmingham completed by 2026.

Global examples of high speed developments include Taiwan, where the Taipei–Kaohsiung line opened in 2007 and China, which has the largest high-speed rail network of 20,000 km carrying over 1 billion passengers, with the network expected to grow to around 38,000 km by 2025.

High-speed rail developments have the potential to provide more environmentally friendly options over air travel, involving fewer GHG emissions for short- to medium-haul trips. Traffic congestion on roads is a phenomenon familiar to many in developed and developing countries. Over a period of 40 years, from the mid-1960s to the mid-1990s, the average distance travelled rose by over 60% in the UK to reach around 11,000 km per annum, of which around 80% was by car. Although the road network was expanded, road construction was unable to keep pace with the increased demands being placed on the road infrastructure resulting in increased congestion.

Problems are most acute in large urban areas, where the urban fabric and historic road network limit opportunities to expand that road network, and up to 30% of the total land area is already dedicated to the car. Interestingly, in many developed countries in Western Europe distance travelled has stagnated since the mid-1990s, ‘the peak car phenomena’ (Goodwin and Van Dender, 2013) perhaps indicating that demand is approaching saturation point, hence reducing the pressure for ever-increasing numbers of roads. In developing countries a combination of increasing population, forecast future economic development and increasing car ownership will continue to pose challenges, although lessons from the developed world show that road construction alone has severe limitations as a solution to congestion. In fact, most terminals are becoming integrated transportation points as they can act as inter changes where travellers can transfer between vehicles or modes. Switzerland has examples of integrated rail and air transport, with rail termini at the airports of Zurich and Geneva linked to main rail routes and then the post-bus to the final destination.

Operators are increasingly encouraging multi-modal transfer ,with Lufthansa for example developing integrated tickets called Rail&Fly (see http://www.lufthansa.com/uk/en/rail-and-fly-in-germany) even for journeys commencing over the border in Poland. Airports can be used as modal transfer points between aircraft. Initially airports organised well-structured patterns of arrival and departure in the hub-and-spoke route networks with waves of incoming flights followed by waves of departures, designed to minimise the wait at the hub airport. This was initially developed in the deregulated US domestic market, but as traffic has grown this structure has been hard to maintain.

Nevertheless interchange between airlines remains important, in part due to the emergence of airline alliances (Oneworld, Star Alliance, SkyTeam) where passengers interchange between two member airlines and the alliance is able to offer a wider network of destinations than individual member airlines can offer. Airlines use hubs in an attempt to gain competitive advantage. As London Heathrow has become increasingly congested connectivity has decreased, with a fall in the number of domestic and short-haul European cities served. This has created business opportunities for airlines using rival hub airports, initially those flying from Amsterdam (KLM), Paris CDG (Air France) and Frankfurt (Lufthansa). By providing routes to many UK regional airports, they offer alternative, convenient onward air services to residents in those regions.

More recently an additional tier of competition has emerged from the rapidly expanding Middle East Big 3 (MEB 3) airlines (Emirates, Qatar Airways and Etihad Airways) offering alternative long-haul services to a range of destinations using Middle East hubs.

For example, Emirates operates services between Dubai and Birmingham, Manchester, Newcastle and Glasgow in addition to the

London airports of Heathrow and Gatwick, giving alternative options to fly to a range of destinations such as South Africa or Australia from the UK regions via Dubai rather than through London. Initial surveys suggest a much higher percentage of passengers using Emirates routes from the regional airports make onward flights beyond Dubai compared to the London routes.

Finally, and perhaps the most important, motive power is the key element in transportation development. Natural power of horse-drawn carriages and sailing vessels provided the initial energy for transportation. The expansion of steam power provided the opportunity for the introduction of steamships and railways which were such a driving force behind the creation of mass tourism in Europe, while the internal combustion engine stimulated the development of road and air transportation. Finally, jet propulsion enabled air transportation to be competitively priced and gave aircraft speed, range and increased vehicle size. The combination of speed (which allowed the vehicle to make more return trips each 24 hours) and increased vehicle size dramatically reduced operating costs per seat kilometer, enabling these savings to be passed on to the consumer in the form of lower fares. Not all technological advances led to increased efficiency.

Concorde, which was withdrawn from passenger service in 2003, had relatively poor productivity despite its very high speed, largely as a result of the low vehicle capacity (approximately 100 seats) and was only viable operating predominantly a business service at a premium fare.

Likewise the Hovercraft offered high-speed sea crossings but a combination of high fuel consumption and poor reliability in rough weather prevented its development into the mass mode that was predicted in the 1960s Speed of travel has largely stabilized in the last decade with no major technological advances. Naturally the speed for any mode is governed by the interaction of the various components. Cars can move faster than 70 mph (100 km per hour) but limitations of the way mean that maximum speed limits are required for the safety of other road users (both car drivers and where there is no segregation pedestrians, cyclists and so forth). The rail industry even more clearly demonstrates the limitations the way imposes on vehicle speeds.

Most of the alignment of the UK national rail network dates back to the nineteenth century when it was constructed. While new high-speed rail vehicles have been developed, this technology, pioneered by the Train à Grande Vitesse (TGV) network in France, cannot be adopted onto existing track due to track alignment and particularly the angle of bends. The solution of matching the vehicle speed to the way is to build a new high-speed rail link, as adopted with the development of the TGV in France and copied in much of Europe including the United Kingdom with the opening of the first phase of the high-speed Channel Tunnel rail link from 2003 and the proposals for a new high-speed rail link, HS2, between London and Birmingham by 2026.

Attempts to run faster trains over existing track is a much more technologically difficult project, although the development of tilting trains, first attempted by the ill-fated advanced passenger train (APT) project in the United Kingdom in the early 1980s, is now coming to fruition with Pendolino trains. Amtrak's attempts to introduce high-speed trains in the US market, where rail has a significantly lower share than Europe, ran into technical difficulties, although the journey time from New York to Boston has been reduced from five hours to four with speeds of up to 150 mph (240 km per hour). Speed of travel has largely stabilized in the last decade with no major technological advances. Naturally the speed for any mode is governed by the interaction of the various components. Cars can move faster than 70 mph (100 km per hour) but limitations of the way mean that maximum speed limits are required for the safety of other road users (both car drivers and where there is no segregation pedestrians, cyclists and so forth). The rail industry even more clearly demonstrates the limitations the way imposes on vehicle speeds. Most of the alignment of the UK national rail network dates back to the nineteenth century when it was constructed.

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The recent history of transport for tourism is characterized by changes in technology but the emphasis is moving to more environmental considerations (Table 7.1). Engine technology has resulted in more fuel-efficient engines helping to reduce emissions, including greenhouse gases (CO_2). Car engine efficiency has improved by around 1.5% per annum and the rate of technical.

Table 7.1		**The historical development of tourism: recent changes in transport**			
	1930s	**1940s–1950s**	**1960s–1970s**	**1980s–1990s**	**2000 on**
Air	Civil aviation established Travel is expensive and limited	Propeller technology travel still limited Basic terminals 400–480 km/h	Jet aircraft Boeing 707 Cheap fuel 800–950 km/h Charters take off	Wide-bodied jet 747 Extended range Fuel efficient no increases in speed except Concorde	Concorde withdrawn Megacarriers emerge of 500–800 seats More fuel-efficient carriers – Boeing Dreamliner 787
Sea	Ocean liners and cruises Short sea ferry speed less than 40 km/h	Little competition from air No increase in speed	air overtakes sea on Atlantic Hovercraft and faster craft being developed	Fly–cruise established larger and more comfortable ferries Fast catamarans developed	even larger cruise ships *Harmony of the Seas*

Road	Cars 55 km/h Coaches develop	Cars 100 km/h	Cars used for domestic tourism Speed 115 km/h	speed limits in USA Rise in car ownership rates Urban congestion Green fuel improved coaches	LPG powered and hybrid vehicles electric vehicles
Rail	Steam era Speed exceed cars	Railways at peak	Electrification Cuts in rail systems: some resorts isolated	High-speed networks develop in Europe Business products offered – memorabilia and steam	even faster trains to 350 kph

Progress is accelerating; some governments have further encouraged this by imposing strict new emission regulations on manufacturers for new cars.

The last two decades have seen quieter engines, particularly in the case of aircraft, where new EU regulations regarding noise emissions are being phased in. There are two key factors driving the development of fuel-efficient technology. These include the unpredictability of the cost of fuel.

The price of crude oil is volatile, often influenced by specific major incidents:

- In 1973–74, the Arab–Israeli War.
- In 1978–79 the Iranian crisis.
- In 1991 the Gulf War.
- War in Afghanistan in 2001.
- War in Iraq in 2003.

The volatility of oil prices was demonstrated in April 2008 when the price of kerosene reached record high levels which generated record losses for airlines despite their attempts to recover some of the increased costs through fuel surcharges. The recent long term trend has been for aviation fuel to become an increasing component of airline operating costs, rising rapidly over recent years from just over 14% of operating costs in 2000 to over 25% in 2007 and 29% in 2015 ; Blokhin, 2015). Furthermore, oil is a finite resource. Whilst estimates of the remaining global reserves vary, and oil exploration continues to search for new sources, there is broad agreement that conventional oil will decline between 2020 and 2030 with production from non-OPEC countries having peaked.

Consequently the price of oil is forecast to rise in real terms as this resource becomes scarcer. Nevertheless the most recent trends have been unexpected and dramatic reductions in the market price of aviation fuel, falling by 45% between September 2014 and January 2015 to its lowest level since 2010 (Trend, 2015). Interestingly many airlines have been unable to take full advantage of the fall as they have hedged the price they pay for much of their fuel in binding contracts, often several years in advance, and consequently airfares have not fallen significantly as a consequence of declining oil prices although small increases in airline profitability are reported.

Road transport

The car dominates road transport. It is almost the perfect tool for tourist use, offering the following attractions:

- control of the route and the stops en route;
- control of departure times;
- door-to-door flexibility;
- the ideal capacity for families;
- the ability to carry baggage and equipment easily;
- the ability to use the vehicle for accommodation in the case of recreational vehicles and caravans;
- privacy;
- the freedom to use the vehicle once the destination is reached; and
- the low perceived cost.

Some nations tend to utilize cars much more than others for recreation and tourism. This reflects levels of economic development, which influences levels of car ownership among the population, but also is dependent upon geography (average distances travelled for tourist trips), climate and the cost, quality and availability of alternatives. Nevertheless, the car share is very high in developed countries.

Trips by car account for approximately 90% of the pleasure/ personal and business trips taken by Canadian and US residents, for almost 60% of the total holiday trips in Europe and over 70% of all UK domestic holiday trips. Growth rates of traffic in the latter half of the twentieth century have been phenomenal. For instance, in the United Kingdom the modal share of car for all journey purposes has grown from 35% of all passenger kilometers in 1955 to 84% by 2010 (DfT, 2011) with this number continuing to the present day, albeit with shorter trips.

However, over the same period both disposable time and disposable income have increased, resulting in far more travel overall so the increase in vehicle kilometers is eight-and-a-half fold. Likewise traffic volume in the United States increased by 76% between 1980 and 2000. The leisure and tourism share of all this traffic is not insubstantial. Around 13% of all passenger kilometers are accounted for by holiday trips, but day trip excursions and appropriate VFR traffic would increase the 'tourism' share to nearer 30% of all kilometres. Peeters et al. (2007) estimate that tourism accounts for between 15% and 20% of passenger kilometres travelled in Europe by surface modes of transport. More recently, road traffic growth has slowed in a number of developed countries.

Passenger kilometers have been virtually stagnant in the United Kingdom, with a total growth of 2% between 2000 and 2010 (DfT, 2011). Today, however, drivers in England are recording the lowest numbers of kilometers on average since records began 12 years ago, in part due to costs and increased levels of congestion. This mirrors similar trends in Belgium, The Netherlands and Germany, perhaps indicating that car travel is approaching saturation level (Robbins and Dickinson, 2007), the peak car phenomenon outlined earlier. High rates of car use are now considered unsustainable by governments in many developed countries as car users are imposing huge costs on others which they do not pay for directly (termed externalities).

The contribution of cars to greenhouse gas emissions is high, at around 18% of the total UK emissions, despite improving engine efficiency (DECC, 2016). Cars also affect local air quality and produce particulates which are linked to asthma and other respiratory complaints, and generate huge costs to society in terms of congestion, road accidents and visual intrusion. Large numbers of vehicles can reduce the attractiveness of tourist destinations, most particularly popular rural locations such as national parks. Rail transport Overall the rail share of travel for holiday purposes is traditionally not high.

However, the rail shares for certain corridors (especially high-speed lines) are higher as they include business and conference traffic. Railway termini are often located in city centre locations in contrast to airports, which are often located 20 or 30 kilometres away from the centre. This increases their attraction for this market and a major competitive advantage is city centre to city centre journey times compared with air. Beyond a certain distance, some visitors see rail as being too cumbersome and tiring and it is then that notions of adventure and sightseeing take over as the attractions of the rail mode.

However, the traditional model is beginning to break down in Europe, with rail services losing out to low-cost air carriers on many routes at distances significantly below 500 kilometres. One factor contributing to this is price. Rail has very high fixed costs (track, signaling, engineering costs), which either result in high fares (UK) or high levels of subsidy (France, Germany) or a combination of both. Another disadvantage over air is the difficulty in booking online through tickets on international rail journeys (see Dickinson et al., 2010b), although rail operators are beginning to address this and develop integrated systems. Rail team, an alliance of Europe’s seven high-speed rail operators, aims to provide better coordinated services with better connecting services and much better coordinated online ticketing systems.

Trains are a relatively ‘green’ form of travel in terms of both fuel efficiency and emissions, although the performance of ageing diesel trains has been criticized. Electric trains are much more fuel-efficient than cars per passenger kilometer travelled. Rail also has a hugely better safety record than car travel. The scope for rest and relaxation of travel by train, and the ability the use the travel time productively on the train are additional advantages although high-quality services rarely extend throughout the whole network, so journeys involving a change from main high-speed lines to branch lines are more variable. The luxury and comfort attributes of rail are most prominent on journeys between 200 to 500 kilometres between major cities, although airlines are currently making inroads in that market in Europe.

The traditional market for the train has been regarded as the independent holiday visitor, particularly the VFR category; they may also attract a significant ‘fear of flying’ market. Sea transport In broad terms, we can divide water-borne transport into short sea ferry transport and oceangoing cruises. Other categories exist, such as inland waterway craft and small pleasure craft, but assume less significance as a means of transport as they are more destination products in their own right. Cruising should also be thought of as a holiday product as much as a mode of transport. Ferry services, which include or exclude vehicles, can provide lifeline services to islands as well as a focus for visitors.

Catamarans tend to be faster than conventional forms of ship technology but, in general (unless for short sea commuting such as between Hong Kong and Macau), business visitors tend to choose other modes of transport. Geographical factors tend to determine the provision of ferry transport, leaving some destinations heavily dependent upon such links.

Examples include:

● Aegean island-hopping or travel to and from the Greek mainland; or

● channel crossings such as the English Channel, Irish Sea, the Cook Strait between the North and South Islands of New Zealand, and the Baltic Sea. As far as the transportation of vehicles and merchandise is required on short sea crossings, ferries offer inexpensive, reliable and safe services. Ferry transportation is the only possibility in the case of remote and small islands which have no airport. This situation can be found in Greece, where there are only 15 airports to serve 95 inhabited islands, a coastline of 14,854 kilometers and 750 ports and anchorages. In this case, large ferries provide coastal shipping services linking the mainland ports and islands as well as the islands with each other.

Piraeus port, Europe’s largest passenger port, handles 21.5 million ferry passengers per annum, of whom around 11.5 million are domestic passengers, and is therefore a very important facility in the provision of tourism transport services. Furthermore, smaller regional ferries undertake transportation between the islands, especially during the summer peak period. However, in many cases, air can be a viable alternative to sea transportation between larger islands and the mainland. The main advantage of ferry operators when compared with air transportation is price, combined with the fact that passengers can carry their own vehicles and use them at the destination.

The popularity of motoring holidays and self-drive packages, as well as the introduction of roll on–roll off facilities, which enables the ports to handle a much greater volume of vehicles, demonstrates the increase of passenger demand for ferry services. In Europe, the gradual liberalization of air transportation, the decrease of air fares, the construction of the Channel Tunnel and the development of alternative modes of travel have forced the ferry companies to improve the luxury of their vessels considerably, to increase the cruising speed, to increase their size and to install leisure facilities. Routes with longer crossings can enhance the leisure facilities – casinos, cabaret bars, cabins – to offer a consumer-orientated service. Modern vessels, such as the wave-piercing catamaran and hydrofoils, have been introduced on some routes in recent decades. Their main aim is to offer a shorter crossing time than the traditional ferry service.

Their speed is up to three times that of a conventional ferry, while they have a great maneuverability, fast turn-around in port and need minimum dock facilities. However, these vessels are:

- much more expensive than the ferries;
- vulnerable in rough seas and strong winds;
- noisy;
- environmentally insensitive, with higher CO2 emissions and wave actions that contribute to coastal erosion.

Air transport Travelling by air is probably the most important transportation innovation of the twentieth century. It has enabled the transportation of passengers in the shortest time and it has boosted the demand for long-haul trips, for which there is no realistic alternative mode of transport. In fact, no part of the world is now more than 24 hours' flying time from any other part.

International tourist arrivals by air have grown dramatically, producing global growth rates for air travel of between 5% and 6% per annum between 1970 and 2000 (Gössling and Peeters, 2007). Although these very high rates have receded over the last two years as the economic recession has impacted on demand for air services, most forecasts predict continuing longer-term global air traffic growth rates of 4.7–5% per annum (Smyth and Christodoulou, 2011).

Therefore air transportation has gained a very significant share of the transportation market, especially for movements over 500 kilometers indicates for Europe. As new aircraft such as the Boeing 747-400 series and the A380 have come into operation, the range for air travel has been extended to up to 15,000 kilometers for non-stop flights. Scheduled airlines offer a safe, convenient, reliable, frequent and relatively consumer-orientated product; airlines attract business travelers, who appreciate the speed and flexibility between the various flights, especially on popular routes, as well as the leisure passengers who enjoy the ability to arrive at the destination quickly, and without spending time and money en route.

Air transport requires sophisticated and comprehensive ground services and terminal facilities. Airlines offer a number of incentives for their loyal customers through various ‘frequent flyer’ programs.

Traditionally, air transportation was the most expensive mode, especially for the short-haul routes, but this has changed over recent years with the introduction of new business models. Leisure passengers have always been offered lower fares. The main holiday routes in Europe between the industrialized north to Mediterranean destinations in the south were served by charter airlines from the 1960s (discussed below).

For scheduled airlines a limited range of promotional fares were available but these included restrictions such as limited or no opportunities for alterations on the travel arrangements and advance purchase such as the advanced purchase excursion fare (APEX), standby, and other forms of instant purchase fares (IPEX).

However, air transport was very heavily regulated and the availability of such tickets were controlled. Following the process of liberalization and deregulation (discussed below) in a number of important aviation markets, airlines were given much greater freedom over their route structure and their fare structure to operate commercially and attempt to achieve maximum yield by taking account of potential demand and supply factors.

More sophisticated yield management has emerged, assisted by Internet booking and e-ticketing. Following on from developments in the United States, Europe has seen the emergence of low-cost, no-frills airlines and the model is gradually being adopted, sometimes with modifications, in other global regions.

Charter airlines

Charter flights are utilized widely to facilitate the movement of holidaymakers on package tours, although up to 20% of passengers are carried on 'seat only' arrangements. Most charter airlines are owned by tour operators which attempt to integrate their operations vertically, such as Thomson Airways and Thomson Holidays in the United Kingdom.

