2ND EDITION

CLARE INKSON & LYNN MINNAERT

TOURISM MANAGEMENT

AN INTRODUCTION

TOURISM MANAGEMENT

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To my family: thanks for your love, patience and support during the writing of this book. And for spending your holidays looking for interesting tourism sites and sights to photograph for me!

Clare Inkson

To my husband Pierre: thank you for all your love and support.
Lynn Minnaert

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ABOUT THE AUTHORS

Clare Inkson is a Senior Lecturer in Tourism at the University of Westminster in London. She has extensive experience of working in tourism in operational and marketing roles in the UK and overseas, for tour operators, wholesalers and travel agencies. Her research interests include tourism distribution channels, destination marketing and the tourism sharing economy.

Dr Lynn Minnaert is the Academic Director and Clinical Associate Professor at New York University's Jonathan M. Tisch Center for Hospitality and Tourism. Her research specialism is social inclusion and social sustainability in tourism and events: she has conducted research projects into social tourism, the social impacts of the Olympics and social legacy initiatives in the meetings industry. She has lectured in tourism and events management at undergraduate and postgraduate levels in the US, the UK and in a range of different countries – this international perspective is reflected in this book.

ONLINE RESOURCES

The second edition of *Tourism Management: An Introduction* is supported by a wealth of online resources for students to aid study and for lecturers to support teaching, available at **https://study.sagepub.com/inkson**

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- Flashcard glossary of key terms

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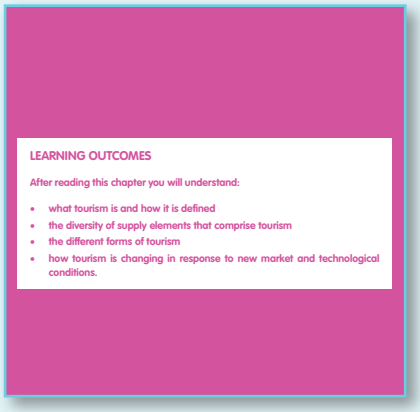
HOW *TOURISM MANAGEMENT: AN INTRODUCTION* WILL SUPPORT YOUR LEARNING

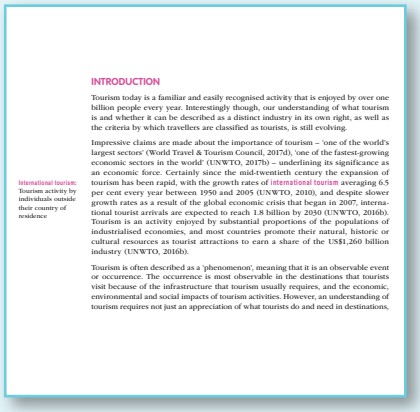
This second edition of *Tourism Management: An Introduction* offers a range of learning resources within each chapter:


LEARNING OUTCOMES

After reading this chapter you will understand:

- what tourism is and how it is defined
- the diversity of supply elements that comprise tourism
- the different forms of tourism
- how tourism is changing in response to new market and technological conditions.

Learning Outcomes at the start of each chapter highlight at a glance the key topics that the chapter will cover and help you to understand.


INTRODUCTION

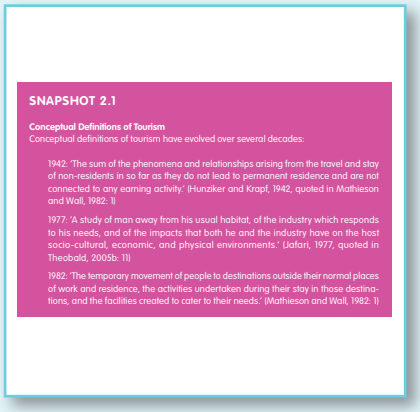
Tourism today is a familiar and easily recognised activity that is enjoyed by over one billion people every year. Interestingly though, our understanding of what tourism is and whether it can be described as a distinct industry in its own right, as well as the criteria by which travellers are classified as tourists, is still evolving.

Impressive claims are made about the importance of tourism – 'one of the world's largest sectors' (World Travel & Tourism Council, 2017d), 'one of the fastest-growing economic sectors in the world' (UNWTO, 2017b) – underlining its significance as an economic force. Certainly since the mid-twentieth century the expansion of tourism has been rapid, with the growth rates of international tourism averaging 6.5 per cent every year between 1950 and 2005 (UNWTO, 2010), and despite slower growth rates as a result of the global economic crisis that began in 2007, international tourist arrivals are expected to reach 1.8 billion by 2030 (UNWTO, 2016b). Tourism is an activity enjoyed by substantial proportions of the populations of industrialised economies, and most countries promote their natural, historic or cultural resources as tourist attractions to earn a share of the US$1,260 billion industry (UNWTO, 2016b).

International tourism: Tourism activity by individuals outside their country of residence

Tourism is often described as a 'phenomenon', meaning that it is an observable event or occurrence. The occurrence is most observable in the destinations that tourists visit because of the infrastructure that tourism usually requires, and the economic, environmental and social impacts of tourism activities. However, an understanding of tourism requires not just an appreciation of what tourists do and need in destinations,

Glossary Terms in coloured text and defined in the margin enable you to understand and reference key tourism management terminology.