Charter airlines offer ad hoc transportation services, although in peak seasons they operate to a timetable, which although not formally published is known to tour operators. Services are characterized by:

● minimal flexibility in altering flights;

● flying at inconvenient and therefore not busy hours for the terminal and achieving very high utilization of the plane over a 24-hour period;

● reduced seat pitch to fit in as many seats as possible; and

● consolidation of flights if not fully booked. The higher load factor achieved on charter services (90%) compared with scheduled services (averaging 70%) is the final factor explaining the substantial difference in the unit cost of production and the price at which the product can be sold. For a more detailed analysis of charter airline costs see Doganis (2010).

Charter airlines held a substantial share (almost 50%) of the short-haul intra-European market in the 1980s, with the dominant pattern of demand being the carrying of tourists from north Europe to the resorts and tourist destinations in the south. However, they have lost substantive market share since the mid-1990s as a result of direct competition from the low-cost carriers, although they remain important, with Thomson carrying 10.6 million passengers and Thomas Cook 6.4 million, this amounts to around 12% of international air passengers from the United Kingdom (Dft, 2016). Charter airline seat costs per kilometer are probably below those of low-cost airlines and yet it is the latter that have achieved rapid growth over the last 10 years. The trend towards independent holidays, growing second home ownership and direct booking on the Internet have all contributed to the declining appeal of the package holiday and therefore the performance of charter airlines.

Charter airlines have developed a number of strategies for their future survival and development. Some, like Monarch, have diversified to become hybrid airlines which offer scheduled services using the same low-cost model, although on some routes they still carry predominantly passengers on an inclusive tour. This strategy also enables them to compete more successfully for the seat-only traveler. Most charter airlines have also diversified into long-haul routes, for which their more varied fleet is well suited and where they compete solely with full-service carriers.

7.3. Accommodation and their types

There is also a growing market for home exchanges and the swapping of timeshare accommodation – a market that the industry has developed through the establishment of timeshare exchange companies. It is, in fact, difficult to distinguish between the strictly commercial and non-commercial aspects of the hospitality business. Marriott is number 1 with more than 1.3 million rooms in operation worldwide. Its President and CEO, Arne M. Sorenson announced big development ambitions with nearly 300,000 rooms to open by 2021.

Focusing on keeping the ranking leadership next year and counting on its Bonvoy loyalty program to develop revenues.

The Indian brand OYO, who entered top 10 only last year, jumped to the second rank with more than 1.2 million rooms worldwide. Its agile development model, strongly based on digital tools, allows it to grow faster than the other hospitality groups. The future will tell whether this business model is sustainable or not as the firm is currently dismissing 6,000 employees in China following the Coronavirus crisis. Jin Jiang posted another double-digit growth in 2019 thanks to its acquisition of Radisson Hotel Group and climbed to the third position. It is getting closer to the 1 million rooms symbolic milestone. Digital is important for the Chinese group. The « Smart Campanile » concept, developed in China, is arriving in Europe this year starting with the French market.

The second fastest growth of the top 10 is for the number 9 Huazhu (+25.6% rooms), that completed the acquisition of the German Deutsche Hospitality the very beginning of this year. Huazhu is a longtime partner of Accor in China, where it owns the master franchise for Mercure, ibis and ibis style.

The group is now entering Europe with the purchase of an historical player, willing to develop its portfolio on the Old Continent. Hilton Worldwide reaches the 4th place of the ranking despite a strong organic growth of 58,271 rooms (+6.4%), 6,055 properties. IHG posted a strong growth too with +45,648 rooms comparing to 2018 (+5.4%). Wyndham Hotel Group developed its portfolio of 21,092 rooms (+2,6%) and the French Accor, gained 23,515 rooms (+3.3%). Choice Hotels grew by + 3.8% worldwide with +21,789 more rooms in its portfolio. Last position of the top 10, the Chinese BTH Hotels with +6,396 rooms (+1.8%)[12].

Marriott and Starwood launched the wedding season followed by Jin Jiang with Louvre Hotels Group and Radisson Hotel Group, Accor with Mövenpick, Fairmont Raffles, Mantis, and others, IHG with Regent and Six Senses, Wyndham with La Quinta, Minor Hotels with NH, Best Western with Sweden Hotels and World Hotels To mention just a few, they all celebrated new unions.

Youth hostels and YMCAs, for example, are not necessarily attempting to make a profit, but merely to cover their operating costs, while it is increasingly common, as noted earlier, to find educational institutions such as universities and schools hiring out their student accommodation to tourists outside the academic terms, in order to make some contribution to the running costs of the institutions. One result of this has been a marked increase in the quality of student accommodation, with en suite bathrooms now the norm in new buildings. Other forms of tourism that by their nature embrace accommodation would include privately hired yachts or bookings on a cruise ship. Operators in some countries provide coaches that include sleeping berths, while in others packages are available using specially chartered trains that serve as the travellers’ hotel throughout the trip

[12] https://hospitality-on.com/en/ouvertures/2020-worldwide-hotel-groups-ranking

Independent travellers can also book sleeping accommodation on rail services in many popular tourist destinations. To what extent should all these services be counted as elements of the commercial accommodation available to tourists?

Certainly, any study of tourism must take account of these overnight alternatives and the expansion or contraction in demand for sleeping arrangements that compete with the traditional accommodation sector. The rapid rise in cruise holidays over the past few years, to take one instance, will have affected demand for more traditional forms of holiday in which travel and somewhere to stay are the norm. Tourists staying in private accommodation away from their homes – whether with friends and relatives or in second homes owned by themselves or their friends – are still engaging in tourism and will almost certainly be contributing to tourist spend in the region as they will tend to use local commercial transport, restaurants and entertainment.

Their spend must therefore be included in tourism statistics for the region. Apart from the economic benefits of such tourists at the destination, there are frequently commercial transactions in the home country associated with their trips. Tour operators and budget airlines sell flights to airports near second homes (indeed, the expanding ownership of second homes among Britons in France, Italy and Spain has been a big contributing factor to the strength of the budget carriers) and many tourists will hire cars during the period of their stay, for which, in some cases, payment will be made through agents in the home country before departure Whereas hotels are often viewed as the main providers of tourist accommodation, in developed countries they often only account for a third of the total tourist accommodation used by European residents on holiday, demonstrated .

The World Tourism Organization estimated that there were 11.3 million hotel, motel and other international tourist accommodation rooms world wide in 1991, and the world's inventory of rooms increased by an average annual rate of 2.5 per cent between 1987 and 1991 .

However, whereas the actual number of rooms world-wide have been increasing, the levels of occupancy and room rates (relative to inflationary trends) have been decreasing . Part of the reason for the fall in average room rates may be attributed to the bargaining power of the large tour operators as they become increasingly important movers of large numbers. But the effects of world economic recession and other external forces must also be taken into account. In recent times it has been the objective of the major hotel groups to grow even bigger.

Brian Langton, Chief Executive of Holiday Inn World-wide said that 'Hotel companies must be like sharks, they have to move forward to survive. For the big the future is rosy'.

Serviced accommodation

Serviced accommodation, which includes hotels, motels, inns and guest houses, tends to cater for specific markets; for example, city centre hotels for businessmen and conferences, hotels for coach groups, hotels for different social and income sectors. But not all markets are necessarily specific to a location. Businessmen hold conferences in country and seaside hotels, coach groups are accommodated in industrial towns, and city hotels as well as hotels in distinctive tourist areas. Airport hotels have become important in catering for the air traveller, but often because of their strategic location attract business meetings and conferences. Pressures to maximize occupancy have encouraged city hotels in locations not necessarily immediately recognized as tourist destinations, into manufacturing 'weekend break' offers to the second holiday market.

The growth of independent car touring has led to many special offers for the motorist who is touring or planning a short break during low-occupancy periods. Seaside resort hotels have learned to become flexible about arrival days and lengths of stay as the market has rapidly changed from the rigid weekend start and the one-week or two-week holiday allowance of the earlier industrial era.

Youth hostels have played a very important role in developing and supporting the youth travel and adventure holiday markets. The members of the European Federation of Youth Hostel Associations operate some 1500 youth hostels offering 150 000 beds every night and account for some 15 million bed nights each year. In recent years, universities and educational establishments have entered the market. They only cater to young people during term time, but actually design their student accommodation to be suitable for the adult conference and course markets in the vacation periods. They utilize their built-in recreation facilities to offer sports holidays and many other special-interest products.

In Europe, as agriculture has continued to play a less important role in the economy of the countryside, farm tourism has become popular as a means to diversify and supplement farm incomes, giving an immediate financial injection into under-utilized accommodation and labour resources. Holiday travellers are much more likely to use guest houses, holiday apartments and a variety of self-catering accommodation, which is why in a growing market, hotel groups have been investing in budget accommodation that provides only low levels of catering service, but simple well equipped bedrooms at very competitive prices. Serviced accommodation is also provided by cruise ships and this is dealt with under shipping in the transport section. The trends given in Table 8.18, reported by Eurostat, indicate a slowing down or contraction in Europe, but some countries, especially in emerging markets, are buoyant. Future development of international accommodation may be limited in certain cities and regions, except in the budget sector, due to high costs of city centre sites and rationing of capital.

Many hotels are situated in the middle of high-value land and may well be converted to other uses that generate a better return on capital. Self-service accommodation There are many varieties of self-service accommodation which includes self service holiday camps, static caravan centres, caravans owned by caravanners themselves, and campsites. Center Parcs is an example of ‘added value’ self-catering, where a permanent semi-tropical climate is provided within a transparent dome and sports activities are available to visitors year round while they are staying in their own self-catering chalets. An extension of this ‘added value’ is being

7.4. Catering establishments

There are several forms in which the suppliers of travel services direct to the consumer fulfil an important role, from theatre ticket agents to the foreign exchange bureau, and in this context the banks have made several attempts to enter the market as sellers of holidays, associated insurance services and foreign exchange. Hospitality Industry is basically divided into three major categories. They are:

1. Commercial catering
2. Transport catering
3. Welfare catering

Commercial catering:

Commercial catering involves catering for profit and customer satisfaction. Customer satisfaction cannot be given priority over profit as the existence of a commercial establishment is possible provided the company has enough money to sustain itself and its staff.

Conversely customer satisfaction cannot be neglected as the backbone of any business is its customer. For retention of customer it is imperative that the customer has to be satisfied and happy with the services. The different establishments which come under the category of commercial catering can be broadly categorized into two types. They are:

1. Residential,
2. Non Residential

Residential:-

1. Hotels
2. Motels
3. Resorts
4. Floatels
5. Guest houses
6. Lodges
7. Circuit houses

Non Residential:-

These are business premises that provide the facility of only food & beverage but no accommodation. The establishments which come under this category are:

1. Restaurant
2. Bar
3. Fast food outlets
4. Discotheque
5. Pastry shops
6. Vendors

TRANSPORT CATERING:

Transport catering refers to catering done in the various modes of transport systems like railways, sea and air etc.

Railway catering: Railway catering in India started in the 19th century and has grown throughout the length and breadth of the subcontinent. People travelling long distances in trains require refreshments and hence canteen and stalls were provided on the large stations. The train would halt for required amount of time to allow passengers to avail of these facilities. The railway hawkers would cater to the economically poorer sections. Later the railway set up railway hotels attached to the railway stations to take care of the need of the people.

Marine catering: Marine catering includes catering for passengers as well as the crew on board. The modern day luxury cruise liners have very high standard and equipped with facilities like, restaurants, ball room, discotheque, casino, swimming pool, golf course, laundry etc. all on board. On luxury liners service reaches the highest standard. Apart from the different meals served in the most professional way social activities like parties, dance etc. are also organized.

Events like birthday parties, anniversaries etc. are also celebrated to provide entertainment and create good will. The menus served are exclusive and quite elaborate to provide ample amount of choice. Airline catering: Since no cooking facility is available in the aircraft all prepared food has to be carried before the flight takes off. Because of limitations of space and storage facility the pantries are specifically designed and equipped for holding and reheating the food. Today airline catering has become much more sophisticated and airlines are taking more care to plan more appetizing and varied menu.

Civil aviation progressed very rapidly after the second world war when large war supply air craft were available for disposal. From 1946 onwards commercial airlines started food service. Initially in-flight services were limited and only light meals and dry snacks were being served. This system continued till airlines started to make international journeys. This made it necessary to serve more substantial meals which resulted in the development of flight Kitchens which met the demand.

WELFARE CATERING:

This type of catering involves catering without the motive of profit. Although loss is not objective either. It is generally done out of compulsion or obligation, or a part of legal requirement or charity. Welfare catering is carried out basically in three different type of establishments. They are:

1. Industrial catering
2. Institutional catering
3. Service catering

A significant amount of tourism is generated by clubs and organizations either for the simple pleasure of visiting interesting places, or because the group has a serious interest in a particular subject. The ‘group travel organizer’ quite often in a completely non-commercial role has become an important catalyst in the organization of group visits to attractions and entertainment, as well as an organizer of overseas visits and holidays.

In addition, there are those that supply specialist services to the trade itself, most particularly the ‘incoming tour handling agent’ who will organize all the land arrangements for the overseas tour operator at the destination. Even within this area there are those that will specialize in Tourism trades handling incentive travel groups and, for example, will only handle visiting youth bands and choirs or visiting sports groups. A further group of specialists are the professional conference organizers, who will process the conference and hotel reservations of delegates arriving individually from many different countries, and organize their pre- and post-conference tour program.

Food and catering

While many people will claim that one of the pleasures of travelling is the opportunity to seek out and taste new types of food, the reality, certainly for the mass market and the popular destinations, is that most people after short while seek the security of their own familiar types of food.

The Spanish resorts are full of restaurants that serve dishes and drinks that are part of the everyday diets of the German, British and Scandinavian tourists who represent their largest markets. Japanese visitors to Europe are certainly unused to the Western way of eating, and for some the Chinese restaurant is not an especially good substitute.

However, food is rapidly becoming ‘international’. The rapid spread of McDonald’s and its ubiquitous hamburger, and the chicken, pizza and pancake chains usually franchised by American operators, are examples. The now common ‘coffee shop’ of most international hotels where local dishes are internationalized by the addition of ‘chips’ or European-style bread products, ensure that the menu is acceptable to the large majority of their customers

7.5. Guides, tour companies and their functions

The special characteristics of the tourism product have led to specific forms of distribution. The tourism product is one where no transfer of ownership takes place and service is simply rented or consumed.

However, prior to consumption the tourism product has to be both available and accessible. This requires a distribution system – or choice of a marketing channel. A distribution system is the mix of channels used to gain access, or means by which a tourism service is made available to the potential buyers of the product. These are through physical agents or increasingly as part of the use of Internet or mobile phone technology where travellers use a Do-It

Yourself approach to arranging travel. The following aspects of tourism distribution should be noted:

● There is no actual product being distributed. There are only clues given through persuasive communication about the product.

● Tourism normally involves the episode of a purchase act related to decisions over travel to a destination, the stay and return. As such the nature of travel distribution is related to entering into the production as well as consumption of the product. Therefore, the method of selling and environment within which the purchase is made becomes part of the overall tourism experience.

Major amounts of money are allocated by the industry to the production and printing of literature as well as to its delivery direct to the customer or to the retail travel agent. Brochures and leaflets are produced in large quantities, and often the distribution cost involves an amount for warehousing and the planned despatch of packs of brochures via different modes of transport.

● Distribution of overseas holidays in the United Kingdom is now a balance of web-based services and travel agents who sell a homogeneous set of choices. These agents have important power and control over the companies that sell the products (principals). Agents decide on the brochures to display on their racks and the companies they will recommend to consumers. However, airline bookings are progressively being switched to Internet-based direct systems

There is continuing development of CRSs (computer reservation systems) or GDSs (global distribution systems) These offer an agent instant access to airline bookings as well as the major hotel groups, car hire and cruise lines. Such systems, utilising the Internet, allow agents to tailor holidays to suit individual client requirements and the consumer to make their own arrangements, and this is leading to increases in direct bookings. The CRSs have been led by developments from the principal airlines, with historically Galileo dominating the United Kingdom and being strong in both Europe and the United States, Amadeus being predominately strong in Europe, Sabre dominating in the United States, and, finally, Travelport, which in 2007 combined Apollo, World span and Galileo and as a group has helped develop innovations for many reservation systems (see below).

● Sabre – founded in the 1960s by American Airlines and in 1996 Sabre became a separate legal entity of AMR (parent company of American Airlines). It has been involved in a lot of Intermelled development of booking sites. More recently it has sold off lastminute.com and Travelocity but has expanded into Asia by acquiring Abacus in 2015.

Sabre Global Distribution System is used by travel agencies around the world to search, price, book and ticket travel services provided by airlines, hotels, car rental companies, rail providers and tour operators.

● Travelport grew out of Worldspan, which was founded in 1990, and previously owned by affiliates of Delta, Northwest and TWA. Worldspan was sold to a consortium including Travelport in 2007.

Worldspan helped launch the Orbitz site in 2001, which was previously a US airline alliance-led Internet site set up to counteract the successful trends in disintermediation by companies such as Travelocity, which was taking increasing revenue in commission charges and kept valuable customer data for its own purposes. Prior to this, Worldspan agreed to provide the booking engines in 1995 for Microsoft's Expedia.com and in 1998 for Priceline.com. The Expedia group made acquisitions in 2015 by acquiring Orbitz and Travelocity and is now a key player in the GDS arena. Meanwhile, in Europe, the Amadeus group is also owned by buy-out groups. In addition, there are several minor GDSs around the world that serve smaller regional markets or countries.

The development of electronic distribution systems has strengthened the major players as the cost and adoption implications provide a barrier to entry. The current systems have standardized the channel for bookings to such an extent that small or medium-sized organizations will find it almost impossible to develop agency channel alternatives.

This has implications for loss of control for smaller companies and therefore requires safeguards to ensure the owners of reservations systems do not manipulate the display or bookings procedure to favour preferred brands or those companies that can pay for prime display. In order to compete even those low cost carriers such as easyJet and Ryanair that have their own reservation systems realize some of the benefits of the major booking systems. Low-cost airlines are now realizing they need to utilize these major GDS systems in order to obtain an increase in business travel bookings.

In the United Kingdom in 2015 access was available to a wide network of around 3,800 distribution outlets related to 1,200 members of the Association of British Travel Agents. However, given the costs of running an agency and more self-bookings these have declined in number each year. The need for travel agents first arose in the 1950s due to the rapidly expanding operations of airline/ferry businesses. Transport providers required a means of distribution for their products that was more cost-effective than establishing individual networks of booking offices around the country. The subsequent development of travel agents was a direct result of the increasing consumer demand for inclusive tours from holidaymakers who were largely unsophisticated travellers, and therefore looked to 'experts' to facilitate the process.

These agents charge commission on the sales they make and they need to hold a stock of different companies' brochures or sales literature. The travel retail agent sells a product that is both intangible and perishable and this is very different from some of the more traditional types of retail business. The bookings made for travel abroad, from the United Kingdom, may be organized through either high street travel agents and their web pages for holidays; or by specialist business travel agents for business travel. For many early travellers, a foreign holiday was an opportunity to emulate grand lifestyles through the services of a travel agent.

However, changes in education, economic, social and experiential trends are leading to new ways of purchasing. the trends emanating from new distribution pressures which are now taking place in this once traditional retail arena. The Internet and more recently mobile phones have many implications for all areas of business and every sector of society. Its effect can be seen already in the precarious balance of travel distribution.

Disintermediation does not appear to be lessening the travel industry's complicated distribution network, if anything it is adding to it. E Tour operators Leisure travellers often purchase 'packages', consisting of charter flights and accommodation, arranged by tour operators. Tour operators tend to pre-book these products and distribute them through brochures displayed in travel agencies.

Hence, until recently in northern European countries, where tour operators dominate the leisure market, airline and hotel CRSs were rarely utilized for leisure travel. In the early 1980s, tour operators realized the benefits of ICTs in organizing, promoting, distributing and coordinating their packages. The Thomson Open-line e Tourism and Programme (TOP) was the first real-time computer-based central reservation office in 1976. It introduced direct communication with travel agencies in 1982, and announced that reservations for Thomson Holidays would only be accepted through TOP in 1986.

This move was the critical point for altering the communication processes between tour operators and travel agencies. Gradually, all major tour operators developed or acquired databases and established electronic links with travel agencies, aiming to reduce their information handling costs and increase the speed of information transfer and retrieval. This improved their productivity and capacity management whilst enhancing their services to agencies and consumers. Tour operators also utilized their CRSs for market intelligence, in order to adjust their supply to demand fluctuations, as well as to monitor the booking progress and productivity of travel agencies.

Tour operators have been reluctant to focus on ICTs through their strategic planning. Few realize the major transformation of the marketplace, while the majority regard ICTs exclusively as a facilitator of their current operations, and as a tool to reduce their costs.

However, several tour operators in Germany, Scandinavia and the United Kingdom have moved towards electronic distribution, enabling them to concentrate on niche markets by:

- offering customised packages;
- updating their brochures regularly;
- saving the 10–20% commission and reducing the costs of incentives, bonus and educational trips for travel agencies; and
- saving the cost of developing, printing, storing and distributing conventional brochures – estimated to be approximately £20 per booking. Strategically Internet developments and dynamic packaging threatens the dominance of tour operators. Although a partial disintermediation seems inevitable, there will always be sufficient market share for tour operators who can add value to the tourism product and deliver innovative, personalised and competitive holiday packages. As ICTs will determine the future competitiveness of the industry, the distribution channel leadership and power of tour operators may be challenged should other channel members or newcomers utilise ICTs effectively to package and distribute either unique or cheaper tourism products.

However, many key players including TUI have started disintegrating their packages and selling individual components directly to the consumers. In this sense they will be able to re-intermediate, by offering their vast networks of suppliers through their channels. Innovative tour operators use the Internet extensively to promote their products and to attract direct customers. They also use the internet to de-compose their packages and sell individual products.

Thomson, for example, has developed a comprehensive online strategy to provide media-rich information on its website. The company supports podcasting, videocasting and has also integrated Goggle Earth geographical information data on its website. It also distributes branded content on a wide range of Internet sites such as YouTube to attract consumers to its website and to encourage them to book. It is evident therefore that tour operators that use technology innovatively will be able to provide value to their clientele and safeguard their position in the marketplace.

Questions and discussion points

1. How has the Internet changed the role of each player in the tourism industry?
2. What are the key factors that influence the adoption of ICTs in the tourism industry?
3. What is disintermediation and re-intermediation in tourism?
4. How do airlines change their business functions as a result of the Internet?
5. How can tourism organizations maximize their online representation?
6. What is the influence of social media?
7. How is the proliferation of mobile devices affecting tourism?
8. What are the Internet-related challenges for managing tourism brands?

UNIT 8: TOURISM POLICY AND FUTURE TOURISM EXPECTATIONS

8.1. Additional services in tourism.
8.2. Enterprises providing additional services in tourism.
8.3. Visa services and their provision.
8.4. Insurance companies in tourism.
8.5. Organization of mass events in tourism.

8.1. Additional services in tourism

Ancillary services refer to all the 'extras' that tourists may need when going on holiday or on a business trip. Many travel agents offer ancillary services to their customers and make good commission on these products that they sell to them.

For example with travel insurance if your luggage is lost at the airport, the travel insurance would cover that and help and secure you along the way of finding your luggage. For car hire you would need to have a valid drivers licence to drive over in a different country, therefore if you was going somewhere, where you would need to travel to far distance places a car hire would be reasonable and useful, then you would have to pay for the insurance on that car, to use it abroad. Some examples of of ancillary services are car hire which can be booked by Hertz organisations, theatre ticket bookings which can be booked online through ticket master and travel insurance which can be booked by Marks and Spencer travel insurance or can also be bought directly through the travel agents.

These include:

1.) Travel insurance
2.) Foreign exchange
3.) Car hire
4.) Airport packing
5.) Luggage transportation
6.) Tour guiding
7.) Equipment hire
8.) Luggage

9.) Chauffeur drive services

10.) Passport and visa services

In the modern travel industry, the ancillary services meaning in the context of travel and tourism, refer to the extra value-added on a travel package that customers can book along with their trips. The fundamental purpose of ancillary services travel aims to provide travelers more enjoyment and satisfaction. Accordingly, the online travel agencies OTA are seemingly the leader in the market, which benefits the most from selling ancillary services.

Basically, the ancillary services meanings in the context of business specialize in tangible or intangible products, which are supplement parts added on the customer journey. In the beginning, ancillary services travel and tourism limited in the term of airline ancillary services that the large portions of revenue in this industry came from ancillary activities. In practice, businesses have focused on strategies of the lower ticket price to sell more ancillary in the airports, including airport souvenir shops, luxury products, food and beverage**,** airport hotel, airport transfers, etc.

Currently, offering ancillary services remains a lucrative opportunity despite the fact that it is facing a tremendous risk of uncertainty. In fact, some countries in Europe, in which the majority parts of GDP came from travels, are witnessing the revolution among ancillary services. Expressly, Sweden and Switzerland are two typical examples of benefiting from ancillary services in tourism. In those countries, revenue from ancillary services is accounted for 50% of the total from the airline industry.

Take a significant economic downturn in 2008 as an example since many financial empires fell down, people did not spend their money on travel and hospitality**,** leading to the collapsing of most ancillary businesses. Similarly, in 2020, COVID19 had knockdown the travel and tourism industry, the ancillary services in tourism also fall into the red. We had witnessed a series of central airports in America being empty for several months. Fortunately, the demand for travel and tourism is predicted to restore shortly in 2021.

Obviously, the ancillary services of travel and tourism consist of a diverse ecosystem with tons of different businesses. In this article, we would mention some ancillary services examples travel tourism, that we believe would be significantly developed.

- **Car rental:** Car hire might not be a novel business model in the market that took place many years ago. As a typical representative of ancillary services in tourism, users could handily hire a car locally by coming to the office of car rental services. In many places that have a high cost of transportation, car rental was seemingly booming as cost-saving and convenience services. However, along with the development of technology, tradigital car hire services are no longer survive. Instead, the car rental platform tends to become the norm in the market since the sharing economy dominates the whole business. In fact, the demand for developing a custom car rental marketplace or travel portal development for car hire has seen a dramatic increase of 80% these years. Whereby Europe and America are believed to be the dominant markets.
- **Direct transfer services:** If you are struggling with dozens of baggage you want to bring during travel, direct transfer services might be the life-saving solution. Many transfer businesses offer direct transfers for travel luggage from customers' homes to their hotel. Accordingly, travelers could enjoy their journey without carrying a heavy load. In fact, when many airlines charge much amount for overweight bags, direct transfer services tend to be money-savers and convenient at the same time.
- **Travel insurances:** Travelling abroad had been a big problem in the last decade that it requires travel insurance for each passenger. Especially in Europe, where the strict regulation has imposed on travelers, going to the office to buy travel insurance might be annoying. Hence, most insurance brands have transferred their business to online. Customers currently prefer to buy lenience on the website, place a payment, and get certificate confirmation by email.
- **Online tour operators:** in practice, this type of ancillary services commonly offers locally. It means, based on conditions of tourist attraction, customers could be suggested custom tours, which can be pre-booked by tour operator system. Accordingly, theme parks, theater, and concerts are three popular ancillary services travel.

Ancillary services in tourism: A beneficial sectors for company.

In the beginning, ancillary services in tourism might not be taken seriously as a minor part of the travel booking package. At this time, ancillary services were an add-on option, wrapped into huge packages. It means ancillary services providers had to lean on other services to survive instead of independent models. In the past, travel by air was significantly expensive, which seemingly served the wealthy class. Currently, along with the revolution of ancillary services overtime, the concept of budget airline allows airline brands to lowers their ticket price. Customers could book the ticket with the low started price and pay for extra options if they want. Not limited from the fairs, ancillary services are broadening the horizon of the whole travel and tourism business by the stunning benefit it provides:

- Cutting down the travel budget then boost the travel demand
- Allowing better travel planning experience by allowing pre-departure planning tools
- Offering custom travel experience tailored to each passenger
- Better customer relationship management by an automated system and data collection online

Travel software development meaning in ancillary services.

Besides capturing benefits from selling products or services, businesses have more profit models than that. Expressly, online businesses are not only selling their own products that they also offer a virtual store for hire, make money from loyalty program or cross-advertising. Instead of limited production capacity, online ancillary services could cut down the cost of operation and labor cost by leveraging software solutions. We, as a software outsourcing company, have done several projects for ancillary businesses in adopting their custom mobile app or web application development. Accordingly, from our perspective, it would be four ways of making benefit by delivering online ancillary services:

1. Revenue from selling products or services: it is the fundamental profit model that ancillary businesses would directly offer

their product to customers and get a profit margin. In this model, brand offices for services and payment gateway for the online platform are required in capturing customer’s demand. The typical example of trading ancillary services tends to be airport services, online travel market, and luggage transport.

2. Revenue from providing platform or marketplace to several ancillary service providers: the booming of sharing economy and term of travel saving are two fundamentals of this model. In which the key players could be airline or hotel booking platforms like Airbnb, Booking.com, and Kayak.com. Those businesses built a marketplace where providers could approach their customers. They charge 1-5% value of transactions as permission for the platform. With massive transactions daily, it is believed to be a lucrative area.

3. Revenue from offering advertising opportunities: Some of the online platforms only focus on providing information like TripAdvisor or other review platforms, which do not direct selling ancillary services. Instead, they allow customers to write about those services. Massive visitors on the platform nurture potentials for advertisers to book ad places.

4. Revenue from selling subscription plan: If you hate advertising and want to browse without disruptions, you can pay a mall fee to the platform to ad-free users. A separate category of guide is the driver who is also a guide. These are professional guides who operate on a freelance basis, taking up to four individuals on tour in their own vehicles. The close personal relationship that is built up on these tours between guide and clients is valued on both sides. This form of tailor-made package is popular with wealthier visitors to the UK.

The role of the animateur.

The term animateur is now becoming more widely known within the tourism industry. It applies to those members of the industry who entertain tourists, either by acting out a role or providing entertainment or instruction. The English term ‘entertainer’ is not strictly comparable as this tends to be defined with either a stage role or street entertainers, who are typically jugglers, acrobats, fire-eaters or, increasingly popular in leading resorts, ‘living sculptures’. The French term, however, relates to those whose task it is to interact with tourists in a broad range of roles that will enhance the destination or attraction where they work. It applies to the British role of the Butlin's holiday camp redcoat and to the US camp counsellor, as well as the compère on stage on a cruise ship. Other tasks include instructing tourists in sports or hobbies (ski instructors, surfing instructors), lecturing to cruise passengers or teaching them how to play bridge or other card games. Resort representatives are often expected to take on the role of animateurs when they form part of the evening's entertainment on stage at European camp sites. In Disney's theme parks there are a variety of animateur roles, the best-known of which is Mickey Mouse, but a host of other Disney characters are to be found on site, such as Alice in Wonderland, Snow White and even the Chipmunks. These workers normally have no speaking role and are there to make friends with younger visitors, posing for photographs and so on. Elsewhere, you might find animateurs dressed as historical figures at a heritage site.

In conclusion, ancillary services in tourism are predicted to stand in a central position in the picture of travel and hospitality development. The future market would be hitting up by competitors and players that you should keep an eye on trends to hold the opportunities.

8.2. Enterprises providing additional services in tourism. Globalisation and integration.

Globalization is one of the major trends in the international tourism industry and involves a convergence in tastes, preferences and products. The global firm is one that capitalises on this trend and produces standardised products contributing to the homogenisation of the world tourism market. Essentially this means an increase in worldwide business between multi-national corporations irrespective of the geographical location and can lead to the virtual firm as a transport operator. The truly global carrier, as some have predicted, has not really emerged, in part due to wishes by governments and other trading blocs to retain national sovereignty as vested in their national carriers and enforced by the regulatory environment.

However, there has been a further consolidation of strategic and marketing alliances and an integration of services and operations as an alternative approach to gain some influence over, access to and feeder traffic from regions that an airline would not otherwise have. Airlines are forging strategic alliances to both increase their market reach and control costs.

Motivating factors include:

● the maturity of domestic traffic;

● the competition for terminal space and slots;

● the need for extensive networks worldwide;

● the necessity for economies of scale in airline operation;

● the control of the new distribution channels (CRS); and

● the gradual deregulation in world transportation. There are many examples of the globalisation of airlines.

For example British Airways:

● had franchise operations such as with British Mediterranean Airways;

● in 1992 bought a stake in US Air, which it decided to sell in 1996, but after several failed attempts over 10 years established a transatlantic alliance with American Airlines in 2010;

● had joint business venture with Qantas from 1995–2013;

● merged with Iberia in 2010;

● is a major player in the Oneworld Alliance and has codeshare agreements with alliance and some non-alliance carriers. Other alliances include the Star Alliance, which at its inception in 1997 comprised the founder members Thai, Air Canada, United, Lufthansa and SAS, and in 2009 had 23 members, and SkyTeam with nine members. Objectives include:

● integrate products and connecting services;

● offer common check-in and reservation services;

● share airport lounge services; and

● share marketing, communications and rewards services. The trend towards globalisation has been seen in respect of numerous attempts to merge. To date, few attempts have been successful, especially in the European context due to great pride in government ownership and national sovereignty. There have been notable examples of bankruptcy in the early 2000s in the form of Sabena, the

Belgian flag carrier, and Swissair, which later re-emerged as Swiss International Airlines. In 2004 the merger of Air France and KLM was finally approved by the competition regulators in Brussels and Washington and, as stated above, British Airways and Iberia in 2010. Whilst the European market is displaying the economic pressures that produce a more concentrated industry that has been a key feature of US deregulation, the political pressures will prevent it becoming as concentrated as the United States.

8.3. Visa services and their provision

There are several different kinds of visas required when doing different things in a country outside of your own country of citizenship. Travel, work and business are the most common reasons to have to apply for a visa. Each country has different requirements and different processes for different people when they apply for a visa--or even different rules about whether a visa application is needed at all.

Tourist Visa/Visitors Visa

Tourist visas are visas required by the host country to allow people to enter the country for visiting purposes. Regulations vary from country to country. Some will only grant a maximum 10-day stay with a long visa application process, while other countries have allotted Americans somewhere between a 30- and 90-day automatic visitor’s visa upon entry. Rules and regulations for a visitor’s visa can be found on the host country's embassy website or on the U.S. State Department website.

Business Visa

A business visa is required for those planning on conducting business in the host country. This is not like a work visa. Business visas generally refer to a person coming into the country working for another company that is not located in the host country. This is useful for businessmen who are traveling for meetings in regard to negotiations, sales or research. Most countries will offer a business visa for entry into the host country that is similar to the length of time of a visitor’s visa. Make sure to check. Some counties still require

Americans to go through an application process. Once again, check with the host country's embassy website or the U.S. State Department website for further requirements.

Work Visa/Employment Visa

A work visa is issued by the host country in order to allow the visitor to work legally in the host country. The process is different for all countries, but the visa application process can take anywhere from 10 days to three months. Normal requirements are a valid passport (generally with at least one year left before expiration), additional passport photos, application, job contract/letter of intent and criminal background affidavit. Generally, applications must be filed in person at the local consulate or embassy. Also, most countries require that you not be currently in the host country while applying for a work visa. Exceptions for Americans include most EU counties, which will allow you to file for a work visa while in the country.

Transit Visa

A transit visa is required by some countries that emphasize political security. The largest nations that require transit visas for Americans are Russia and China. Transit visas are required when you are landing in a country, and will be valid for a specified time period before you must leave. The stay must be primarily a waiting period for another plane, or to transfer to a train, bus or car. These transit visas generally are only good for three days, but this can be expanded depending on the method of travel you are using to leave the country. For example, Russia will expand the visa to 10 days if you are driving a long distance before you leave the country.

Single- and Double-Entry Visas

Single- and double-entry visas are types of visas that fall into all of the above categories. For example, you can have a work visa that is a single-entry, or a transit visa that is a double-entry. A single-entry means you can enter the country once, and a double-entry means you can enter the country twice. Generally, the application process is the same, but the application processing fee for double-entry visas are higher.

8.4. Insurance companies in tourism[13]

Insurance.

Insurance is an important, very often obligatory, aspect of a tourist's travel arrangements, embracing coverage for one or more of the following contingencies: l medical care and hospitalization (and, where necessary, repatriation – important where hospital services are of a low standard) l personal accident l cancellation or curtailment of holiday l delayed departure l baggage loss or delay l money loss l personal liability.

Some policies now also include coverage for the collapse of the travel agent or tour operator through which the tour was purchased – an increasingly important option in view of the growing instability in the industry, although bonded tours should be refundable in the event of a cancellation. The growth of budget airlines and their not infrequent demise point to the importance of adequate insurance, as scheduled air travel, apart from that in a package tour, is not currently protected by bonding.

The inclusion of Airline Failure Insurance (AFI) is now commonly also offered to travellers when booking flights online. Tourists may purchase insurance either in the form of a selective policy, covering one or more of the above items, or, more commonly, in the form of a standard 'package', which will include all or most of the above. The latter policy, although inflexible in its coverage, invariably offers the best value if comprehensive coverage is sought. Although most tour operators encourage their clients to buy their company's comprehensive policies, they are often more expensive than a comprehensive policy arranged by an independent insurance company. Travel agents may offer better-value insurance policies than those of an operator, but they, too, may be biased in favour of schemes paying them higher levels of commission. It is no longer legal to force clients to purchase a particular policy, although operators can demand evidence that customers are insured.

Free insurance has become an attractive incentive in marketing package tours. Other retailers are now competing with travel agents to

[13] How insurance works in tourism Cipriana SAVA Dana-Mihaela IORDAN, 2012. Multidisciplinary research journal

sell travel insurance, including supermarkets, banks and high street shops, such as Marks & Spencer, while cut-price annual policies are marketed direct by insurance agents, so travel agents are faced with a very competitive environment in which to sell their products notwithstanding the attractive commissions paid The emergence of insurances is related to the need for people to help each other in the event of ever-increasing damage, while that of reinsurances is for those managing insurance funds and activities to help each other.

In other words, it is about taking over damages by several service providers. Due to the accuracy, the uncertainty, but also the responsibilities that insurers of goods, services and civil liability face every step of the way, the experience and the current practice have been imposed the necessity of regulating the relations between natural and legal bodies taking part in the insurance process, as insured persons and as insurers. Knowing the meaning of terms such as: insurer, insured, insurance contract, beneficiary, insured risk, insurance value, duration of insurance, etc., the provisions of the legal acts regulating the insurance of goods, services and civil liability can be correctly understood and applied. By corroborating the current economic practice, the insurance science and the law focus on the meanings of some common and essential categories. The insurance is based on a willpower agreement between a natural or legal person as an insured person and a legal person as an insurer, whereby the insured gives the insurer a risk or a class of risks for which he/she obtains the protection of the insurer. For this protection, the insured pays the insurer a sum of money, called insurance premium, the insurer compensating the insured in case of damages.

CATEGORIES AND CLASSES OF INSURANCES

The proper insurance, in the simplest, classic way, but also the most commonly encountered in practice, consists of the financial protection for losses caused by a wide range of risks. The insurance is based on an agreement signed between an insurance policy holder and an insurer. This contract binds the insurer to protect the insured against the risks he has assumed, obliging himself to cover the insured the equivalent amount of the damages (i.e. the sum insured in the case of life insurance) if these events occur, on payment of a sum of money by the insured, called the "insurance premium". By paying the insurer the insurance premium, calculated by applying a small percentage to the insurable amount, the insured receives in return the indemnification guarantee against the possible and future loss for any of the risks included in the insurance conditions.