SNAPSHOT 2.1

Conceptual Definitions of Tourism

Conceptual definitions of tourism have evolved over several decades:

1942: '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.' (Hunziker and Krapf, 1942, quoted in Mathieson and Wall, 1982: 1)

1977: 'A study of man away from his usual habitat, of the industry which responds to his needs, and of the impacts that both he and the industry have on the host socio-cultural, economic, and physical environments.' (Jafari, 1977, quoted in Theobald, 2005b: 11)

1982: 'The temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs.' (Mathieson and Wall, 1982: 1)

Snapshots throughout each chapter highlight interesting examples of specific issues in practice to help you understand how concepts apply to tourism destinations, business and organisations, tourists or host communities.


CASE STUDY 2.1

China's Tourism System

Tiananmen Square, Beijing in 1990

Source: Claire Inkson

Between 1949 and the early 1980s China was isolated. After Mao's death in 1978, China's new 'Open China' policy targeted inbound tourism as a route to foreign currency earnings. In 1982 the new China National Tourism Administration (CNTA) began promoting China to international visitors and investing in infrastructural development (Mintel, 2004). Additionally, controls over Chinese citizens' tourism activity were gradually reduced (Hyin, 2006). By 2016, China had become the world's fourth most visited destination country, and the largest tourist-generating region (UNWTO, 2016b).

China offers numerous world-class heritage and natural attractions (e.g. the Great Wall, Forbidden City, Terracotta Warriors), however, initially it lacked hotel and transport capacity. Relaxation of foreign investment restrictions in the 1980s allowed foreign hotel companies into China (Mintel, 2004), and government investment stimulated rapid growth of the road, high-speed rail, and airport infrastructure (Mintel, 2004). Today major hotel companies offer properties in China: InterContinental Hotels Group (IHG), Marriott and Wyndham Worldwide. In 2014, China attracted 55.6m international tourists; its main inbound markets are Hong Kong, South Korea, the USA and Russia; 2014 also saw almost 100 million day visitors from Hong Kong and Macau, and in 2015, 4 billion domestic trips (Mintel, 2016a).

In 2016, domestic and inbound travel and tourism contributed US$1,000.7 billion to GDP – 9 per cent of the total economy – supporting almost 70 million jobs (WTTC, 2017c). Leisure tourism dominates tourism expenditure (85.6 per cent) and domestic visitors' contribution is 82 per cent compared to 18 per cent from international visitors (WTTC, 2017c).

The International Air Transport Association (IATA) estimates that by 2029, China will be the world's top passenger airline market (cited in Mintel, 2016a), but until the 1980s, tourism was seen as a Western activity (Hyin, 2006). Government attitudes to tourism have relaxed gradually: Chinese outbound tourism was permitted for business or VFR, although each trip required government approval (Hyin, 2006). In 1997 the CNTA began encouraging domestic tourism (Li, 2007), and China officially recognised outbound leisure tourism and established regulations requiring countries seeking to attract Chinese

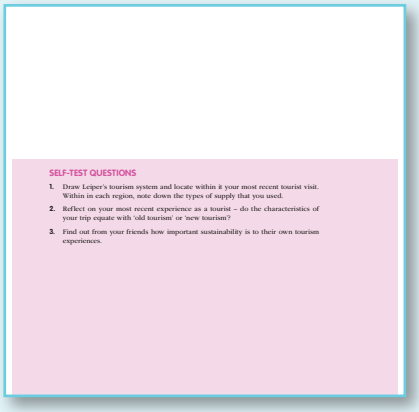
Case Studies supported by **Reflective Questions** help you to understand important points covered in each chapter in a practical and international context.

SUMMARY

This chapter has considered what tourism is, how it is defined, how tourism suppliers are identified and the ways in which tourism can be described. It is important to remember that our understanding of tourism is still evolving and that some of the conceptual and technical definitions we have discussed have been developed as recently as 2008.

Tourism is a massive sector that consists of a diverse range of purposes of travel, an extensive variety of suppliers and destinations, and numerous forms. It has spawned the development of destinations worldwide and demand continues to grow. Tourism is now studied widely at undergraduate and postgraduate level because of its potential to bring economic, environmental and social benefits to destinations, and to ensure that its impacts are positive rather than negative. The complexity of tourism, its vulnerability to external shocks, its economic significance and its potential detrimental impacts on destination communities and environments have created a need for in-depth understanding of all elements of the tourism system and for professional management to direct the future growth of tourism sustainably.

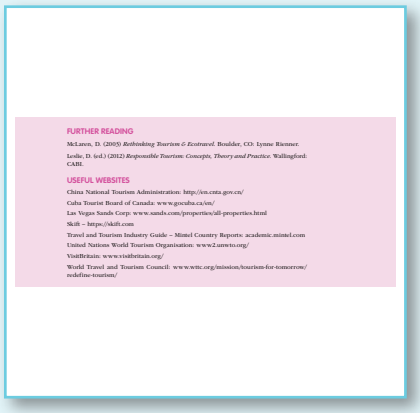
Summaries at the end of each chapter recap on the key topics that the chapter dealt with to help you consolidate what you have learnt from reading it.



SELF-TEST QUESTIONS

1. Draw Leiper's tourism system and locate within it your most recent tourist visit. Within in each region, note down the types of supply that you used.
2. Reflect on your most recent experience as a tourist – do the characteristics of your trip equate with 'old tourism' or 'new tourism'?
3. Find out from your friends how important sustainability is to their own tourism experiences.

Self-Test Questions at the end of each chapter help you check your understanding of the key topics and revise for assessments.



FURTHER READING

McLaren, D. (2005) *Rethinking Tourism & Ecotravel*. Boulder, CO: Lynne Rienner.

Leslie, D. (ed.) (2012) *Responsible Tourism: Concepts, Theory and Practice*. Wallingford: CABI.

USEFUL WEBSITES

China National Tourism Administration: http://en.cnta.gov.cn/

Cuba Tourist Board of Canada: www.gocuba.ca/en/

Las Vegas Sands Corp: www.sands.com/properties/all-properties.html

Skift – https://skift.com

Travel and Tourism Industry Guide – Mintel Country Reports: academic.mintel.com

United Nations World Tourism Organisation: www2.unwto.org/

VisitBritain: www.visitbritain.org/

World Travel and Tourism Council: www.wttc.org/mission/tourism-for-tomorrow/redefine-tourism/

Further Reading and **Useful Websites** provide you with recommendations of useful articles, books, reports and websites to further your study and guide your revision.

PRAISE FOR THE PREVIOUS EDITION

'This book is important – it reminds us that tourism activity does not occur in a vacuum, but rather is shaped by forces linked to globalisation, sustainability, information and telecommunications technology. With its accessible and engaging writing style, it is a must for undergraduate students in their early days of studying tourism management and offers a very welcome addition to the tourism literature.'

Dr Philippa Hunter-Jones, University of Liverpool Management School, UK

'*Tourism Management: An Introduction* provides a refreshing and accessible perspective on key aspects of tourism for those new to the subject. This is something of an achievement as there are some very good books on the library shelves already.'

Rhodri Thomas, Professor of Tourism and Events Policy, Leeds Metropolitan University, UK

'Tourism is an exciting and dynamic sector which affects so many lives in many different ways and in this foundation text the authors bring that to life for students who are starting their tourism studies and require a succinct and comprehensive introduction. Students will find the self-test questions and recommended reading lists particularly valuable.'

Professor Nigel Morgan, Welsh Centre for Tourism Research, University of Wales Institute, Cardiff, UK

'This is a hugely readable, accessible and clearly structured introduction to the broad, diverse and complex dimensions of tourism. It is perfect for first and second year undergraduates as the authors clearly explain the issues that affect the success of tourism in destinations, and the management of tourism's impacts on destination economies, environments and communities. Students will like the inclusion of snapshots and case studies to demonstrate how theory applies in practice and the definitions of specialist terminology.'

Professor Annette Pritchard, Director of The Welsh Centre for Tourism Research, University of Wales Institute, Cardiff, UK

'This book provides a detailed discussion on a wide range of issues affecting tourism. Easy to understand, well-structured and a particularly useful book for undergraduate courses in Tourism Management.'

Kelly Maguire, Business and Humanities, Sligo Institute of Technology, Ireland

'A great book for undergraduates new to the subject area as well as those with more advanced knowledge of tourism. The book provides an excellent overview of the main areas of discussion within the subject for those studying it.'

Dr Sarah Snell, Marketing and Enterprise, University of Hertfordshire, UK

'The success of *Tourism Management: An Introduction* lies mainly in its ability to connect management concepts with broader issues such as globalisation, responsibility and sustainable development. I highly recommend this book ... The plain language, case studies and snapshots used by the authors make the book perfect for non-native English-speaking first-year undergraduates.'

Dr José Carlos García-Rosell, Faculty of Social Sciences, University of Lapland, Finland

'A good introductory text that introduces students to the wider issues relating to tourism management. Useful case studies bring the topics to life and offer points for discussion.'

Alan Marvell, Department of Leisure, Tourism, Hospitality and Events, Gloucestershire University, UK

PART I
TOURISM OVERVIEW

CONTENTS

1

INTRODUCTION

'If our lives are dominated by a search for happiness, then perhaps few activities reveal as much about the dynamics of this quest – in all its ardour and paradoxes – than our travels.'

A. de Botton, 2002: 9

Santa Monica, California

Source: Lynn Minnaert

ABOUT THIS BOOK

Tourism is an exciting and dynamic sector that is constantly changing. It can affect people's lives in many different ways: for tourists it can be a source of lifelong memories, joy and fulfilment, and for businesses and destinations it is a source of income and employment. As tourism has grown and become an ever more prominent activity, tourism studies as an academic field has also developed. When studying tourism, you will find that it is a broad and diverse topic area that encompasses several business sectors, and draws on a range of disciplines.

When one of the authors of this book studied tourism in the late 1980s, tourism textbooks were notable by their absence – the library shelf for tourism consisted of five or six textbooks only. Since then, tourism as an academic study has evolved considerably, and now hundreds, if not thousands, of tourism texts are available that consider tourism in a variety of contexts, and focus on specialist forms of tourism activity. This text is intended to provide a solid starting point to your learning about tourism – to give you a strong understanding of the dimensions of tourism, the industries of which it is comprised, the issues that affect the success of tourism in destinations, and the management of tourism's impacts on destination economies, environments and communities.

This text has been written for students who are starting their tourism studies and require a succinct yet comprehensive introduction to the broad, diverse and complex

dimensions of tourism. It consists of 14 chapters, each of which focuses on a discrete tourism topic; the book can be read from start to finish in the conventional order, or you can pick individual chapters to read in any order, as and when you need to. The book has been designed to provide a foundation in tourism in line with the Quality Assurance Agency (QAA) recommendations for the structure of tourism degree programmes, and has been written particularly for first and second year undergraduates, so that they will have a strong overview of tourism before they start to specialise in a particular form of tourism or in a particular tourism issue.