The main types of insurance are: -

Life insurance, annuities and additional life insurance;

- Accident insurance;
- Health insurance;
- Transportation insurance (other than railway);
- Aviation insurance;
- Sea, lake and river transportation insurance;
- Goods in transit insurance;
- Fire and other natural disasters insurance;
- Property insurance;
- Civil Liability Insurance for Air Transport;
- Civil liability insurance for sea, lake and river transport;
- General civil liability insurance;
- Credit insurance;
- Financial loss insurance;
- Legal protection insurance;
- Assistance insurance for persons in difficulty during trips or absences from home or from permanent residence;
- Cancellation insurance;
- Flight delay insurance;
- Travel insurance

TYPES OF TRAVEL INSURANCE

Travel agencies as legal bodies benefit from a range of services provided by insurance companies. Thus, in the tourism industry there are compulsory and voluntary insurances. Travel insurances are classified as follows:

- insuring tourists (health) and their goods:
- insuring risks for travel agencies;
- insuring tourists for travel abroad (outgoing);
- insuring foreign tourists (incoming);
- insuring civil liability (liability, third party); - insuring civil liability for the owners of means of transport; - insurance against

unforeseen circumstances (in case of injury) (accident) and payment of medical services.

Insurances include financial risks related to the claims of tourists, relatives or third parties. The list of financial risks includes:

- commercial risks (non-payment or late payment, financial penalties imposed on the travel agency if the partner does not recognize the force majeure situation);
- bankruptcy of the travel agency;
- -the change of customs legislation, customs control and other customs formalities;
- -the occurrence of force majeure situations.

The travel insurance policy for tourists travelling abroad includes:

- granting medical first aid to the tourist during the journey, in case of accident or illness;
- transporting the tourist to the nearest hospital, where it is possible to obtain adequate medical treatment;
- transporting the tourist to the country of residence under proper control;
- medical assistance in the hospital and informing the patient's family;
- providing the necessary medicine if it cannot be obtained at the stationary point;
- consultancy services from the specialist doctor (if necessary);
- payment for the transportation of the patient or their corpse to the country of residence;
- repatriation in case of death;
- providing the necessary legal assistance in case of settlement of disputes abroad.

Upon conclusion of the insurance policy contract, the amount of insurance depends on the country to be visited and is calculated according to the coverage of the minimum expenses. The civil liability insurance (green card) for means of transport is used by tourists when travelling with their own car to a tourist destination. This type of insurance provides for cases where the object of the insurance is liable for the third party and the expenses borne by the third party are paid out of the insurance company's financial resources. Insurance for the tourists' refusal of the requested travel provides for full or partial return of the amount indicated in the contract in case of: - illness or death of the tourist, a family member or a relative; - damage to the tourist's material assets as a result of natural disasters or actions by other persons (or other causes stipulated in the contract.).

Personal insurance of tourists Persons who can benefit from insurance services can be both natural persons and legal bodies (tourists and travel agencies). Personal insurance is always related to personality (the individual). As far as the legal person is concerned, the travel agency is entitled to provide insurance for its own employees from its internal financial sources. Insured persons may be persons who have reached the age of majority, while children can be insured through their parents. Every person has the right to defend their property through their insurance. The amount of the insurance is established in accordance with the contract concluded. Insurance payments, in case of situations requiring payment, are made when the event stipulated in the contract coincides with the insurance rules. In the case of travel insurance, the insurance event is usually considered to be death, short-term illness, trauma, etc., that is, unintentional cases that occurred through no fault of the tourist. If the tourist was inebriated at the time of the accident, the payment amount provided by the insurance policy is not paid.

Chronic, infectious, cardiovascular, oncological, dental disease, are not taken into consideration as an event in the personal insurance. The tourist can get an insurance policy from any insurance company that deals with tourists' insurance. Prior to concluding the contract with the insurance company (which can take place through the travel agency), the tourist must know the conditions of the insurance and what are the insurance events are. If the tourist violates the conditions regarding the insurance events, the company is entitled not to pay the insurance amount. By personal insurance of tourists who go abroad, it is usually meant medical insurance, which provides for unexpected illnesses, body trauma incurred by tourists during the trip.

The conditions for the conclusion of the standard medical insurance contract imply that when leaving the country, the tourist is healthy, has no physical impairments and is not affected by chronic diseases. At present, two ways of providing outbound travel insurance are used in the practice of insurance companies: - the first way provides a complex of services abroad; - the second way provides the services complex (return of money) when returning to the country. In the first case, the insurance companies have concluded cooperation agreements with foreign partners regarding the assistance given to tourists if the insurance event occurs.

The insurance companies give information, telephone numbers and the address of the foreign partner insurance companies from abroad who will inform the tourist about what to do; they will call the doctor and confirm the guarantee of the payment. If the insurance company does not have a collaboration contract with the foreign assistant company, then the tourists pay all the medical services on their own. In this case, copies of all payment bills such as the cost of medication, medical consultation, etc. is transmitted to the insurance company that issued the policy in order to return the money upon return of the tourist in the country.

This situation is the second way regarding the complex of insurance. Insurance of tourists' properties Throughout the civilized world, the practice of insuring material assets, travel agencies, tourists and travellers is an important part of tourism. The insurance policy is an inseparable tool for serving tourists, which guarantees comfort and safety. These provide tourists with confidence in the travel agency, credibility in the quality of the purchased tourist product, as well as the preservation of the goods carried.

In the US, for example, there are about 8,000 insurance companies that provide services in the field of property insurance. Insuring tourists' properties includes personal items (cameras, camcorders, clothing, etc.) that the person and their family members carry with them during the journey.

Many tourist agencies ignore the requirements in the event of the occurrence of the insurance event. This is motivated by the fact that the cost of the tourist package is reduced and that cheap tourist prices are practiced.

Civilian relationships between tourists, travel agencies, and insurance companies are stipulated in the insurance contract drawn up by insurance companies in accordance with the rules imposed by the State Insurance State Inspectorate attached to the Ministry of Finance. Regardless of the means of transport we use, whether it's a business trip or a holiday, we are involuntarily subject to risks. In order to minimize these risks, we can study the internet, ask for references from friends, or read reviews of other travellers in the areas we are planning to visit.

However, the risks remain risks, and not to be marked by them, the most convenient is to purchase travel insurance. With a very small amount we can avoid incredible expenses. In the case of holidays, the situation of not covering a risk is all the more unpleasant as we are alone in front of him.

HOW INSURANCES WORK IN TOURISM

As a result of any insured event occurrence, on the basis of the request signed by the Insured, as well as any data regarding the insured risks submitted in writing, subject to strict observance of the conditions, exclusions and clauses established jointly, and on the basis of the payment of the full and anticipated insurance premium, the insurance companies undertake to pay the Insured the indemnity due under the conditions and in the amount stipulated in the Policy.

Throughout the Insurance Policy, the terms below only have the meaning assigned by the following definitions :

1. Travel Agency: legal person authorized under the legal provisions in force in Romania, which organizes, offers and sells tourist packages or their components, including airplane tickets, with which the Insured enters into a Tourist Services Sale Agreement. Insured: the natural person who has signed a contract with the travel agency, a person nominated in the Policy Specification and who signed it. The term "Insured" also includes other potential natural persons who are beneficiaries of the same tourist package and who are included in the Contract concluded with the travel agency, provided that these are mentioned in an annex to the policy (an annex which includes mandatory first name and surname, PIN, address and telephone, as well as the individual cost of the tourist package for each person).

3. Beneficiary: the person entitled to the compensation in case of damage. 4. Pre-existing disease: any disease that has begun and/or has manifested prior to the validity of the Insurance Policy (including chronic illness), being medically established by an authorized medical

institution either prior to the Policy's validity or during the validity of the Policy.

5. Contractor: the person who concludes the insurance contract with the insurance company for and on behalf of another person and undertakes to pay the insurance premium and to comply with its obligations under the policy.

6. Holiday travel package contract: the contract between the Insured and the travel agency that deals with the purchase of a tourist package by the Insured and the issuing of payment documents and travel documents by the travel agency.

7. Damage: the financial damage suffered by the Insured, materialized in the amounts paid to the Travel Agency as a price of the Holiday Travel Package contract and which can no longer be recovered from the Travel Agency in accordance with the withdrawal conditions provided in the situation in which the Insured is obliged to give up travel prior to the start of the Holiday Travel Package due to the occurrence of an insured event.

8. Compensation: the due amount paid by the insurer to the entitled person following the occurrence of the insured event, based on the provisions of the Policy.

9. Insured event: insured risk that has occurred or begins to occur during the period of insurance, causing damage and resulting in the right to compensation, the production of which determines the impossibility of the tourist to take the journey and its cancellation at the insurer's initiative.

8.5. Organization of mass events in tourism

Events have been occurring throughout the world for centuries as man has found ways to celebrate the phases of the moon, through life cycles of birth, marriage and death to historical and cultural celebrations. Modern-day celebrations include New Year’s Eve (Old Father Time), Guy Fawkes (in the United Kingdom), Halloween (the United States) and Christmas Day (in Christian cultures).

However now, this is a country becoming more culturally diverse, with many newcomers bringing both customs and traditions to the country which have now become a part of wider British heritage.

Other celebrations are increasingly appearing within the country, such as Chanukah, Divali, Chinese New Year and Passover. Similarly, festivals and cultural events have spread throughout the world in conjunction with immigration and displacement of peoples as culture has always played a huge part in the rituals and ceremonies that have taken place for centuries.

Changes in society have influenced these events yet many still remain the same. People wish to identify important happenings in their lives through celebration, especially key moments marking rites of passage such as bar mitzvahs, milestone birthday celebrations, marriages and anniversaries.

Celebrations continue to take place both in public and private and even in an age where criticism is levied on people who seem to have 'lost touch with common religious beliefs and social norms of the past, there is still the need for social events to mark the local and domestic details of our lives.

This is even more true for 'the real' interaction obtained at events in an age when virtual reality and augmented reality are growing in popularity .

In the world today events are central to people's culture more than ever and with increases in disposable income and with greater amounts of leisure time being available to many in developed countries since the late 1940s, there has been a surge in events from all spectrums of society.

This includes governments which capitalise on the economic development opportunities, marketing and national pride, through to corporations and businesses which wish to promote image and awareness along with community groups and individuals that organise events for their shared interests, to charities using events on a local, national and global basis to raise not just funds but also awareness for their causes. Birth of the events industry The structure of events and their operation varies across this diverse industry. Each event is a one-off, unique occurrence for the client, therefore being a very important occasion, which rests on the shoulders of the event planner.

The client is known as the 'primary stakeholder' and their wants, needs and budget are all variable and discussed with the event planner. The two will then typically engage in a series of meetings and conversations to organise the event and, from that, a finalised event will emerge.

This event is often set out in a written contract or memorandum of understanding between the parties involved. This works to protect both the client and the event manager, and to rule out any misunderstandings concerning the formalities of the event. These written contracts may vary but will be universal in the underlying structure.

The details of the final contract, including any changes, are then converted into a 'run sheet', detailing the list of occurrences for the event. This is presented in a formal way for the event coordinator or manager to run the event. The run sheet reflects the base contract and is a tabulated version of the plan, in hard copy. Furthermore, the growth in the industry has necessitated some formal type of training and the recognition of career paths within the profession. Typologies of events With the events industry being so large, it therefore requires some form of categorising of events into groups with their own distinct definitions.

According to Van der Wagen and White (2014), the relative size of events and the number of people involved varies from those large worldwide events such as the Olympic Games (i.e. mega events), to major events which are of local interest with large numbers of participants, right down to smaller gatherings at, e.g., community festivals (Jepson and Clarke, 2014). The bigger the event the greater the impact on the economy, especially trade, transport and tourism .

Events are also classified by type, including sporting, special events, entertainment, art and cultural, commercial, marketing and promotional events, and meetings, conventions and exhibitions. Sporting events include those that attract sportsmen and women from the highest levels from all over the world, from the Olympic Games to smaller local sporting competitions and celebrations. According to Allen et al. (2005) major events are classified as attracting significant local interest and large numbers of participants. Special events are classified as being unique and, for the client, 'an opportunity for a leisure, social or cultural experience outside the normal range of choices or beyond everyday experience'.

Special events can range from weddings to festivals, including entertainment, culture and arts, and are usually community events that can attract any number of people from 50 to 500,000. The largest sector within events, other than mega events, is the MICE industry which is fast becoming a very dominant part of the hospitality sector – one which is instrumental in enhancing levels of occupancy in many tourism destinations (Whitfield, 2009).

These destinations may fall victim to severe bed shortages in shoulder tourism periods or excess supply during times of economic downturn as the capacity has been built up to cope with the greatest levels of demand. Getz (1997) uses a simple approach to the classification of event genres, and its narrowness of classification has for a long time been accepted by the events industry as being the most useful model for identification purposes. Another useful classification of types of event genre and descriptions of what each category entails can be found in the table developed by Julia Rutherford Silvers out of the EMBOK (Event Management Body of Knowledge) international global project

This classification is part of the process to develop their on-going EMBOK framework: 'To create a framework of the knowledge and processes used in event management that may be customized to meet the needs of various cultures, governments, education programs, and organizations' (http://www.embok.org/). The EMBOK classification is the most comprehensive framework to date as it includes events used by charities to raise awareness and funds.

However, events can actually belong in more than one classification at the same time. For example, sports events can be fundraising events as well as being classified as sports; incentive meetings can be business and corporate events, as well as meetings and conferences.

Events education Events management education has been through a trajectory of rapid growth over the last 25 years. Growth has been driven by a significant increase in demand for more professional skills to support the growing field of events management practitioners. The increasing presence of events in strategic business plans as well as government initiatives is more common than ever before. Due in part to the onset of integrating technology in everyday lives, planned events allow for people to converge in meaningful ways to achieve common goals such as raised awareness, sales potential, information sharing, education gathering and relationship building.

Each of these activities is facilitated by planned events. Along the way, the needs of the field of event management have dictated that professionalisation in the field is needed in an increasing number of business environments.

Private motoring and holidays After a slow post-war recovery, the standard of living rose steadily in the 1950s and after. Many people could contemplate buying their first car, even if it was second-hand. For the first time, the holiday masses had the freedom to take to the roads with their families in their own private cars and, in Britain, the popular routes between London and the resorts on the south coast were soon clogged, in those pre-motorway days, with weekend traffic. The flexibility that the car offered could not be matched by public transport services and both bus and rail lost the holiday traveller.

1980s, it had risen to some 20 million. Miami Beach typifies the popular North American identikit mass holiday destination. High-rise blocks now tower over the few remaining traditional motels in Florida. (Photo by Chris Holloway.) THEB_C03.qxd 3/6/09 10:38 Page 51This trend led, in turn, to a growth in camping and caravanning holidays. Ownership of private caravans stood at nearly 800,000 by the end of the 1980s (excluding static caravans in parks), while 13 million holidaymakers in the UK took their holidays in a caravan. This development was a cause for some concern, however, as the benefits to a region of private caravan tourism are considerably less than most other forms of tourism (owners can bring most of their own food with them and do not require accommodation). Also, caravans tend to clog the holiday routes in summer. Both mobile and static caravans on site are perceived as something of an eyesore, too.

The switch to private transport led to new forms of accommodation that catered for this form of travel. Britain saw the development of its first motels, modelled on the American pattern, which are the contemporary version of the staging inn for coach passengers. The construction of a new network of motorways and other road improvements made the journeys to more distant resorts manageable for those in centres of population and, in some cases, changed both the nature of the market served and the image of the resort itself. The ever resourceful tour operators met the private car threat to package holidays by devising more flexible packages, such as fly–drive holidays, with the provision of a hire car at the airport on arrival. Hotels, too, spurred on by the need to fill their rooms off-peak, devised their own programmes of short-stay holidays, tailored to the needs of the private motorist. Another effect was that the demand for car rental abroad rose sharply, too, as the overseas holidaymaker was emboldened to move away from the hotel ghettos, so car rental businesses in popular areas profited accordingly.

As a result, specialised offerings in events education have developed in many countries around the world. The options for event management education courses have continued to expand ever since with Leeds Beckett University starting an events degree in 1996 and before that George Washington University (USA) offered an event management certificate. Courses now come in a variety of different credit bearing options such as diplomas, foundation degrees, degrees and masters level. This is a result of a surge in the field of events management coming into its own as a profession, and therefore meeting a need to offer professional qualifications.

Comparatively, specialist skills such as crowd management and health and safety are known to crop up as one-off certificate bearing qualifications applied to them by some institutions and professional organisations.

However, it is the United Kingdom that has probably experienced the most growth in offering credit bearing courses by way of university degrees. Courses continue to crop up across the globe with similar offerings now found in countries such as India, China, Singapore, the United Arab Emirates and the United States. In any one of these areas, events education is delivered in different formats (e.g. executive training, skills training, accreditation) and also partner scenarios with existing degree providers, e.g. UK universities with those in China, along with distance learning and masters level certification.

Table 15.1	the event genre of event management
Business and corporate event	Any event that supports business objectives, including management functions, corporate communications, training, marketing, incentives, employee relations and customer relations, scheduled alone or in conjunction with other events
Cause-related and fundraising events	An event created by or for a charitable or cause-related group for the purpose of attracting revenue, support and/ or awareness, scheduled alone or in conjunction with other events
Exhibitions, expositions and fairs	An event bringing buyers and sellers and interested persons together to view and/or sell products, services and other resources to a specific industry or the general public, scheduled alone or in conjunction with other events.
Entertainment and leisure events	A one-time or periodic, free or ticketed performance or exhibition event created for entertainment purposes, scheduled alone or in conjunction with other events
Festivals	A cultural celebration, either secular or religious, created by and/or for the public, scheduled alone or in conjunction with other events. (Many festivals include bringing buyer and seller together in a festive atmosphere.)
Government and civic events	An event comprised of or created by or for political parties, communities or municipal or national government entities, scheduled alone or in conjunction with other events
Hallmark events	An event of such significance and/or scope that its image or stature assures national and international recognition and interest.
Marketing events	A commerce-orientated event to facilitate bringing buyer and seller together or to create awareness of a commercial product or service, scheduled alone or in conjunction with other events.

Meeting and convention events	The assembly of people for the purpose of exchanging information, debate or discussion, consensus or decisions, education and relationship building, scheduled alone or in conjunction with other events.
Social/life-cycle events private event	A private event, by invitation only, celebrating or commemorating a cultural, religious, communal, societal or life-cycle occasion, scheduled alone or in conjunction with other events
Sports events	A spectator or participatory event involving recreational or competitive sport activities, scheduled alone or in conjunction with other events.

Organisations such as AEME (Association of Event Management Educators (www.aeme.org), based in the United Kingdom, is committed to raising the profile of events education through the sharing of good practice, research and education. Its membership is made up of institutions with degree bearing powers in the field of events management, as well as professional practitioners, e.g. marketing agencies. This mix of professional input serves to move the events field forward in a productive way with subject specialism core to its focus. Event Studies is considered to be a significant field of study, and has also evolved within the professionalisation of event management. Much that has been historically discussed in the academic literature relates to the economic and marketing function of events, but equally the social and cultural importance of planned events is also meant to be considered in the wider domain of Event Studies.

Researchers in academic settings around the world, from Asia to America and from Europe to the South Pacific, are actively engaged in research activity on the subject and the significance of events in our everyday lives, both on personal and professional levels. University graduates typically leave with the following skills:

● Can demonstrate a critical understanding of the principles and methods of working appropriate to the events industries.

● Have developed the cognitive abilities of critical evaluation, analysis and synthesis.

● Can demonstrate practical management skills relevant to events management. ● Are self-reliant, self-disciplined learners capable of working in an interdisciplinary environment.

● Are able to meet the challenges presented by a career in a national or international environment.

● Possess academic curiosity and the appropriate academic foundations for further study and training. (www.bournemouth.ac.uk) Below is a list of some UK and international event industry associations that inform the field and professional practice more widely:

● British Exhibition Contractors Association www.beca.org.uk not working? ● British Association of Conference Destinations www.bacd.org.uk not working?