The book is broadly structured along three main themes: the demand and supply of tourism, the impacts of tourism, and management and marketing. In the second chapter we explain the concept of tourism, how an understanding of tourism has evolved, and the theoretical framework that underpins its study. In Chapters 3 and 4 we consider the factors that influence the demand for tourism by identifying the conditions within an individual's usual environment that enable them to engage in tourism activities, and the forces that motivate tourists to choose tourism as an activity. Chapters 5, 6, 10 and 13 consider the supply of tourism: the industries that supply tourism products in destinations and their common operating characteristics, the role of intermediaries in making these products available for sale to tourists, and the destination itself, common development patterns, and the role of the public sector. The remaining chapters of the book consider the impacts of tourism on destination economies (Chapter 7), communities (Chapter 8) and environments (Chapter 9), and how these impacts can be managed to reduce their negative effects and optimise the benefits that tourism can bring to destinations (Chapter 12). Chapter 11 considers how marketing is applied in tourism, and we end the book with a consideration of the future (Chapter 14) – the future of tourism in general and your future as a young graduate in the tourism sector.

TOURISM IN THE TWENTY-FIRST CENTURY

As you develop your knowledge about tourism, you will notice that it is a dynamic sector that is often strongly influenced by changes that take place in society – tourism is very much a part of how we live today. It is important to remember that tourism as an activity, as an economic sector and as an area of study, cannot be separated from the wider external environment within which it operates. Tourism is influenced by external issues that have a significant impact on the nature of its development, on the ability of tourism businesses to operate successfully, and on tourism's potential to benefit or damage destinations. Throughout this book, we consider tourism in the context of contemporary forces that shape the economy and operating environment in general and to which successful tourism enterprises and destinations must be able to adapt and respond effectively. Three of these forces are of particular importance for tourism, and make their influence felt in every chapter of this book: globalisation and global conflict; sustainability and climate change; and developments in information and communications technology (ICT). In the remainder of this chapter, we explain the context of contemporary tourism in regard to these forces.

GLOBALISATION AND GLOBAL CONFLICT

Globalisation, at its simplest, means crossing borders. Globalisation is not new: goods, people and ideas have traversed the globe for millennia. In recent times

SpongeBob SquarePants advertisement in Iran

Source: Lynn Minnaert

however, globalisation has increased at a rapid pace: new technologies, like jet planes and the Internet, have led to global economics, politics and communications (*Economist*, 2001: ix). Wahab and Cooper (2001: 4) say globalisation is 'an all-encompassing term that denotes a world which, due to many politico-economic, technological and informational advancements and developments, is on its way to becoming borderless and an interdependent whole.' This means that any occurrence anywhere in the world can, in one way or another, have an impact somewhere else: in another country, in another continent. If for example the cotton crop in India is devastated by floods or a pest, this could mean that clothing prices may go up in North America. Political conflicts in Russia, a major exporter of natural gas, can lead to higher gas prices in Europe. Globalisation describes the process by which events, decisions and activities in one part of the world come to have significant outcomes for communities and individuals in quite distant parts of the globe.

Because it has become easier for goods, ideas and people to cross borders, certain products and cultural phenomena are now readily available almost everywhere. Brands like Coca-Cola, McDonald's and Nike are sold almost everywhere in the world, and popular music and Hollywood films can reach worldwide audiences via global distribution and the Internet. Globalisation has also led to multicultural communities, where a range of cultures co-exist and come together (Micklethwait and Wooldridge, 2004). Even though there are still cultural differences between the regions of the world, there is a growing body of products and phenomena that these regions have in common – Beynon and Dunkerley (2000) argue that this marks the emergence of a new 'world culture'.

Albrow (2004) summarises that globalisation can be seen as a combination of four phenomena:

- The values and daily behaviour of many groups in contemporary society are influenced by the state of other parts of the world, and its inhabitants.
- Images, information and products from any part of the world can be available anywhere and anytime for ever-increasing numbers of people worldwide.
- Information and communication technology make it possible to maintain social relationships and direct communication with people all over the globe, across time and distance.
- International laws and agreements ensure that people can move across national boundaries with the confidence that they can maintain their lifestyles and their life routines wherever they are.

Although there may be benefits attached to globalisation, such as the opportunities for communication between people in different parts of the world and the sharing of information, there are also those who claim that globalisation has a series of disadvantages. Examples are that globalisation reduces the power of national governments; that it reduces cultural differences and fades national identities; that it is a source of environmental degradation; and that it increases the gap between rich and poor.

Ronald McDonald figure in Bangkok, in typically Thai pose

Source: Lynn Minnaert

Tourism can be seen as part of the process of globalisation – it is a sector with globalised supply and demand, and it is also a social phenomenon that can influence communities around the world. Many tourism suppliers, such as hotel chains and tour operators, have expanded across borders – tourists can, for example, stay in Hilton hotels in destinations ranging from Japan to Jamaica, confident that the level of service and comfort will be the same across the globe. In developing countries, foreign-owned tourism companies may reap the economic benefits from tourism; many people in the host communities, however, are often excluded from the profits tourism can bring. Globalisation has also resulted in a growth in international tourism demand: cross-border travel is on the increase and continental and intercontinental travel is growing fast (OECD, 2008b: 12). Visitors have an increasing number of destinations to choose from – they can find out about them via 'a globalised world of communications and advertising' (Macleod, 2004) and travel to them via extensive transport routes. This has led to an intense competition between destinations, and pressure on certain destinations as they suffer from an excess of visitors.