● Event and Visual Communication Association www.evcom.org.uk

● Meeting Industry Association www.mia-uk.org

● Association of Event Organisers Ltd www.eventsindustryalliance.com

● Meeting Planners International www.mpiweb.org

● International Live Events Association www.ileahub.com

● International Congress and Convention Association www.iccaworld.com

● International Festivals & Events Association www.ifea.com

● The Event Services Association www.tesa.org.uk

● National Outdoor Events Association www.noea.org.uk

● Society of Event Organisers www.seoevent.co.uk

● Association of British Professional Conference Organisers www.abpco.org

Events legacies and sustainable events In the study of events, and their evaluation, consideration must always be given to the long-term legacy impacts, which may be indirect and subtle (Getz, 2007), as well as the short-term impacts. Many key event authors (Andersson et al., 1999; Jones 2014; Ritchie, 2000) discuss the impacts than can arise from event legacies, acknowledging that they are not always positive and can have negative consequences (Sadd and Jones, 2008; Sadd, 2010).

Often the true impacts of event legacies are either not apparent as they are hard to measure (i.e. social impacts) or they are overshadowed by the positive tangible benefits (i.e. economic impacts). It is imperative to understand the social implications of all events and this is often undertaken through resident surveys, although these mean little unless they are undertaken longitudinally over a period of time before, during and after an event to study the changes.

These changes are very subjective and can differ from one resident to another but the suggestion is to undertake a social impact audit before any event to maximise the positive and minimise the negative social impacts. Examples of positive social impacts include increases in civic pride and community cohesion and negative ones include displacement and relocations, loss of facilities and increased levels of crime.

The scope of events legacies encompass the economic, environmental, physical and technological legacies, with many costs being hidden or other impacts, such as increased tourism receipts, masking the true cost of the event. Other potential legacies include outcomes in terms of the built and physical environment, public life, politics and culture, sporting facilities, education and information, and symbols, memory and history (Cashman, 2006). Most pressing in the event sector globally are issues related to the sustainable use and reuse of resources (Jones, 2014). This includes the future growth of mega-events such as the planned hosting of World Cup 2022 in Qatar where at the time of press substantial infrastructure investment is currently being undertaken.

1. What are the principal classifications of events?

2. What are the differences between ‘hallmark’ and ‘mega’ events?

3. Identify five key trends impacting on the future development of events.

4. Why is the management of events now considered a profession?

5. What are the important developments in social media in relation to events management?

Mini case study. Bestival Brand

The Bestival brand is the brainchild of British Radio 1 DJ Rob Da Bank and his wife Josie, created as an offshoot from the Sunday Best record label and nightclubs. It consists of the main Bestival held annually in September at Robin Hill Country Park on the Isle of Wight (just off the British mainland), Camp Bestival held annually in July at Lulworth Castle, Dorset, the United Kingdom and, more recently, Bestival Toronto (Canada). The main Bestival began in 2004 as an indie/dance festival but with strong social and environmental approaches.

It wasalso strongly non-corporate. The Bestival brand was a founding member of the green festival alliance which has won many awards. Camp Bestival was developed in 2008, targeted specifically for families as there were few events that included all generations. It also differs from the main parent event in that it specialises in vegetarian and vegan food, has a dressing up tent, a secret stage, ballet, literary tents, workshops, a science tent, comedy, and broke the Guinness World Record for the most people in fancy dress in 2010.

It won the award for Best Family Festival in the UK Festival Awards in 2009, 2010, 2013 and 2014. Camp Bestival has been beset with problems, however, not least because of its popularity. Overcrowding in campsites led to people camping in car parks next to their cars, and complaints that not enough toilets were on site and the noise was keeping children awake at night. The organisers targeted wealthy families and did not anticipate their needs being different to the average attendee, with these festival goers bringing top-of-the range super tents and also expecting more luxurious camping.

The organisers responded to this by offering more luxury types of camping product, extending the opening times to allow for more people to enter the festival site before the main events begin and introducing a silent disco to cut noise later in the evening. Each year the festival follows an identical theme, with 2012 being Olympic themed and 2016 space themed. Loca resistance has come from the villagers in the surrounding areas in respect to noise, pollution and traffic congestion, as well as damage to the countryside itself. The brand now includes a new festival, Bestival Toronto, started in 2015.

Discussion Questions

1. Is Camp Bestival addressing a ‘gap’ in the festival market?

2. Is Camp Bestival considered recession proof, i.e. is it viable going forward? 3. The use of country parks is not without criticism. Suggest ways of overcoming local resistance.

4. Can other potential spinoff festivals be considered?

UNIT 9: QUALITY MANAGEMENT OF TOURIST SERVICES

9.1. The concept of quality in tourism.
9.2. Quality control management in tourism.
9.3. International tourism standards.
9.4. National standards of tourism services of the Republic of Uzbekistan.
9.5. Quality control in tourism entities in Uzbekistan.

9.1. The concept of quality in tourism

We cannot adequately describe the management of tourism without touching on the importance of the growing emphasis on quality management.

There are four main reasons that can account for the growing relevance of quality management:

1. Organisations need to find ways of creating differential advantage by having better service levels than their competitors.

2. The increased level of consumerism and the greater media attention on quality has meant organisations have to be more responsive to quality issues. Consumers are far more aware of their rights and are less likely to suffer quietly from the results of poor quality.

3. There has been a growing sophistication of consumer markets, with the non-price factors of image, product positioning and service delivery strategies becoming more important.

4. More recently technology is one of the new applications to quality enhancement. Technology can aid service by providing higher levels of convenience, for example automatic vending or ticketing machines, pre-payment systems, or SMS mobile phone applications. It is important for the quality of the product to be controlled, especially in relation to the process of service delivery.

This is because relative quality between service providers or retailers has implications for market share and profitability. Quality is therefore one of the key components that contribute to a successful strategy. Quality has emerged as a major competitive component of a service organisation's strategy.

However, when we examine the employment of the term 'quality', there is almost a superabundance of the use of this word in relation to the way management operates. There is a crusade for quality management and improvement within industry worldwide and the campaign for improved quality was rooted in the manufacturing industry prior to the adoption into the service industry. However, many individuals in the industry are still unaware of the theoretical grounding of quality management. Such management has to consider core and peripheral services which need to be developed and delivered after a careful diagnosis of customer expectations and perceptions.

What are the key terms for quality?

There are several key concepts related to quality. Quality is the totality of relationships between service providers (functional aspects) and the features of the product (technical aspects) which are related to the delivery of satisfaction. It is therefore important to create systems of quality control which are checks and monitoring to ensure measurement of service delivery is taking place. To this end TQM is a holistic organisational approach which systematically attempts to enhance customer satisfaction by focusing on continuous improvements without incurring unacceptable cost increases.

These improvements are part of an unending quest for excellence in all aspects of quality service delivery. Therefore, TQM has to form the values and mind-set for all employees, which leads to quality being an integrated element of corporate culture. For success, quality must be the concern of all employees and the culture, therefore, should not be based upon a departmental or technical understanding of quality. Instead, the notion of quality must be disseminated to employees within the organisational structure and implemented as a systematic process extending throughout the organisation. The focus of any change in quality must be based upon external customer expectations and not internal organisational ideas. TQM is managed by quality assurance arrangements whereby a system is instituted to allocate responsibility for planned and systematic activities that will ensure the product will provide the right levels of satisfaction to all concerned. A service guarantee system can provide more quality control and data capture in an organisation. This facilitates a better understanding of potential for improvement by capturing information on what is going wrong. Following this the information gathered on what goes wrong allows for a reaction in improvement of service. Some companies are now guaranteeing their service or paying out compensation with schemes such as flight delay insurance.

A good service guarantee is identified as unconditional, easy to understand and communicate, meaningful, and easy to invoke in order to obtain recompense.

But there is a need:

● not to promise something your customers already expect;

● not to shroud a guarantee in so many conditions that it is meaningless; or

● to offer a guarantee so mild that it is never invoked. A guarantee can set clear standards and allow the company personnel to be clear about what the organisation stands for.

If customers can complain easily, there is the benefit of collecting data on common problems that subsequently need to be addressed and eradicated. This is because a guarantee system forces the focus on why the failure occurred and what needs to be done about it to improve service quality. Moreover, a guarantee adds credibility and weight to the marketing effort of the organisation. It allows for a communication of the presence of the guarantee which may lead to a reduction in the perception of risk associated with purchase and can lead to higher levels of demand. As a measure of whether the quality delivery complies with the planned delivery of the service a quality audit needs to take place to judge the effectiveness of the total service delivery arrangements. For a system to be audited correctly there is a need for a method of creating unbiased feedback.

While a range of aspects of quality can be assessed, a number of categories exist. These may include the following, which are based upon various research studies that attempted to establish categories of service quality determinants:

● Tangibles. This will include physical evidence of the service, such as physical aspects of airline cabins, hotel bedrooms and facilities, or material the customer can see, touch, use etc., like equipment, merchandise, personnel, for example:

● physical facilities such as extra legroom on the aircraft or size of hotel room;

● appearance of personnel and condition of the surroundings;

● technology or equipment used to provide the service;

● physical representation of the service (e.g. airline loyalty card);

● other customers in the service facility.

● Reliability. This involves consistency of performance and dependability. Gaining the customer's confidence is vital in service organisations. The ability of the service provider to establish a relationship of trust and faith greatly influences perceived service quality. A company should perform the service right the first time in order to achieve a good reputation. In many circumstances reliability is an expected dimension, as an airline should deliver this as a core service.

It means the firm should honour its promises and have the ability to trust employees with the responsibility to deliver service consistently and accurately which meets policy standards, such as:

● accuracy in a bill or charging;

● collecting and keeping the correct records;

● assuring confidentiality and security of any personal data held;

● performing the service at designated time (e.g. delivery of opening or departure time promise).

● Responsiveness.

This refers to the willingness or readiness of employees to provide service, their reaction and willingness to help customers and give timely service, such as:

● providing complimentary drinks for a delayed service such as a flight;

● mailing a transaction slip or sending an email or SMS text immediately;

● calling a customer back quickly after a query or problem;

● giving prompt service (e.g. arranging a change of itinerary, or reacting to the hotel guest's request).

● Competence.

This concerns knowledge and courtesy of employees as well as the peace of mind that the company is to be trusted. This then delivers the assurance that employees will have the knowledge, skills and courtesy to create trust and confidence in the customer base, for example:

● knowledge and skill of the contact personnel;
● explaining the actual and wider service available;
● the reputation of the organisation;
● personal characteristics of the contact personnel;
● confidentiality, financial and personal security.
● Empathy.

This relates to the individualized attention to customers, the caring, individual concern and attention for others and their emotions, such as:

● recognising and relating positively to regular customers;
● learning and capturing knowledge of customer-specific requirements;
● providing individualised service (customization or personalisation is regarded as an essential attribute of service offerings due to the ability to tailor offers to customer-specific requirements).

The elements that could be assessed in the above could also include availability of items the customer demands; after-sales service and contact; the way telephone orders and queries are handled by contact centres; the reliability and safety of the product being sold; availability of sales literature and brochures; the number and type of items that can be demonstrated; technical knowledge of staff; the way an employee deals with a complaint, etc.

In addition the organisation can use the above list as a means to assess the way in which it could develop its positioning strategy in order to distinguish itself from its competitors.

9.2. Quality control management in tourism

Quality comparisons are attempted through various accommodation grading and classification schemes. These generally operate on a national or regional basis within countries and may be run by either public (e.g. tourist board) or private sector (e.g. the Automobile Association (AA) or the American Automobile Association (AAA) organisations.

Attempts to introduce transnational systems within, for example, the EU have failed largely because of diversity within the industry of each country. Accommodation classification or grading may be applied to all sub-sectors but is predominantly used with respect to hotels, guesthouses, farmhouse accommodation, bed and breakfast establishments and campsites.

There is a difference in focus and purpose between classification and grading:

● Classification may be defined as the assignment of hotels to a categorical rating according to type of property, facilities, and amenities offered. This is the traditional focus of most schemes.

● Grading, in contrast, emphasises quality dimensions. In practice, most national or commercially operated schemes concentrate on classification with quality perceived to be an add-on which does not impact upon the star rating of an establishment. The purposes of accommodation classification are varied. They include:

● standardisation – to establish a system of uniform service and product quality that helps to create an orderly travel market distribution system for buyers and sellers;

● marketing – to advise travellers on the range and types of accommodation available within a destination as a means of promoting the destination and encouraging healthy competition in the marketplace;

● consumer protection – to ensure that accommodation meets minimum standards of accommodation, facilities and service within classification and grade definitions;

● revenue generation – to provide revenue from licensing, the sale of guidebooks and so forth;

● control – to provide a system for controlling general industry quality; and

● investment incentive – to give operators incentive to upgrade their facilities and services, in order to meet grading/classification criteria.

Accommodation classification, however, is not without problems. One of these relates to the subjectivity of judgement involved in assessing many key aspects of both the tangible and intangible elements of the accommodation experience such as personal service or the quality of products.

As a consequence, many classification schemes concentrate, primarily, on the physical and quantifiable attributes of operations, determining level of grade on the basis of features such as:

● room size;

● room facilities, especially whether en suite or not; and

● availability of services – laundry, room service, 24-hour reception.

However, this is commonly done without any attempt to assess the quality of such provision or the consistency of its delivery. Other problems with classification schemes include:

● Political pressures on most hotels to offer classification and grading towards the top end of the spectrum, thus creating a top-heavy structure;

● the cost of administering and operating a comprehensive classification assessment scheme, especially where subjective, intangible dimensions are to be included;

● industry objections to state-imposed, compulsory schemes; and

● the tendency of classification schemes to encourage standardisation rather than individual excellence within hotels.

In addition to the above, there is the growing trend in some parts of the world to encourage self-proclaimed grading to the extent that in Dubai you now have the world's first seven star hotel! Quality and quality assessment are rooted in the culture and context of the country in which they are located.

As a result, a five-star or de luxe hotel in South-East Asia will be significantly different from a property that purports equivalence in Turkey or the United Kingdom. At best (and even this is debatable), classification can provide a guide to national standards. Even this is not always the case. In Spain, for example, the level of tax that a hotel pays is related to its grade, with five-star properties paying more than twice the amount of four-star hotels.

As a consequence, there are few five-star hotels in Spain and a clustering of four-star properties covering a wide range of standards. Hotels such as Sofitel, InterContinental and Crowne Plaza are classified as four star when, elsewhere in Europe, these hotel brands would attract higher levels. Indeed, neighbouring Sofitel and Novotel properties in Madrid are both classified as four star, making a mockery of parent company Accor's branding intentions where they are clearly differentiated.

Probably the major difficulty faced by hotel classification schemes in Europe and North America is how to include the growing number of budget or economy hotels within schemes without creating unworkable ambiguities. The modern budget or economy hotel room contains a comprehensive range of simple but comfortable furnishings and facilities in a spacious, clean and modern environment. The comfort to be found in such rooms is primarily related to the physical product and is, generally, offered with minimum levels of service.

One effect of the growth within this sector has been to create very real problems for hotel classification systems, which find it difficult to accommodate physical comfort with the absence of services available to the guest. Budget hotels in Europe are a response to changing customer needs and expectations and their importance can be dated from the mid-1980s. Prior to their development, the consumer in search of low-cost accommodation would have patronised one of the large number of small, independent hotels, guesthouses or bed and breakfast establishments, generally at the unclassified, one- or two-star level, to be found in all Western European countries. Products and services were very varied – just the problem faced by Kemmons Wilson in the United States some 30 years previously.

The option of quality, low-cost and modern accommodation in the form of budget hotels, branded under names such as, Travelodge, Premier Inn and Campanile, has moved a significant volume of demand away from traditional operators and resulted in both widespread upgrading of facilities and business failure in this sector.

As a consequence, the overall quality of bedroom accommodation in the lower-priced segments of the Western European lodging industry has improved significantly over the past 25 years. The quality gap between this sector of the market, measured in physical product terms, and that provided by mid- to upper-sector hotels (three to five stars) has decreased greatly as a result and, with the growing impact of low-cost technology, this is a gap that is likely to narrow further. It is a reasonable expectation that, just as en-suite facilities, hot beverage equipment, international direct dialling (IDD) telephones and satellite television services are virtually the norm throughout much of the accommodation range, additional benefits (fax, Internet and especially wifi) will become available to properties at all levels and simultaneously. The challenge for higher priced and graded accommodation providers, therefore, is to ensure clear market differentiation between their offering and that of the budget sector.

However, as up to 50% of the custom of budget hotels in the United Kingdom is from the business market, this suggests that, at present, they are not particularly successful in doing so.

The key differentiation that they are able to offer, given that physical attributes no longer provide such clear water, is that of service in its widest sense. There is considerable evidence that there is an accommodation market that is able and willing to pay considerably more for the benefits that attentive, individualised and problem-solving service provides.

Accommodation organisations place increasing emphasis on their ability to respond positively to the service demands of their customers and companies such as Ritz Carlton and Marriott have established international reputations for their focus on service. Given the nature of tourism as a people-based industry with employee performance and interaction being of paramount importance, then we are dealing with a human activity where errors are inevitable. There is therefore a need to judge the benefit of increased usage and repeat business as opposed to the loss of custom.

The moment of truth or impact on the bottom line of any organisation is therefore the judgement by customers of the quality of its service. It indicates the relationship between the customer on the left and the service provider on the right. This overcomes the notion that improvement in quality is associated with increased costs.

The model indicates that in the long-term true quality improvement leads to an improved trading position. The above proposition is that a continuous improvement in service is not a cost but an investment in a customer who will return more profit in the long term. The premise is based upon research which indicates that the cost of acquiring a new customer is five times as high as retaining an existing customer through providing quality service.

Such argument is based upon nontraditional accounting practices which stress that satisfied customers will be willing to pay higher prices owing to the service quality they have experienced and liked; there is a free advertising benefit due to the positive word-of-mouth recommendation; and there is a different cost in acquiring new customers as opposed to the benefit of retaining existing customers over longer time periods. Thus, in general, following the ideas of relationship marketing, it is suggested that to keep a customer over the long term provides important savings. On a cost–benefit basis good service quality is thought to increase revenue and reduce long-term costs. Given that the cost of finding a new customer is far greater than that of retaining an existing one, there is growing emphasis on customer retention and relationship marketing as discussed earlier in this chapter, whereby long-term revenue can be enhanced by service recovery strategies. These include the following:

● Training. As service is an interpersonal performance activity then the provision of communication and customer relation skills will enhance the ability of staff to deal with the most difficult of situations. Perhaps more importantly, training will allow staff to feel confident in the service encounter transaction and allow them to deal professionally with all situations.

● Watching for signals. Allowing those customers who are reticent or quiet when it comes to complaints to break their silence.

Organisations need the opportunity to prove their commitment to the customer through service quality measures. However, the silent customer who is not satisfied will escape company notice but may tell many acquaintances of the problem. Some organisations provide free telephone lines for complainants or employee training to enable staff to watch, listen and report on any signals of a customer's dissatisfaction.

Many organisations empower staff to provide remedial action if they suspect poor service has been experienced.

Alternatively service may be tested with the use of mystery customers or satisfaction research studies.

● Preplanning. There is the need to analyse the service delivery process so as to anticipate those aspects of service that may exceed the tolerance level of customers. Times of peak demand or low levels of staffing may affect the judgement of the customer as to the overall level of service quality delivery. Staff can be asked to describe situations which if improved would lead to a more error-free service standard.

● Empowerment. A great deal of staff service delivery goes unsupervised. It is better if the front-line staff react quickly to service problem situations without the input of supervisors. The policy of identifying problems quickly and correcting them at the local level is far more effective than relying on official complaint systems or delays in a problem's resolution. A staff member who provides some extra means of satisfying a customer may allay a more difficult or serious situation.

A long wait to be seated in a restaurant may be acknowledged by a reduction in the bill or free coffee. Empowerment provides an obligation to act in order to recover the situation which relies on trust of the front-line staff. This is in contrast to a system where the focus is on blame for a poor service encounter rather than timely resolution. Good service recovery procedures allow a customer to refocus on the satisfactions received from the service delivery process rather than to question why corrective action was not taken. A problem tests the system and if a customer complaint is dealt with appropriately the customer is likely to become more loyal. If a formal complaint is made it should be treated individually according to the urgency of the complaint and customer's value to the organisation.

A complaint system must be in place for prompt and personal customer communication:

● to acknowledge the receipt of written/verbal complaints and to inform customers about the resolution;

● to keep customers fully informed with progress reports

● to encourage customers to appeal to a higher authority within the company in case of a unsatisfactory initial resolution;

● to assign and authorise one department to be accessible at reasonable hours for complaint processing and review;

● to have a complaint system which is both user and staff friendly.

We can classify the different approaches to quality management into two categories: the product-attribute approach and the consumer-orientated approach (Gilbert and Joshi, 1992).

9.3. International tourism standards

Standardization Tourists, although they may search for unfamiliar environments and cultures, often search for familiar facilities.

Examples such as McDonald’s demonstrate this effect quite clearly. This Previous level of cultural penetration A B C Staged authenticity .

First, there is the development of superstructure that might be quite different from that normally found in the local environment. Secondly, the operation of those facilities may introduce work practices and systems that are different from those normally found in the local economy, particularly their employment structures and conditions as well as their purchasing strategies.

Finally, by building familiar structures within unfamiliar environments there is a loss of diversity that is as real to the socio-cultural environment as the loss of a species may be to biodiversity. This issue becomes more problematic as you move into the high-volume tourist markets where destinations must not appear too strange if they wish to capture large segments of the market Quality of tourist service includes the execution of orders, communicating with the client before, during and after the sales, billing and troubleshooting. The fulfilment of customer expectations, should be one of the main objectives of your service.

Extremely important role in achieving quality objectives in the company's plays staff: front-office, back-office and management. Front-office staff is a kind of showcase of tourist enterprises in dealing with clients and so they must have comprehensive knowledge about service provider (prices, driving directions, tourist attractions, practical information on travelling abroad).

Poor quality of services gives rise to poor quality costs. For example, in the case of information services may be:

- The costs of delay of the implementation (lack of response to repeated customer requests)
- Costs of non-compliance (a service offered does not correspond to the customer, even though he tried to formulate it precisely).
- Opportunity costs (costs associated with implementation delays, caused by the delay in responding to customer inquiries)

- Costs of exceeded expectations (appearing as a result of untested or inadequately processed information, the decision shall be taken to improve the product without actual interest in this project from customers)

Evaluation of quality of tourist services can be done using service quality models.

Quality indicators:

Important determinants of tourist services quality include:

1. **Physical infrastructure services (convenience and aesthetics of the environment)**

- IT equipment, coaches, etc.
- Localization

2. **Reliability of service**s

- Reliability of the company
- Reliability of the information
- Accuracy of the information
- Timeliness of the services offered
- Repeatability of services characteristics (whenever their provision)

3. **Sensitivity of service providers, willingness to provide services**

- **Speed of service**
- Time and adequate response to customer requests
- Performance of fulfilling customers wishes
- Discretion and ability to secrecy by the service provider

4. **Reliability of the service, safety**

- Professionalism of service providers
- Competence of service providers
- Responsibility
- Client security
- Trust to the provider

5. **Knowledge of customer needs**

- Ability to identify customer needs and expectations
- The ability to easily establish contacts for service providers
- Understanding of customer problems

Examples of factors that determine the quality level

Selected elements of quality in tourism by sector: **Tourist Transport**

- Speed of the transport
- Safety
- The availability of communication
- Direct transport

Hospitality

- Comfort, convenience
- Compliance with the standards of hotel categorization

Gastronomy

- Purity
- Hygiene
- Availability

Tourist services

- Accuracy
- Speed
- Reliability
- Credibility

Travel Agents

- The availability of facilities
- Credibility
- Reliability

Featured parameters describe the basic features of the quality of individual groups of tourist services, we must add that the greater part of human work aimed at efficiency to provide tourist services, the quality measures are higher.

9.4. National standards of tourism services of the Republic of Uzbekistan

What do you know about state standards in tourism?

With the development of tourism in Uzbekistan, the importance of tourism services and their quality is growing. In this regard, the State Unitary Enterprise "Center for Certification of Tourism Services" (SUE) under the State Committee for Tourism Development of the

Republic of Uzbekistan clarified the issues of standardization in the field of tourism.

What is the standard?

A standard is a normative document that defines the norms, rules, requirements for the object of standardization and approved by the competent authorities. It applies to all areas of human activity - science and technology, industry, agriculture, manufacturing, services, construction, transport and others.

Who is manage?

Standardization in the field of tourism is developed by the "Technical Committee for Standardization in Tourism" under the State Committee for Tourism Development of the Republic of Uzbekistan. The Secretariat of the Technical Committee is headed by the State Unitary Enterprise "Center for Certification of Tourism Services".

In the field of standardization after the establishment of the State Committee for Tourism Development of the Republic of Uzbekistan on the basis of the Decree of the President of the Republic of Uzbekistan dated December 2, 2016 "On measures to ensure the accelerated development of tourism in the Republic of Uzbekistan" Great work has been done and work is underway to develop new standards and improve existing ones.

Standards in the field of tourism

To date, the State Committee for Standardization in the field of tourism has developed 11 state standards and duly registered them with the Agency "Uzstandard". These are:

1. Own DSt ISO 18513 - “Tourism services. Other types of hotel and tourist accommodation. Terminology ”;

2. Oz DSt 3220 - “Tourism services. Placement tools. General requirements ”;

3. O'z DSt 3296 - “Tourism services. Hotels and similar accommodation. Classification system ”;

4. O’z DSt ISO 14785 - “Tourism information bureaus. Tourism information and reception services. Requirements ”;

5. O’z DSt 3331 - "Tourism services. Information signs of the navigation system in the field of tourism. General requirements";

6. O’z DSt 3334 - “Tourism services. Muslim hospitality. Requirements ”;

7. O'z DSt 3336 - “Tourism services. Tourist-friendly. Requirements ”;

8. O’z DSt ISO 13009 - “Tourism services. Requirements and recommendations for beach activities ”;

9. Own DSt ISO18065 - “Tourism services. Public tourism services provided by the administration of protected areas. Requirements ”;

10. O'z DSt 3417 - “Tourism services. General requirements for accommodation service personnel ”;

11. O’z DSt 3418 - “Tourism services. General requirements for tour operators and travel agents.

The latest news on standardization in the field of tourism

The new standards developed by the Technical Committee apply to employees:

O'z DSt 3417: 2019 “Tourism services. General requirements for accommodation service personnel. " The standard sets out general requirements for service personnel in various types and categories of accommodation. It contains the basic and additional criteria for classifying employees, their evaluation, general requirements for service personnel and additional requirements.

O'z DSt 3418: 2019 “Tourism services. General requirements for tour operators and travel agents. This standard sets out general requirements for employees of tour operators and travel agents, regardless of the form of ownership and organizational and legal form of activity. Provides information on the classification of tour operators and travel agents, their evaluation criteria, general and additional requirements, as well as the functions and positions of their employees.

In addition, existing standards are being improved, including:

O'z DSt 3296: 2018 - “Tourism services. Hotels and similar accommodation. Classification system ”

This state standard has been amended based on the world experience and trends in the hotel business. In accordance with the Resolution of the President of the Republic of Uzbekistan dated January 5, 2019 No 4095 "On measures to accelerate the development of the tourism industry" to cover part of the costs of investors for the construction and equipment of a new hotel and "royalty franchising"

On the basis of the agreements on the provision of subsidies for partial financing, a lot of convenience has been created for entrepreneurs in determining the category of hotels that apply for subsidies.

In particular, all rooms of hotels of 3 and 4 "star" categories were required to have a full bathroom, and according to the changes, the rooms can be equipped with a bath or shower.

Demand for bidets or hygienic showers has also been reduced, with 75 per cent of 3- and 4-star hotels having enough. In addition, the demand for bathroom space, TV size and number of appliances has been reduced to increase the useful area of the room. Services that must be provided by the hotel, including ticket booking, car rental, currency exchange, shops and outlets, dry cleaning services can be provided on a contract basis by specialized organizations.

9.5. Quality control in tourism entities in Uzbekistan

It is planned to cancel certification of companies operating in the tourism sector. This was announced at a meeting of representatives of the tourism business APTA Networking Club – 2020. It is planned to cancel permits by increasing competition among entrepreneurs in the field.

“Now the Certification Center (of tourism services under the State Committee for Tourism) is perceived as a supervisor. We plan to reformat its activities and turn it into an inspection, the main task of which will be to control the quality of the services provided not only by tour operators, hotels, but also by all companies that provide services to tourists.

Quality control will be based on reviews and ratings of tourists. The inspection will compile a rating of companies, which should encourage organizations to improve service, the committee said.

Thus, hotels or a tour company that provides low-quality services will lose points and, accordingly, a position in the rating.

“In the future, the need for certificates will also disappear from tour operators, hotels. In conditions of developed competition, when, for example, two hotels in the struggle for the client will strive to provide better services, the state will not need to intervene in the work of companies by issuing permits.

HOTEQ 500 Hotel quality management system

The HOTEQ 500 standard is designed for applications in the tourism sector designed for hotel quality, environment, health and food safety. This standard has no international force and is applicable to the customer. It is designed to prioritize the loyalty of the organization and to the customer to meet and satisfy the needs of the customers.

Tourism hospitality, hospitality, tourism management and more. The purpose of this standard is to provide customers with quality, healthy and food safety services and to select environmentally sensitive businesses. Tourism and hospitality remain a social, cultural and economic event.

The proliferation of national and international travel has led many public and private sector stakeholders to regularly ask questions about hotel classifications around the world. Therefore, IQC tried to conduct research on this topic. In setting the standards of the HOTEQ 500 Hotel Quality Management System, customers prefer healthy, quality and food safety principles, service life and environmentally friendly organizations.

Tourism revenues, which have grown significantly in the sector in recent years, have become a very important source for the country, making hotels, residential buildings, tourism enterprises and similar organizations more socially, culturally and economically efficient. must be.

With the convenience of the internet and increasing world trade, travel has required many trips and business trips and tourist trips in and out of the country. Thus, the question of how to compare hotel classifications around the world is increasingly being questioned by public and private sector representatives. The ISQ conducted an investigation into these incidents.

The purpose of the HOTEQ 500 Hotel Quality Management System standards is to understand the relationship between service providers and customers in the tourism industry and to provide services when needed. Based on these principles, customers make a selective choice when receiving tourism services, while companies operating in the sector also serve to increase customer satisfaction and customer satisfaction.

Quality management system is the most basic requirement of HOTEQ 500 hotel quality management system. In other words, if an organization wants to create a HOTEQ 500 hotel quality management system and wants to implement these standards, it must have created a quality management system in the past and is currently implementing it.

Another thing in an organization that wants to install this system is an environmental management system. Tourism enterprises depend only on proper environmental protection practices so that they do not harm the ecosystem on the one hand and prevent harmful practices in terms of human health on the other.

Organizations that integrate this system and meet their standards without any problems can get the HOTEQ 500 hotel quality management system certificate. It is enough to apply to the certification body. Organizations with this certification have documented their activities, as well as providing better quality, healthier and safer service to their customers.

HOTEQ 500 Hotel Quality Management System standards are a standard that can be applied to all organizations in the Tourism Hotel Management and Accommodation Sector. The purpose of the emergence of the standard is to provide customers with quality and healthy service in accordance with food safety and to be environmentally friendly businesses.

HOTEQ 500 Hotel Quality Management System standards have provided significant benefits for the customers receiving services from these facilities as well as touristic facilities. Customers can now make more informed choices when they receive tourism services. Because HOTEQ 500 standards are determined for accommodation facilities, customer satisfaction is the target.

Organizations wishing to fulfill the requirements of this system are required to implement a quality management system standard. They are also required to comply with certain standards in environmental management and to meet certain criteria in terms of service, health and education.

Organizations that apply the criteria of the system correctly can also have the HOTEQ 500 Hotel Quality Management System Certificate if they demand it. The job is to apply to a certification body. As soon as the contract is signed with the certification body, the certification process begins.

The audits to be performed by the certification body shall check whether the entity meets the requirements of the required standard. An auditor's report is also issued after these audits. This report is required for the decision of the certification body. According to the results of this report, HOTEQ 500 Hotel Quality Management System Certificate is issued and delivered to the facility if it is found appropriate.

HOTEQ 500 Hotel Quality Management System is a service standard designed for quality, environment, health and food safety applications for tourism industry accommodation facilities. Businesses with this certificate have achieved a significant competitive advantage.

UNIT 10: TOURISM POLICY AND FUTURE TOURISM EXPECTATIONS

10.1. Early stages of international tourism policy

Political structure

The political structure can affect the impacts of tourism and its carrying capacity in a number of ways. To begin with, political instability will deter tourists and therefore hinder tourism development.

The political structure may also have direct influences upon tourism development if, in reflecting the ideals and beliefs of the population, it is decided that tourism development should be constrained or even discouraged. Some countries limit tourism development by restricting the number of visas issued within any given year (Bhutan, for example), whereas others may increase the costs of obtaining visas or make the acquisition of visas difficult, thereby restricting them to only the most determined. The political openness may well reflect the willingness of society to welcome tourism development and this may either raise or lower the carrying capacity thresholds.

The economic benefits of tourism provide the main driving force for tourism development. Tourism is a business and what we are doing when we sell tourists our services is exchanging some of our environment and culture in return for foreign exchange earnings (when it is international tourism), tax revenue, income and jobs. Although tourism is based on services, tourist expenditure is as ‘real’ as any other form of consumption and international tourist expenditure can be seen as an invisible export by the host country. Domestic tourism is, simultaneously, an ‘import’ substitute if it chosen instead of residents taking trips abroad and an ‘export’ from the hosting region to other regions within the national economy. To the tourist-generating countries, tourism spending is an invisible import when their residents spend money created in their home economy and spend it on services abroad. Domestic tourism is also one of the greatest forms of income redistribution, where income earned in urban areas is re-spent in coastal or sparsely populated countryside areas. Although domestic tourism is many times greater, in terms of volume and spending, than international tourism the latter is often easier to measure because it frequently involves custom/ immigration procedures and currency exchange. Many countries collect information from visitors at the frontier, providing good quality data relating to the volume of arrivals, country of origin and purpose of visit. Currency exchange information is collected and monitored by central banks and this provides some useful information about tourism spending, but is by no means ideal. Tourist expenditure can only be accurately estimated by undertaking visitor expenditure surveys, normally at exit points such as airports or frontier crossings. Such surveys tend to be time-consuming and costly. Some countries attempt to estimate the level and patterns of tourist spending from central bank statistics, while others try to economise by collecting tourist expenditure data at infrequent intervals (say, every five years). In order to use economic impact analyses for tourism planning and development it is important to have reliable expenditure data. Therefore, visitor expenditure data should be collected by exit surveys each year, or at least every other year.

During the past half century many economies have experienced growth in their service sectors, even when the more traditional agricultural and manufacturing sectors have been subject to stagnation or decline. The global importance of the service sectors can be identified by the introduction of the General Agreement on Trade in Services (GATS) following the Uruguay Round of negotiations. In developing countries tourism is often responsible for around 40–50% of GDP, while in the more industrialised economies it is responsible for around 15% (Spain), 10% (the United Kingdom and Australia) and 8% (the United States) of GDP. The growth of the service sectors tends to come in two waves, the first occurring with the introduction of traditional services where retail/wholesale trade, transport and public administration start to grow in low Gross Domestic Product (GDP) per capita economies, and the second when more advanced services, such as finance, computing and legal services take over from manufacturing to create another period of growth in high GDP per capita countries (Eichen green and Gupta, 2011).

Table 10.1			Principal destinations in terms of tourism receipts, 2000–2014: tourism receipts (US$ billion)		
Country	**2000**	**2005**	**2008**	**2009**	**2014**
United states		82.2	94.2	103.5	177.2
Spain	30.0	48.0	53.2	52.5	65.2
China	16.2	29.3	39.7	45.8	56.9
France	33.0	44.0	49.5	46.6	55.4
Italy	27.5	35.4	40.2	38.8	45.5*
Top five countries	238.9		276.8	287.2	400.2
rest of world		440.1	575.2	638.8	536.8
World total		679.0	940.0	852.0	937
Top five as percentage of world total	39.9	35.2	33.5	32.5	42.7

The latter half of the 1980s saw a growing interest in the operation and performance of service industries and their strong intersectoral linkages perform an important role in development. From the mid-1990s, the world has seen the service industries take responsibility for the accelerated drive towards globalisation. International tourism enjoyed strong growth throughout the 1990s, growing faster than other commercial services and almost twice as fast as international trade. Although the second half of the twentieth century was characterised by the strong relentless growth in arrivals, the twenty-first century has to date been quite volatile.

Global growth rates of arrivals ended the twentieth century with a 3.7% year on year growth rate and the new millennium got off to a bright start, recording a 7.9% growth in arrivals in its first year.

However, the optimism generated by this performance was short-lived and the events of 9/11 brought confidence down to the ground and 2001 saw a decline in tourist arrivals of 0.1%. Tourism bounced back in 2002 (3%) only to be dashed again in 2003 with the onset of the Iraq War causing arrivals to decline (1.6%). This was followed by a period of strong growth from 2004 to 2007 riding on an economic boom that was noted by the UNWTO in its market trends assessment in 2007.

However, the onset of the global financial crisis in 2008 again caused a downturn in tourism activity that was far more dramatic than any caused by terrorist attacks and natural disasters. Tourist arrival growth was well below the long-term average rate

in 2008 at 2.1% only to decline by 3.8% in 2009. Since then tourism has resumed its growth, albeit not with the strength recorded prior to the recession. It is also interesting that the recovery has been more pronounced in terms of arrivals than it has in expenditure.

Tables10.1 and 10.2 (China, France, Germany, Italy, Spain, the United Kingdom and the United States) have been included because they are among either

the top five tourist-generating countries with respect to tourist expenditure and/or the top five countries with respect to tourism receipts. Table 10.1 shows the principal tourist-generating countries, with respect to the level of their international tourist expenditure, over the time period from 2000 to 2014. It can be seen that, over the years covered by the table, the proportion of the world's total tourist expenditure attributable to the top five generating countries fell as emerging countries took a more active role.

Tourism generation but since 2010, with the inclusion of China as one of the top five, the percentage attributable to the top five countries has come back to the situation in 2005, with a value of 37.9%. It should also be noted that China not only entered the top five, it was the prime generating country in 2014. The start of the new millennium saw the proportion of the world's total tourism receipts from international tourism activity attributable to the top five countries fall below 40% for the first time but this has now grown back to 42.7% as China marks its influence on the table. World tourism receipts have almost recovered to their peak in 2008 as the impact of the global economic recession diminishes. Tourism does not perform well as a global redistributor of income and wealth in the same way as it does for sub-national income redistribution. Many of the top generating countries are included in the top receiving countries. It is also notable that it is the industrialised countries that tend to populate the lists in both the top generators of tourist expenditure and the top recipients. The industrialised countries are responsible for 70% of total world exports and yet receive over 70% of all tourism receipts, which contrasts with developing countries that are responsible for less than 30% of all world exports and received less than 30% of all tourist receipts. It is also interesting to note that, in 2015, the top three countries in terms of the highest proportion of total world exports were China, Germany and the United States.

10.2. World Tourism Organization and its activities.

Their long-term vision is that international tourism will continue to grow in the period 2010–2030, but at a more moderate pace than in the past decades, with the number of international tourist arrivals worldwide increasing by an average 3.3% a year. It is difficult to contemplate this at a time when most of the leading tourism generating countries have been suffering from economic recession without a clear view of recovery and further growth.