While a global sector like tourism may seem to benefit from globalisation, it is heavily dependent on political stability in the destination. Bianchi (2006: 64) states that

> [i]nternational tourism represents the apotheosis of consumer capitalism and Western modernity, based on an apparently seamless harmony between the free movement of people, merchandise and capital. However, as the growing insecurities engendered by the globalisation of terrorism and military interventionism, as well as targeted attacks on foreign tourists in certain parts of the world illustrate, the liberal calculus of unhindered mobility, political stability and the unfettered expansion of the market, which underpins the 'right' to travel, is increasingly mediated by heightened concerns of risk and security.

Geopolitical conflict and terrorism have affected many destinations in recent years, and it is not uncommon for tourists to be the specific target of attacks. In 2015, Tunisia was rocked by two attacks: one in the Bardo National Museum in Tunis, killing 22 tourists; and one three months later, at a beach resort near Sousse, killing 38 tourists. In 2016, a MetroJet flight from Sharm-El-Sheikh, Egypt, to St Petersburg, Russia, was downed by ISIS, killing all 224 passengers and crew on board. That same year, two bombs were detonated in Brussels Airport, Belgium, claiming 16 lives. Additional attacks in Nice, Istanbul, Paris, London and other destinations have had a profound impact on the tourism sector, and safety and security play an ever more important role in destination development and management.

The globalisation of tourism affects the different aspects of tourism that are discussed in this book. The characteristics of global tourism demand and supply will be discussed in Chapters 3, 5, 6 and 12. Globalised tourism also has far-reaching economic, socio-cultural and environmental impacts on host communities: these will be discussed in Chapters 8, 9 and 10. The potential to reach a global market has brought about changes in the way many companies market themselves (Chapter 13). Finally, crisis management for destinations will be covered in Chapter 12.

SUSTAINABILITY AND CLIMATE CHANGE

'Sustainability' is a term for which many definitions exist. Rogers et al. (2008: 5) describe sustainability as 'the term chosen to bridge the gulf between development

Grand Canyon National Park

Source: Lynn Minnaert

and environment'. Dresner (2008: 69) explains that 'the starting point of the concept of sustainable development was the aim to integrate environmental considerations into economic policy. More profoundly, it was conceived as an attempt to bring environmentalist ideas into the central area of policy, which in the modern world is economics'.

Originally the term was applied to forestry, fisheries and groundwater, to answer questions like 'How many trees can we cut down and still have forest growth?' and 'How many fish can we take and still have a fishing industry?'. Today, 'sustainability' is applied more widely to a variety of sectors and aspects of development. The problem is that this makes the term hard to define. At its core, sustainability balances environmental concerns with an allowance for economic growth: this means that development and growth are not blocked, but the way in which growth is achieved is considered closely. There is, however, not one particular way in which sustainability needs to be achieved: a wide range of actions can be classed as aiming towards this goal. Because the term can be interpreted in many different ways, one could say it has become rather vague – some even say it has become almost meaningless (Dresner, 2008).

Even if there are many different definitions for sustainability, there is a general consensus that it has three aspects:

> *Economic*: maximising income whilst maintaining a constant or increasing level of capital.
>
> *Environmental/Ecological*: maintaining and maximising the robustness and resilience of the natural environment.
>
> *Social/Socio-cultural*: maintaining and maximising the robustness and resilience of social systems and cultures. (Rogers et al., 2008)

Sustainability and sustainable development came to prominence in 1987, when the United Nations World Commission on Environment and Development, chaired by

Norwegian Prime Minister Gro Harlem Brundtland, published its report 'Our Common Future' (United Nations, 1983). The central recommendation of this document, usually known as the Brundtland report, was to balance the competing demands for environmental protection and economic development through a new approach: *sustainable development*. The Commission defined it as development that 'meets the needs of the present without compromising the ability of future generations to meet their needs' (Dresner, 2008: 1).

Further UN Conferences on Environment and Development included the 'Earth Summit' in Rio de Janeiro in 1992, where Agenda 21 was produced. The 40 chapters of Agenda 21 offered an action plan for sustainable development, integrating environmental with social and economic concerns, and articulating a participatory, community-based approach to a variety of issues, including population control, transparency, partnership working, equity and justice. Local Agenda 21 was not binding but many countries included it in policy making, with municipal governments often taking a strong lead (Blewitt, 2008: 17).

Another milestone for sustainable development was the 1997 Kyoto Protocol, a UN treaty that was signed by over 140 states. The Kyoto Protocol, like many other climate change agreements however, concentrated almost exclusively on reducing greenhouse gas emissions, largely ignoring the other aspects of sustainable development (Blewitt, 2008: 18).

The 2015 *Paris Climate Accord* takes a different approach from the Kyoto Protocol. Rather than binding emission limits for each country, the new climate agreement requires all parties to set their own emission targets. The goal is to keep a global temperature rise this century well below 2°C above pre-industrial levels. The agreement does not provide a concrete mechanism for carbon trading on a global level but reaffirms the role of carbon markets in achieving its climate goals (United Nations Framework Convention on Climate Change, 2017).

The three determinants of sustainable development are consumption, production and distribution (Rogers et al., 2008):

> *Consumption*: in sustainable development, it is the aim not to use resources beyond the reasonable limit set by nature through regeneration.
>
> *Production*: sustainable development recognises the need for new production patterns that take into account not only the economic benefits of production, but also the social and environmental benefits.
>
> *Distribution*: sustainable development aims to reduce poverty and inequality – the socio-economic aspects of sustainability are particularly important here.

Several authors distinguish between strong and weak sustainability. A strong sustainability approach emphasises that resources need to be used in restrained ways as humankind cannot substitute them, and they must be preserved for future generations (Munier, 2005: 15). This is a more hard-line approach, which advocates using resources at the rate they are produced. For example, we currently consume oil a million times faster than it is produced (Dresner, 2008: 3) – a strong sustainability approach would advocate that we need to reduce our consumption of oil to one-millionth of its current level. A weak sustainability approach regards resources as a commodity that supports humankind (Munier, 2005: 15): although humankind needs to use them wisely, it allows for a responsible use of them. A weak sustainability approach would seek to

reduce the dependency on oil with gradual reduction targets (Dresner, 2008). Blewitt (2008: 29) refers to these terms as 'deep' and 'shallow' ecology.

A major sustainability challenge that affects all aspects of life, including tourism, is climate change. Human activity, in particular the burning of fossil fuels, has increased the 'greenhouse effect': warming that results when the atmosphere traps heat radiating from Earth toward space (NASA, 2017). As a result, extreme weather events increase in frequency: for example droughts, heatwaves, cyclones and hurricanes. Global warming can also lead to rising sea levels, threatening human and wildlife habitats. The extent to which tourism as a sector is prepared for the impacts of climate change is a concern for many stakeholders: destinations are seen to be adapting to climate change, rather than pro-actively considering how it could affect their very nature. The European Environment Agency (EEA) has mapped how climate change will likely affect this region of the world, home to some of the most popular global tourist destinations (see Figure 1.1).

FIGURE 1.1 Forecasted impacts of climate change on Europe

Source: EEA (2012) © European Environment Agency

Annual average land temperatures over Europe are projected to continue increasing throughout the twenty-first century, with the largest temperature increases projected over eastern and northern Europe in winter, and over southern Europe in summer. Annual precipitation is projected to increase in northern Europe and to decrease in southern Europe, enhancing the differences between currently wet regions and currently dry regions. The intensity and frequency of extreme weather events are also projected to increase in many regions, and sea-level rise is projected to accelerate significantly (EEA, 2017). The impacts of a rise in sea levels could be disastrous for a low country like the Netherlands, where one-third of the country is below sea level.

Tourism has not escaped discussions about sustainability: as a transport-intensive sector that has seen dramatic growth over the last decades, tourism has been accused of being inherently unsustainable. Some of the key challenges for tourism are the coordination and cooperation between different stakeholders, the limitations of the efforts of the industry (many being voluntary), and the fact that many small-scale businesses operate in tourism (Harris et al., 2002). The challenge of making tourism more sustainable is a key theme throughout this book. Chapter 7 discusses the extent to which tourism should be allowed to dominate destinations and change it. Chapter 9 specifically examines the environmental impacts of tourism on destinations, and proposes measures that can limit environmental damage. Chapters 7 and 8 consider how the economic and social impacts of tourism for host communities can be optimised.

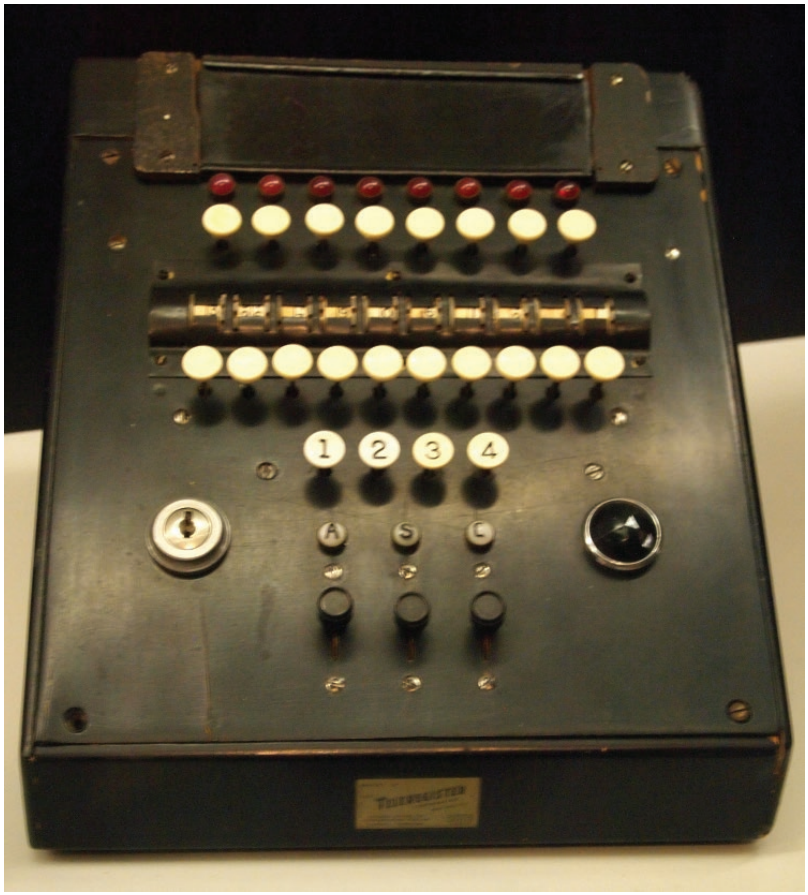
INFORMATION AND COMMUNICATIONS TECHNOLOGY

Developments in information and communications technology (ICT) have been transforming tourism's competitive environment since the 1950s and continue to do so still; indeed, ICT developments since 2010 have had very significant effects on tourism. ICT is the use of computer hardware, software, mobile and fixed telecommunications, internet and satellite technologies, to store, process, retrieve and transmit information electronically. ICT is used by organisations to collect and record data, to process information efficiently and accurately, to communicate internally within and between departments, and externally with partners and with existing or potential customers, to connect users through virtual communities, and most recently, to connect objects electronically via the Internet of Things (IOT).