The World Tourism Organization (UNWTO) and the International Air Transport Association (IATA) announce a Destination Tracker in preparation for the restart of international travel. It is the result of both organizations joining efforts to boost confidence and accelerate recovery of the tourism sector when borders reopen. The UNWTO-IATA Destination Tracker is a new free online tool for governments to provide information on COVID-19 requirements for travel and the measures in place at the destination.

The tool is available through **the websites of both organizations** and will provide information on:

- **COVID-19 Indicators** including infection rates, positivity rates, and vaccination roll out by destination/country.
- **Air Travel Regulations**, including test and quarantine requirements, provided by IATA's Timatic solution.
- **Destination Measures**, including general health and safety requirements such as use of masks, transit through a country, curfew, or regulations related to restaurants and attractions, provided by national tourism organizations.

The Destination Tracker will fulfil a key need by providing clarity on COVID-19 measures affecting tourism. The situation for travelers is complex with UNWTO data showing that one in three destinations remains closed to tourists. Moreover, restrictions and in-country measures are continuously being revised.

Governments can use the **Destination Tracker to post COVID-19 travel information** so that potential travelers will know what to expect at their destination. When fully populated with updated destination information, travel stakeholders including Destination Management Organizations (DMOs) and travel agencies, will be able to obtain the latest destination information, enabling travelers to make informed decisions when borders reopen and travel resumes. The development of the Tracker framework is now complete. Up-to-date information on COVID-19 indicators and air travel regulations is available and systematically updated. Destination information is being progressively uploaded, expanded and updated with official sources as the COVID-19 situation evolves.

UNWTO Secretary-General Zurab Pololikashvili says: "UNWTO is pleased to reinforce its partnership with IATA, a UNWTO Affiliate Member, to provide this important tool. Travelers and companies will be able to check requirements in place for air travel, as well as what measures will be in place at the visited destination. We trust this tool is also critical for governments to track existing travel restrictions and support the safe restart of our sector."

"It has been more than a year since the freedom to travel was lost as COVID-19 measures saw borders close. When governments have the confidence to re-open borders people will be eager to travel. And they will need accurate information to guide them. With the support of national tourism organizations, the UNWTO-IATA Destination

Tracker will help travelers and travel companies obtain the latest information for travel planning," said Willie Walsh, IATA's Director-General.

The UNWTO-IATA Destination Tracker builds on the existing partnership between the two parties. In October 2020, UNWTO and IATA signed a Memorandum of Understanding to work together to restore confidence in international air travel. The agreement will also see the two agencies partner to foster innovation to drive the restart of tourism, promote greater public-private collaboration in the **field of aviation and the tourism sector in general**, and advance progress already made towards achieving greater sustainability and resilience.

Even under conditions of lower increases in GDP and a shift from falling to rising transport costs, it is felt that there is still potential for substantial expansion in the coming decades as witnessed by the recovery in the main generating regions since 2010.

Thus, by 2030, arrivals are expected to reach about 1.8 billion, as shown in Table 4.9, meaning that in under a decade and a half, 5 million people every day will be crossing international borders for leisure, business or other purposes such as visiting friends and family. International arrivals in emerging economy destinations are expected to continue growing at double the pace of advanced countries, at 4.4% per annum compared to 2.2% a year. In absolute terms, the emerging economies of Asia, Latin America, Central and Eastern Europe, Eastern Mediterranean Europe, the Middle East and Africa (given a return to more normal times) will gain an average 30 million arrivals a year, compared to 14 million in the traditional destinations of the advanced economies of North America, Europe and Asia and the Pacific. Equally, with large populations and rising affluence, it is expected that Brazil, Russia, India and China will become significant tourism generating countries for the traditional destinations.

At a national level, the UNWTO publishes annual tourist statistics for countries throughout the world. These statistics include figures relating to tourist expenditure, but these figures do not reflect the economic impact of tourist expenditure. These figures only show how much tourists spend in a destination. They take no account of how much of that sum leaks out of the economy (paying for imported goods and services) or how much additional impact is experienced through the ‘knock-on’ effects of this tourist spending.

At a sub-national level the availability of accurate and consistent tourist expenditure data is much more difficult to find. Some countries, such as the United Kingdom, undertake visitor expenditure surveys (for example, International Passenger Survey (IPS) and United Kingdom Tourist Survey (UKTS)) which allow expenditure estimates to be made at the national level and these figures lose some of their accuracy when examined at the regional level. It is often necessary to undertake specific tourist expenditure surveys to establish the tourist spend in particular areas.

This is a very important point given that investment and planning decisions are often taken at the local level where such data are not freely available. In order to translate tourist expenditure data into economic impact information the appropriate multiplier values have to be calculated. The term multiplier is one of the most quoted economic concepts in the study of tourism. Multiplier values may be used for a variety of purposes and are often used as the basis for public sector decision making.

10.3. International tourism organizations

The activities of some bodies transcend sectoral boundaries within the industry. These organizations may have as their aim the compilation of national or international statistics on tourism or the furtherance of research into the tourism phenomenon. The United Nations World Tourism Organization (UNWTO) plays a dominant role in collecting and collating statistical information on international tourism.

This organization represents public-sector tourism bodies from most countries in the world. Also, the publication of its data enables comparisons of the flow and growth of tourism on a global scale. Similarly, the Organization for Economic Cooperation and Development (OECD) also has a tourism committee, composed of tourism officials drawn from its member countries, that provides regular reports comprising comparative data on tourism developments to and within these countries. Other privately sponsored bodies have been set up to produce supporting statistics, such as the World Travel and Tourism Council (WTTC), the members of which are drawn from over 30 leading airlines and tourist organizations.

This body also regularly commissions and publishes research data. Within countries, bodies are set up to bring together public and private tourism interests as a means of influencing legislation, encouraging political action or sometimes to overcome crises affecting the industry. In the UK, the Tourism Industry Emergency Response Group was established to take action on problems facing the UK tourism industry and comprises representatives of the Department for Culture, Media and Sport (DCMS) and directors of principal tourism bodies. Wider aims are designed to be achieved by the Tourism Alliance At a lower level, there is a variety of regional bodies such as the Organization of American States (OAS), Pacific Asia Travel Association (PATA) and the European Travel Commission (ETC). Most of their efforts are devoted to promotion and marketing, though they do provide technical assistance and promote codes of conduct to encourage travel that is respectful of other people's lives and places. As an organisation whose membership is made up of the NTOs of Europe, the ETC provides a forum for the directors of the European NTOs to meet regularly and exchange ideas.

It carries out its objective to promote the region as an attractive destination through its web portal visiteurope.com and its recent visit Europe iPad app, public relations, and consumer advertising and trade promotion. Prior market research determines the choice of activities and campaigns in the overseas markets.

The ETC is in constant touch with the principal international agencies and people working in tourism, as well as assisting with the professional development of its members. Its work is supported by the European Commission, which sees tourism as an activity of great economic and social significance within the European Union (EU), particularly for the peripheral and somewhat poorer regions of Europe. Although a wide variety of regional disparities exist across the EU, from early on it was realised that there is a distinct tendency for the poorest regions to be situated on the outer areas of the Union and, since the late 1980s, greater emphasis has been given to stimulating small tourism firms and indigenous development in areas to take advantage of their natural surroundings.

Apart from the World Bank, funds for developing tourism in low-income countries may be obtained from regional banks such as the European Bank for Reconstruction and Development (EBRD) for Eastern Europe and the Commonwealth of Independent States; the Inter-American Development Bank; African Development Bank; Asian Development Bank; Arab Bank for Economic Development in Africa; East African Development Bank; and the Caribbean Development Bank.

Their principles of operation are mainly for the granting of medium- or long-term loans (often with various grace periods and low rates of interest) to specific projects or to national development institutions, and providing technical assistance in project preparation. They are sometimes prepared to take a minority shareholding in investments, provided there is an option for onward selling, preferably to host country nationals. Looking at the structure in Europe, officially tourism within the EU comes under Directorate-General Internal Market, Industry, Entrepreneurship and SMEs, but the development work of Directorate-General Regional Policy also involves tourism projects as a means of overcoming regional disparities. With the adoption of the Single European Act (1987), there is a commitment by the EU to promote economic and social cohesion through actions to reduce regional disparities, and the Maastricht Treaty (1992) acknowledged, for the first time, the role of tourism in these actions. With the more recent Lisbon Treaty (2009), tourism became a specific competence of the EU, allowing the latter to support and complement actions within the member states by encouraging the creation of an atmosphere that is conducive to developing tourism enterprises and fostering cooperation between member states, while excluding any harmonisation of the legal and regulatory provisions of member states. The resources for mitigating regional differences are drawn from the structural funds, which are made up of contributions

With tourism as one of the main international economic drivers in the twenty-first century, together with increasing demands from the domestic population for leisure and recreation, the industry is a development option that few governments can afford to ignore. A critical difference between tourism and many other agents of development is that of inseparability, in that tourism is consumed at the place of production, thus involving itself with the host community, and requiring some commodification and sharing of traditions, value systems and culture. Since the tourist industry does not control all those factors that make up the attractiveness of a destination and the impact on the host population can be considerable, it is necessary for the options concerning the development of tourism to be considered at the highest level of government and the appropriate public administrative framework put in place.

As a rule the greater the importance of tourism to a country's economy the greater is the involvement of the public sector, to the point of having a government ministry with sole responsibility for tourism. While tourism can be planned to be more or less sustainable at the destination end through the range of policies analysed in this chapter, it must not be forgotten that there is the continuing issue of the 'carbon footprint' generated by domestic and international travel to the destination, arising particularly from the growth in low-cost air transport.

The airlines' response has been to increase fuel efficiency and introduce composite materials that are capable of being recycled and are lighter in the air. Beyond the national horizon, governments are involved in supporting a variety of multinational agencies. The official flag carrier for international tourism is the UNWTO which is vested by the United Nations with a central and decisive role in promoting the development of responsible, sustainable and universally accessible tourism.

Elsewhere there are a number of other international bodies whose activities impinge upon tourism: these include the World Bank Group – whose commercial arm is the International Finance Corporation (IFC), which takes on private sector projects, whereas its other arm, the International Bank for Reconstruction and Development (IBRD), provides government funding for structural adjustment and infrastructure developments – other United Nations bodies – such as the International Civil Aviation Organization (ICAO), the World Health Organization (WHO) and UNESCO – the International Air

Transport Association (IATA) and the Organisation for Economic Co-operation and Development (OECD).

The challenges facing destinations are significant, with a whole host of issues that impact on their management and marketing. The global economic crisis only served to increase those challenges as the patterns of distribution of tourism activity changed to accommodate the effects of falling real income levels for many tourists. Both the macro and micro environments are in a constant state of change and evolution and, as such, those managing destinations are encouraged to migrate from their traditional 'inward looking' nature and recognise more fully the true magnitude of events and their impact on how destinations are to be managed in the future.

For the future management of destinations there is a need to take into account: the needs, wants and expectations of more mature and knowledgeable customers; more up-to-date and reliable information upon which to base such decision making; and the considerable pressures caused by the sustained presence and influence of e-intermediaries such as Expedia.com, Booking.com and Trivago.com, and their growing power and influence on destinations and the wider tourism system. With regard to transportation and technological pressures, developments in useful destination management systems have taken place which now afford them necessity status, while the systematic growth of discount airlines and the surplus of new destinations continues to ensure severe competition among destinations for tourist spend.

Of all these forces, however, it is the long-standing 'dividing line' between the public and private sectors that remains the prime catalyst for change, a dividing line considered to have been holding back the potential of destination marketing for far too long. King (2002), whilst acknowledging the existence of a number of pressures, also raises the scenario of the traditional distribution channels being increasingly bypassed in the future with more direct contact between the consumer and the supplier taking place. He also suggests that a reduction in booking lead times is likely to occur, as is a steady downturn in the demand for mass tourism products, leading to a greater pressure for the destination to deliver satisfaction and meet expectations of an increasingly independent tourist. King is very critical of many existing destination management organisations (DMOs), in that the majority remain focused on 'what the destination has to offer' and continue to use 'mass marketing techniques more suited to the passive customer' (King, 2002: 106). He develops this theme by alluding to the fact that the customer is now very much an active partner, or co-creator, in the marketing process. For destinations to be a success, marketers will need to engage the customer as never before, as well as to be able to provide them with the types of information and experience they are increasingly demanding. In the same study, King advances a number of so-called 'new realities' for destination marketers.

These include the need for even greater emphasis on a strong brand image, with clearly identified and projected brand values that resonate with key target segments; more direct engagement with the customer to identify their holiday motivations, anticipate their needs and fulfil their aspirations; the establishment of ongoing, direct, two-way and networking consumer communication channels, and for key customer relationship strategies to take place with the eventual development of mass customisation marketing and delivery capabilities; greater emphasis to be given to the creation and promotion of holiday experiences that link key brand values and assets with the holiday aspirations and needs of key customers; and a move away from a relatively passive promotional role to include greater intervention, facilitation and direction in the conversion process. from member states with the express purposes of helping less well-off regions.

Alongside public monies, commercial funding of tourism projects is obtainable from the European Investment Bank. Largely because of the new tourism powers in the Lisbon Treaty, Members of the European Parliament (MEPs) are now more engaged with European tourism policy than ever before.

Specifically, strategy is developed around the following objectives:

● stimulating competitiveness and demand in the European tourism sector, which divides into:

● promoting diversification of the supply of tourist services;

● developing innovation in the tourism industry;

● improving professional skills;

● encouraging an extension of the tourist season;

● consolidating the socio-economic knowledge base for tourism.

● promoting the development of sustainable, responsible and high-quality tourism, with priorities for coastal tourism, cultural heritage, promoting the low season, and accessibility for all ;

● consolidating the image and profile of Europe as a collection of sustainable high-quality destinations;

● maximising the potential of EU policies and existing financial instruments for developing tourism. It is important that, in developing its strategy for tourism, the European Commission does not duplicate the work of other organisations.

The key aspects in recent years have been:

● cooperating with ETC in the creation of a ‘Europe’ brand in the face of falling world market share;

● simplifying visa rules;

● launching the European Destinations of Excellence competition;

● the development of a tourism business portal and ICT initiatives to help businesses get the most out of new technologies;

● tourism training initiatives to build capacity;

● virtual tourism observatory’ by making research information available online;

● funding a wide range of tourism projects.

Ultimately, the differing nature of the tourist product within Europe leaves the Commission with little option but to assign the primary role of tourism policy to member states and proceed with tourism projects only in close partnership with national and regional bodies.

The principle applied is that of subsidiarity, which argues for decisions to be made at the lowest level of authority so as best to meet local needs and be as close as possible to the citizen, which is seen as a requirement to safeguard democratic control of European institutions and to maintain the variety of regional differences and cultural identities.

All European countries have NTOs: some are part of government, as in France or Spain, or in Eastern Europe, while others are established independently of government but are supported by central grants and other income-generating activities, as in the United

Kingdom. The case for public sector involvement in tourism rests on concepts of market failure, namely that those who argue for the market mechanism as the sole arbiter in the allocation of resources for tourism are ignoring the lessons of history and are grossly oversimplifying the complex and varied nature of the product.

In an EU context, research among member states has indicated a number of sources of market failure that are the concerns of member states:

- developing tourism as a common good that collectively benefits many businesses, with the NTO acting as a broker between suppliers and potential visitors;
- infant industry development as part of regional policy (including peripheral areas), where commercial viability requires public sector support through the provision of essential infrastructure and financial incentives;
- improving the tourism product through more emphasis on research and development, and via the implementation of measures such as benchmarking good practice and training programs for tourism workers;
- incorporating the concept of sustainable and balanced growth into tourism by taking account of socio-cultural and environmental issues in tourism planning;
- enhanced support for rural and farm tourism.

By way of contrast, the US Congress took a much more market-orientated stance and closed down the United States Travel and Tourism Administration (USTTA) in 1996, some 15 years after its establishment. In the main, the responsibility for tourism marketing and development was left with the individual states and the Travel Industry Association of America.

The latter has campaigned vigorously for federal involvement in promoting the image of the USA worldwide, arguing that it should not be left to a few strong destination brands, such as Florida, New York or Hawaii, and major companies, such as Disney, Hyatt and Hertz, to ‘pull the tourism train’. In the last decade, tighter visa restrictions, tougher entry procedures at immigration desks and a general increase in anti-American sentiment in the wake of the wars in Iraq and Afghanistan saw the industry losing market share, so in response the

United States passed the Travel Promotion Act which established the Corporation for Travel Promotion, now ‘Brand USA’, a public–private marketing entity, in 2010 with responsibilities for directing the national travel and tourism strategy.

The past assumption that tourists would keep coming had been found wanting and Brand USA receives matching public funds to what it raises from the private sector. Today the United States has a National Travel and Tourism Office (NTTO) located in the Department of Commerce. It is tasked with:

- managing the travel and tourism statistical system;
- promoting the growth of US travel exports through agreements to ease travel movements;
- representation on international bodies, such as the UNWTO;
- development and management of tourism policy, strategy and advocacy;
- providing technical assistance for expanding international tourism and assisting in domestic economic development. It is important to note that much of the tourist product in the United States is under federal control through the Department of the Interior, whose responsibilities include:
- preserving national scenic and historic areas;
- conserving, developing and utilising fish and wildlife resources;
- coordinating federal and state recreation programmes; and
- operating job corps conservation youth camps. Also, the Forest Service of the Department of Agriculture takes an active role in promoting and sustaining the nation’s landscape.

There have been continual changes in tourism ministers followed by one tourism review after another, all falling short of repealing the Act, but rather confining themselves to using funding as a means to curtail or expand the activities of the national boards.

Structure of a national tourist organisation

A stylized organizational layout for an NTO. This type of NTO is at ‘arm’s length’ from the Ministry of Tourism by virtue of having its own chairman and board of directors. Where an NTO is a division of a ministry, which may have a wider portfolio of activities than just tourism, then it is usual for the director of tourism to report to the senior civil servant in the ministry rather than a board.

Many NTOs have only marketing responsibilities and are designated as such, as this is considered to be their primary function, with tourism development being placed in the general portfolio of a national or regional planning authority. In these cases should not have a development division and research activity is likely to be included under the marketing division, but the industry view is that it is better served when both marketing and development are under one body.

Clearly, the exact structure of an NTO will depend upon the objectives laid down for it by government and the tasks the organization has to undertake in order to meet those same. objectives.

For example, Visit Wales, the Welsh Assembly's tourism department, sees its principal role as providing leadership and strategic direction to the tourism industry in Wales, targeting resources towards priorities that will most benefit the industry, as outlined in its objectives:

● to assist in raising the quality of the tourism offer in Wales;

● to stimulate growth in the demand for Wales and to position Wales as a must-see travel destination;

● to use effective partnership working to achieve mutual benefits for Wales;

● to encourage, support and reward innovation;

● to encourage a skilled and professional workforce equipped to deliver a quality Wales experience. For any organization maintaining quality in the face of competition is important for retaining value.

This being the case, quality evaluation will always be an inexact science and one that is resolved through expert judgement and opinion. Since NTOs do not own the tourism product they have to work in partnership with many other businesses to create a positive, distinctive and motivating identity for their country as an attractive destination in target markets. Innovation is commonly associated with new products and this is the basis on which public funding in the form of grants and subsidized loans are normally given.

However, the concept is broader than this, since it may also encompass new methods of production, new sources of supply, new markets or simply improving the structure of the organization. In sum, innovation is about new ways of doing things that add value to the business. It is clear that NTOs are generally set multiple objectives by their political masters, which makes it difficult to maximise any one of them.

Thus trying to maximize the economic gain, particularly in the short term, may not be in the long-term interests of the host community and could be at variance with the objective of protecting the natural and built environment.

Managers have to become adept at creating optimal policies that satisfy a bundle of objectives, so as to minimize conflict. This makes it important that governments should not set NTOs objectives that may seriously conflict with each other. Too often governments talk of tourism quality yet measure the performance of the NTO in terms of numbers.