Egger and Buhalis (2008: 459) suggest that 'ICTs support the globalization of the industry by providing organisations with tools for developing, managing and distributing offerings worldwide'. ICT has revolutionised the ways in which consumers research, purchase and communicate about products and services. In tourism, for example, the handling of vast amounts of data relating to availability and reservations, prices, and the production of travel documents, is an extremely complex process, which, until ICT became widely used, was time-consuming, labour intensive and vulnerable to errors (Middleton et al., 2009).

Buhalis (2003) identifies four stages over which the use of ICT has evolved:

> *Data processing (DP)* – from the 1950s, operational efficiency was increased through the automation of information-based processes using mainframe and mini computers. The costs of hardware and programming excluded all but the largest organisations from using them, and in tourism major airlines began using computers to process reservations data, with systems known as computerised reservations systems or CRS (Inkpen, 1998; Sheldon, 1997).



Magnetronic Reservisor – the first electronic reservations system, introduced in 1952 by American Airlines

Source: Z22 (Own work) [CC BY-SA 4.0 (http://creativecommons.org/licenses/by-sa/4.0)], via Wikimedia Commons

Management Information Systems (MIS) – from the 1970s, data processing was linked to internal information sources such as accounting or inventory to improve management effectiveness and decision making. In tourism, global distribution systems (GDS) were introduced by the airline industry to provide a platform for travel agencies to access the CRS of several airlines, hotel and car rental companies through one system, for instance Sabre and Apollo (Sheldon, 1997).

Strategic Information Systems (SIS) – from the 1980s, management information systems within an organisation could be integrated into ICT networks. Managers were able to customise information to their own needs to produce their own management reports using personal computers to forecast, budget and plan using past data and simulation models. This development enabled more precise decision making and enhanced an organisation's performance. Buhalis suggests that 'SISs were primarily used to support or shape the competitive strategy of an organisation and their ability to gain and maintain competitive advantage' (2003: 12).

The network era – from the late 1990s, the use of local area networks (LAN) and wide area networks (WAN) as well as the Internet, intranet and extranets has revolutionised communication, allowing for greater collaboration within and between organisations and between consumers. This era is particularly important because in theory it has reduced the significance of location and size as a competitive advantage. For example, very small and remote tourism organisations can now use ICT to communicate with a global audience, and the audience itself is partly connected through membership of social networks. Consumers' access to information about tourism products in any destination is available instantly through search engines; this information may be provided by organisations or even by other consumers via platforms designed for C2C (customer to customer) or P2P (peer to peer) communications. In reality, the power and huge budgets of large corporations tend to dictate search results and it has become rather difficult for small organisations to appear on the first page of search results; instead they have to find innovative ways to capture attention, or partner with large corporations to gain access to global audiences online.

The development of networks has transformed the global economy into one in which potentially everyone is interconnected, and organisations can compete on a global scale regardless of their size or location. Social networks have revolutionised the way in which people communicate about their experiences, subsequently reducing the power of organisations to control information about their own products and services. Social media are extremely powerful because they allow any user to post comments about any organisation online that potentially could be read by hundreds, thousands or millions of viewers. These posts may reinforce the positive image that the company seeks to project, or could undermine an organisation's own investment in advertising and branding.

YouTube allows users to upload video content which can be viewed by an almost worldwide audience, and has over 1 billion users across 88 countries; 1 billion hours of video are viewed daily (YouTube, 2017). Facebook had 1.32 billion active daily users in June 2017 alone, and over 2 billion active monthly users (Facebook, 2017). Twitter is a real-time information network that allows its 1.3 billion account holders to create content that can be viewed by anyone who follows them; approximately 500 million tweets a day are added to Twitter (Smith, 2016). The power of these networks was demonstrated clearly in April 2017 when passengers on a United Airlines flight filmed the forceful eviction of a fellow passenger; footage was uploaded to social media by several people within minutes, subsequently shared with thousands of other users and went viral, attracting the attention of the global news media, and making headlines around the world.

The phenomenal speed of new developments in internet and mobile technologies since the beginning of the twenty-first century has far-reaching implications for organisations, particularly those in sectors like tourism that rely on the fast transmission of reliable information. Middleton et al. (2009: 243) state that 'information is the life-blood of tourism'. In order to compete effectively, businesses must adapt quickly to new technology, to changes in the ways in which consumers behave, and to new opportunities to communicate with consumers about their products (Middleton et al., 2009). As the United Airlines example showed, they also need to monitor, manage and respond to social media content.

Buhalis (2003: 7) stresses the role of ICT in organisations' success, enabling them to achieve their objectives and compete effectively. He also stresses the importance of 'humanware' in ICT: that is the intellect, knowledge, expertise and competence that enable an organisation to 'develop, programme and maintain the equipment' (2003: 6). We would add here that recent ICT developments have extended this 'humanware' element to individual users who create and share their own content within their digital social communities or make it publicly available online via social media or review sites. Organisations harness the power of these communities to their own marketing activities by maintaining an active presence on Facebook, Twitter, Instagram and YouTube and other social networking sites, running campaigns encouraging users to add and share content about them, and by responding to reviews.