Common examples of policy objectives that are most likely to be at variance with each other are:

● maximizing foreign exchange earnings versus actions to encourage the regional dispersion of overseas visitors;

● attracting the high-spend tourist market versus policies to expand visitor numbers;

● maximizing job creation through generating volume tourist flows versus conservation of the environment and heritage; and

● community tourism development versus mass tourism

The European Union

Under the Treaty establishing the European Union (EU), revised from time to time, substantial fiscal, financial and legislative powers have been transferred from national governments in member countries to the EU, and its executive arm, the Commission. The European parliament, an elected assembly, in turn has considerable powers in approving budgets and legislation.

However, with growing recognition of the importance of tourism and with some encouragement from the Parliament, the Community set out in 1986, albeit rather late in the day, objectives related to the trade, realizing that many mainline policies of the Community impacted on tourism to a major extent and that there were spin-off benefits that had to be recognized.

European Community objectives

1 .To facilitate and promote tourism in the Community.

2 .To improve its seasonal and geographic distribution.

3.To make better use of the Community financial instruments, e.g. the European Regional Development Fund (ERDF).

4. To provide better information and protection for visitors.

5.To improve the working conditions of persons employed in the tourism industry.

6.To provide more complete information on the sector and set up consultation and coordination between the Commission and Member States.

Impacts of EU mainline policies on tourism are very considerable. For member countries, it is by far the most important international organization. The inception of the Single Market in 1993 has so far proved to be of little benefit to tourism, which was already largely a free international trade. Fiscal intervention has been unfavorable, with VAT at high and varying rates (0–25 per cent) in member countries, and extended to additional services such as transport. This distorts trade and erodes Europe's competitive edge. Intervention in labour, social and environmental regulation has also burdened the industry with increased costs. However, major investment in the poorer regions and in transport through the structural and social funding programme has assisted tourism developments, in some cases substantially.

The following UN agencies have tourism interests to a greater or lesser degree:

1 The Economic and Social Council.

2. The UN Conference of Trade and Development (UNCTAD), mainly for developing countries.

3. The World Health Organization (WHO).

4.The International Labour Office (ILO).

5. The International Civil Aviation Organization (ICAO).

6.The International Maritime Organization (IMO).

7. The United Nations Development Programme. The World Bank (International Bank for Reconstruction and Development) has been active from time to time in assisting tourism in developing countries.

10.4. Forecasting of tourism opportunities

Industry sectors have established their international associations or groups, such as:

1.Alliance International du Tourisme (AIT).
2. International Air Transport Association (IATA).
3. International Chamber of Commerce (ICC).
4. International Hotel Association (IHA).
5. International Road Transport Union (IRU).
6. International Union of Railways (UIL).
7. Universal Federation of Travel Agents Associations (UFTAA).

A considerable number of bodies have some interest in tourist matters from time to time, reflecting the wide-ranging nature of the trade.

Unfortunately this has proved a major obstacle in attempts to establish a representative consultative forum. Recently the leaders of a number of major companies in travel and tourism, airline, hotel and tour operators set up the World Travel and Tourism Council (WTTC), with a brief to secure adequate recognition of tourism as the world's largest trade. This body of large commercial interests does not cover the public sector, which is a major operator in tourism, nor the professional sector bodies and trade associations whose task it is to represent their industries.

This division of interest is apparent at national level, where trade associations are well established but active tourism industry organizations are rare. They do exist in a number of countries, such as the Travel Industry Association of America, and similar bodies in Ireland, the UK, France, Denmark, Germany and Italy. For the most part they have few resources and limited influence on activity. But there are some exceptions.

The need for such collectives increases as tourism grows, and governments in the industrialized countries withdraw from tourism intervention. As noted earlier in this chapter, Sweden and the USA abolished their National Tourist Offices, France has eliminated the post of Minister of Tourism and Italy has abolished the Ministry of Tourism. International regional organization.

10.5. Prospects for tourism in Uzbekistan

As a result of this meeting with the university's leadership, an agreement was reached to include topics about history, geography and economic geography for four semesters of 2017 and 2018, topics about Uzbekistan. This practiceм will expand the audience of foreign citizens who are keen on Uzbekistan.

In general, the ongoing reforms are aimed at simplifying the organization of tourist trips to Uzbekistan.

In accordance with the State Program for the Implementation of the Strategy for the Five Priority Areas of Development of the Republic of Uzbekistan in 2017-2021, preliminary data from visitors to the border services are collected through information and communication technologies.

In addition, further simplification of registration procedures for foreign citizens is envisaged, including the filing of on-line applications with a travel route equivalent to temporary registration. This will contribute to the further development of such areas of tourism as active, eco-tourism and agro-tourism.

The Resolution of the President of the Republic of Uzbekistan established the Working Group on the preparation of proposals for the step-by-step simplification of visa and registration procedures for foreigners. This will facilitate the simplification of requirements for entry into the country, as well as the diversification of the tourist flow based on the requirements of the market and the interest of foreign citizens.

The growing market of information technologies, including mobile applications, does not bypass the sphere of tourism of Uzbekistan by the party. At this stage are being developed annexes to promote the development of independent tourism, with the introduction of services for taxi orders, restaurants, as well as the "alarm button" application aimed at ensuring the safety of tourists in particular lovers of natural and ecotourism.

Separately, you can mention the service «Uzbekistan Pass» a mobile guide with detailed information about historic places and sights of Uzbekistan. The service also assumes the possibility of purchasing a discount card, which gives an opportunity to visit a lot of objects for free, as well as to receive discounts in more than 600 establishments (restaurants, hotels, shopping centers, etc.). The subjects of the tourism industry themselves are actively introducing technologies to further improve the service, including hotels and transport companies successfully use online booking systems and various mobile applications.

As for the further improvement of the price policy the National Airline Company "Uzbekistan havo yullari" announced discounts for travelers organized in groups and individuals. Also, the system for groups of tourists is successfully functioning, when buying a ticket of "Uzbekistan havo yullari" to Uzbekistan, free travel is provided for the chosen direction inside Uzbekistan. It is also worth noting the overall coordination of the price policy for domestic transport, which gives travelers the opportunity to plunge into the color of the most attractive areas of Uzbekistan.

Uzbekistan has a huge tourist potential and in order to form and promote a competitive tourist offer Tourism Committee of Uzbekistan together with local authorities take the necessary measures for the further development of tourism, including the creation of infrastructure, development of the transportation system.

From July 1, 2017, enterprises that attract direct private foreign investment and specialize in the provision of hotel and tourist services are granted tax incentives.

In particular, these companies are exempt from corporate income tax, property tax, tax on improvement and development of social infrastructure, single tax payment for micro-firms and small enterprises, as well as mandatory contributions to the Republican Road Fund.

The specified tax privileges are given at volume of direct private foreign investments:

- from 300 thousand US dollars to 3 million US dollars - for a period of 3 of the year;
- more than 3 million US dollars to 10 million, US dollars - for a period of 5years;
- more than 10 million US dollars - for a period of 7 years.

The tourism sector has already received an assessment of the attractiveness due to benefits and preferences granted to entrepreneurs. This is the result of the attention that the state pays for the development and formation of a qualitative environment for the further development of the sphere. For these purposes, a number of privileges and preferences for business entities in the sphere are envisaged. In particular: for 5 years from the payment of corporate income tax, land tax and property tax, as well as a single tax payment of legal entities, business entities were released upon entering into operation hotels and motels of at least 4 stars certified in accordance with the established procedure;

legal entities are exempted from payment of customs duties (except for customs clearance fees) for imported equipment, machinery, components, spare parts and materials not produced in the Republic of Uzbekistan for the construction and reconstruction of hotels and motels, according to the lists approved according to established order; released when importing into the territory of the Republic of Uzbekistan from the import customs duty and value-added tax, buses intended for the transportation of 30 people or more, including the driver corresponding to the standard of Euro 3 or more.

In addition, by the decree of the President of the Republic of Uzbekistan of August 16, were released until January 1, 2022: hotels - from payment of a single social payment of the payroll fund of qualified foreign specialists, attracted as management personnel income of qualified foreign specialists invited as hotel management personnel - from the payment of personal income tax.

Relations between the Republic of Uzbekistan and India in the field of tourism are conducted on the basis of the Agreement between the Government of the Republic of Uzbekistan and the Government of the Republic of India on cooperation in the field of tourism dated 06.07.2015, which provides for multilateral cooperation of the two countries in the field of tourism.

It should also be noted that Indian travel companies annually take part in the International Uzbek tourist exhibition "World of Rest" and the Tashkent International Tourism Fair "Tourism on the Silk Road". So, in 2016 three tourism companies of India took part in the work of the fair "Tourism on the Silk Road".

Also at the level of business communities, there is an ongoing exchange of views and contacts in order to further deepen cooperation in the field of tourism.

Speaking about the prospects of Uzbek-Indian relations in the sphere of tourism, I would like to note that, according to the State Committee on Statistics of Uzbekistan, in 2016, about 19,000 Indian citizens visited Uzbekistan. However, this indicator does not reflect the potential that the Indian outbound tourism market has. In the long term, the Uzbek side will strive to ensure that the number of Indian citizens visiting the republic for tourist purposes has increased at times. And to achieve this goal, the State Committee for the Development of Tourism will make all possible efforts, including to create the necessary infrastructure and provide the most comfortable conditions for Indian tourists in Uzbekistan.

Discussion Questions

1. Consider the benefits of having a world body that has tourism as its sole sphere of interest.
2. What priorities would you attach to the range of functions covered by the UNWTO?
3. If your country is a member of the UNWTO, what benefits do the tourist authorities perceive they get from membership?
4. What may be some of the barriers, whether real or perceived, that hinder the implementation of a global code for ethics in tourism?

Mini case study

Forecasting at a National Tourism Administration

Given the many influences on the demand for tourism, experience indicates that successful market planning at the NTA level requires knowledge of:

1. current demand and supply position;
2. historic trends that have produced this;
3. factors influencing tourism;

a) exchange rates;
b) GDP; c) personal disposable income;
d) unemployment,
e) airfares;
f) petrol costs;
g) accommodation costs at home and abroad;
h) holiday entitlement.

4. decisive factors and bottlenecks in the sector;
5. current importance of tourism;

6. tourism product that is offered;

7. market outlook for this product.

The need for such information is determined by the complex and sometimes volatile nature of tourism demand. While everyday monitoring of trends may be drawn from business indicators, for the longer term the NTA will produce typically a ten-year forecast; annually for the first five years, with just target figures for the tenth year.

Longer term forecasts will be set against likely scenarios to produce high, central and low targets that might be achievable. It is often difficult to quantify some of the influences listed above, either due to measurement difficulties, for example the future of space tourism, or the costs of collecting such information in relation to the available budget.

A common difficulty is how to measure the effects of promotional spend, and the accepted wisdom is that this may be best represented through changes in market share rather than absolute visitor numbers. NTAs will normally layer their markets in order of importance and in relation to the tourism products on offer, termed a ‘product-fit table’, paying most attention to the major sources of origin of visitors and those showing new potential.

There is an old forecasting adage to deal with uncertainty which says: ‘Give them a number or give them a date but never both!’ This is to avoid being tied down to absolute numbers on a given date some way into the future.

Customary practice is to put forward scenarios for each market with likely targets supported by qualitative analysis of the influences that affect them, so that the probabilities of change may be thoroughly understood. This will enable plans to be drawn up to make rational responses to changes when and where they occur

Discussion Questions

1. With reference to a destination of your choice construct a product-fit table.

2. How might an NTA organise a response to a violent disturbance such as a riot or terrorist attack in its capital city?

3. How would you evaluate the impact of a large rise in oil prices on international travel?

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Glossary

A

Accommodation - facilities for the lodging of visitors to a destination. The most common forms are hotels, motels, campgrounds, bed - and - breakfasts (B & Bs), dormitories, hostels, and the homes of friends and relatives.

Adventure travel - A form of travel in which the perception (and often the reality) of heightened risk creates a special appeal to certain segments of the travel market. Examples include white - water rafting and mountaineering.

Affinity group - A group bound together by a common interest or affinity. Where charters are concerned, this common bond makes them eligible for charter flights. Persons must have been members of the group for six months or longer. Where a group configuration on a flight is concerned, the minimum number of persons to which the term would apply may be any number determined by a carrier rulemaking body. They must travel together, on the departure and return flight, but they can travel independently where ground arrangements are concerned.

Agreement, bilateral - An agreement regulating commercial air services between two countries.

Agreement, multilateral - An agreement regulating commercial air services between three or more countries. Airline Reporting Corporation (ARC) A corporation set up by the domestic airlines that is concerned with travel agent appointments and operations.

Air Transport Association of America (ATA or ATAA) - The authoritative trade association maintained by domestic airlines.

Alliance - An association to further the common interests of the parties involved.

American plan - A room rate that includes breakfast, lunch, and dinner. Attractions Facilities developed especially to provide residents and visitors with entertainment, activity, learning, socializing, and other forms of stimulation that make a region or destination a desirable and enjoyable place.

B

Balance of payments or trade Practical definition of an economic concept. Each nation is assumed to be one tremendous business doing business with other big businesses. When a business (country) sells (exports) more than it buys (imports), there is a positive balance of payments. When a country buys (imports) more than it sells (exports), there is a negative balance of trade. Tourism is a part of balance of trade classified under services.

Built environment- The components or activities within a tourism destination that have been created by humans. These include the infrastructure and superstructure of the destination, as well as the culture of its people, the information and technology they use, the culture they have developed, and the system of governance that regulates their behaviors.

C

Cabotage - The ability of an air carrier to carry passengers exclusively between two points in a foreign country.

Capacity -The number of flights multiplied by the number of aircraft seats flown.

Carbon footprint - The effect one ' s actions and lifestyle have on the environment in terms of carbon dioxide emissions.

Carrier- A public transportation company, such as air or steamship line, railroad, truck, bus, monorail, and so on.

Carrier - participating A carrier over whose routes one or more sections of carriage under the air waybill or ticket is undertaken or performed.

Carrying capacity - The amount of tourism a destination can handle.

Charter- The bulk purchase of any carrier ' s equipment (or part thereof) for passengers or freight. Legally, charter transportation is arranged for time, voyage, or mileage.

D

Destination- The ultimate stopping place according to the contract of carriage. Can also be defined as a place offering at least 1,500 rooms to tourists.

Destination management organization (DMO) - Organization responsible for coordination, leadership, and promotion of a destination and its stakeholders, thus enabling it to provide tourists with an enjoyable and memorable visitation experience.

Development - Modification of the environment to whatever degree and the application of human, financial, living, and nonliving resources to satisfy human needs and improve the quality of human life.

Domestic independent travel (DIT) - A tour constructed to meet the specific desire of a client within a single country.

E

E - commerce The transaction of commercial dealings (advertising and promotion, sales, billing, payment, and customer servicing) by electronic means rather than through traditional “ paper ” channels.

Entertainment - Performances, shows, or activities that attract and hold the attention of visitors. A successful destination will seek to integrate the travel, hospitality, and entertainment dimensions of tourism.

Environment - All aspects of the surroundings of human beings, including cultural, natural, and man - made, whether affecting human beings as individuals or in social groupings.

Eurailpass - A special pass sold overseas for unlimited first - class rail travel in fifteen European countries for varying numbers of days. Youth and children’ s passes are also available.

European plan - A hotel rate that includes only lodging, no food. Events Includes a broad range of “ occurrences, ” “ happenings, ” and “ activities ” that are designed around various themes, with a view to creating or enhancing interest in the destination. Local festivals and megaevents (such as the Olympic Games and world expositions) have proven to be most effective.

Excursionist - A traveler who spends less than twenty - four hours at a destination.

F

Familiarization tour -A tour with free or reduced - rate arrangements for travel agents or public carrier employees that is intended to stimulate them to sell travel or tours as experienced on the “ famtour. ”

Federal Aviation Administration (U.S.)- A governmental regulatory agency concerned with airport operation, air safety, licensing of flight personnel, and other aviation matters.

Flag carrier- An international airline often owned and/or operated by the government of its home country.

Flight, connecting - A flight that requires a change of aircraft and flight number en route to a destination.

Flight, direct A flight that may make intermediary stops en route to a destination.

Flight, nonstop - A flight that travels to a destination without any intermediary stops

List of abbreviations

AA Automobile Association
AAA American Automobile Association
ABTA Association of British Travel Agents
ABTAC Association of British Travel Agents' Certificate
ACD Automatic Call Distribution
ACE Association of Conference Executives
ACTE Association of Corporate Travel Executives
ADS Approved Destination Status
AIC Airbus Integrated Company
AIEST Alliance Internationale d'Experts Scientifiques de Tourisme
AIT Air inclusive tour
AITO Association of Independent Tour Operators
ALVA Association of Leading Visitor Attractions
APEX Advance purchase excursion fare
APT Advanced Passenger Train ARTAC Association of Retail Travel Agents' Consortia ASEAN Association of South East Asian Nations
ASTA American Society of Travel Agents
ATB Automated Ticketing and Boarding Pass
ATC air traffic control
ATOC Association of Train Operating Companies
ATOL Air Travel Organizer's Licence
ATTF Air Travel Trust Fund
ATTT Association of Tourism Teachers and Trainers (formerly Association of Teachers of Tourism, ATT)
AUC Air Transport Users' Council
AVE Alta Velocidad Espagnola (Spanish high speed train)
B2B business to business
B2C business to consumer
BA British Airways
BAA British Airports Authority (organization that operates airports, now privatized, formerly publicly owned)
BABA book a bed ahead
B&B bed-and-breakfast accommodation

BACD British Association of Conference Destinations (formerly British Association of Conference Towns, BACT)
BCG Boston Consulting Group
BEA British European Airways (later merged with BOAC to form British Airways)
BHA British Hospitality Association
BH&HPA British Holiday and Home Parks Association
BHTS British Home Tourism Survey
BITOA British Incoming Tour Operators' Association (now renamed UKInbound)
BITS Bureau International de Tourisme Sociale
BNTS British National Travel Survey
BOAC British Overseas Airways Corporation, later merged with BEA to form British Airways
BRA British Resorts Association
BTA British Tourist Authority (now VisitBritain)
BTI Business Travel International
BW British Waterways
CAA Civil Aviation Authority
CAB Civil Aeronautics Board (USA)
CBI Confederation of British Industry
CECTA Central European Countries Travel Association
CGLI City and Guilds of London Institute
CIM Chartered Institute of Marketing
CIMTIG Chartered Institute of Marketing Travel Industry Group
CIT Chartered Institute of Transport
CLIA Cruise Lines International Association
COTAC Certificate of Travel Agency Competence
COTAM Certificate of Travel Agency Management
COTICC Certificate of Tourist Information Centre Competence
COTOP Certificate of Tour Operating Practice
CPT Confederation of Passenger Transport
CRN Countryside Recreation Network
CRS computer reservations system

CTC certified travel counsellor
CTT Council for Travel and Tourism
DCMS Department for Culture, Media and Sport
DEFRA Department for Environment, Food and Rural Affairs
DMO Destination Management Organization
DTI Department of Trade and Industry
EADS European Aeronautic Defence and Space Company EC European Commission
EIA environmental impact assessment
ETB English Tourist Board (later, the English Tourism Council)
ETC (1) English Tourism Council (now integrated with VisitBritain) (2) European Travel Commission EU European Union
FFP frequent flyer programme
FIT fully inclusive tour
FTO Federation of Tour Operators
GBTA Guild of Business Travel Agents
GDP gross domestic product
GDS global distribution system
GISC General Insurance Standards Council
GIT group inclusive tour-basing fare
GNE global new entrant GNP gross national product
HCIM A Hotel and Catering International Management Association (now Institute of Hospitality) Htf Hospitality Training Foundation IAE International Aero Engines
IATA International Air Transport Association
IBTA International Business Travel Association
ICAO International Civil Aviation Organization
IFAPA International Foundation of Airline Passenger Associations

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