The transformative impact of ICT on the commercial environment and the operations of organisations cannot be underestimated. It enables:

- greater productivity by reducing the time required to complete tasks and reducing staff costs
- the rapid submission, transmission and sharing of information to speed up processes, and integrate some departmental functions.
- the processing of vast amounts of data very quickly to allow quicker decision making within an organisation and by consumers too.

Since the early twenty-first century, the term 'big data' has been coined to describe the collection and analysis of huge volumes of data in almost real time, to reveal trends, patterns of behaviour and interactions online. Specialised software and algorithms analyse data about an individual's past behaviour online to predict how they will respond to specific information (e.g. the messages that are likely to be most effective) and to tailor offers specifically for that user (O'Neill, 2017). Our online behaviour is tracked and monitored constantly in order to identify the best time to target us with offers and information, and the best prices to offer us. Assumptions are made about us based on how other users with similar characteristics also behave (O'Neill, 2017). Data protection laws are only just catching up with big data: in May 2018, new privacy regulations – the General Data Protection Regulation (GDPR) – will come into force within the EU to strengthen data privacy and consent laws, with fines of up to €20 million for breaches (EU GDPR, 2017).

The Internet itself is not a static technology and continues to evolve. The term 'Web 1.0' refers to websites or internet usage with static content that allows data to be posted, viewed and downloaded; its use is limited to the provision and retrieval of information. Web 2.0 is a commonly used term to describe advanced internet technology and applications that enable users to generate content, for instance blogs, wikis, RSS (Really Simple Syndication) and social networking. Web 2.0 allows web content to be used dynamically through the creation of virtual communities and user-centred design that encourages users to generate content and to connect to other users and content providers (Middleton et al., 2009).

Web 2.0 caused a major shift in power towards consumers (Middleton et al., 2009). In tourism, customer review sites are particularly important to consumers who can check other consumers' opinions and experiences of a supplier before making a purchase decision, and potentially be deterred from making reservations. Tourism

businesses and organisations must understand how their customers are influenced by social networks and thereby incorporate social media into their own marketing, using innovative approaches.

Web 3.0 is emerging now. Also known as the 'semantic web', it consists of applications that are capable of understanding the meaning of words, interpreting past searches and personalising data retrieval (Naughton, 2014). For example, search engines analyse a user's key word usage and frequencies to interpret a search request and present the results it deems most relevant to that user. The large technology companies are investing in artificial intelligence (AI) in the form of virtual assistants that respond to voice and provide personalised results, for instance Apple's Siri, Amazon's Alexa, Microsoft's Cortana and Google's Google Assistant. Travel technology companies such as KAYAK use chatbots – computer programmes that mimic humans – to interact with users by asking questions and then personalise search results (KAYAK, 2017). In 2017, FCM Travel Solutions launched a 'pocket travel assistant' app: Sam (Smart Assistant for Mobile) (FCM Travel Solutions, 2017) provides conversational interfaces that track a user's travel patterns and preferences, anticipate needs, make recommendations and take action. The more data the AI has on the user, the more personalised the recommendations and actions are:

> From pre-trip information, such as letting you know your destination weather, to organizing your airport transfers and letting you know where to collect your bags on arrival, you'll find Sam really helpful. Sam will send you travel alerts based on up-to-date information to ensure you don't miss your connection. But if you do, Sam will help schedule you onto the next best option, all within your company travel policy. Sam is always on, so you don't have to be. (FCM Travel Solutions 2017)

In the five years since the publication of the first edition of this book, developments in ICT have enabled the rapid rise in power of innovative companies, often described as 'disruptors'. In tourism two forms of disruptor in particular have transformed the competitive environment:

- P2P sharing, or collaborative, economy
- online distributors of travel products – online travel agencies (OTAs).

THE SHARING ECONOMY

The sharing economy, also known as the collaborative economy or P2P economy, emerged online in the first decade of the twenty-first century in the form of digital platforms that enabled individuals to exchange, swap, rent or sell their possessions and property to strangers around the world at the touch of a button. The property may include: household goods and equipment, for example a lawn mower or DIY tools; leisure equipment such as skis, surfboards or bikes; leftover food or unwanted used items; and in tourism specifically includes rooms in homes or the entire home, vehicles such as cars, private jets and yachts or seats on these, and guiding, dining, and entertainment services.

The concept of the sharing economy in not a new one in tourism. Centuries ago, before the emergence of a hotel industry in destinations, tourists travelling for health,

education, business, and early forms of leisure travel would be introduced to home owners by a mutual acquaintance and may stay with the home owner, or rent their entire property, for extensive periods of time. In the twentieth century, home owners wishing to swap properties, or make their first or second homes available for hire to tourists, would advertise in travel or exchange newspapers or magazines. Homestays with local families have long been used by language schools to accommodate students on short courses, and hitching a ride with car drivers was common until the later decades of the twentieth century. The emergence of digital platforms in the early twenty-first century created a global market for property owners, and made a less common form of tourism easily accessible to users. Often the new sharing economy platforms promote their experiences as unique, authentic or local to suggest a different type of experience to those of the formal tourism industries, and to appeal to more confident and adventurous types of tourist.

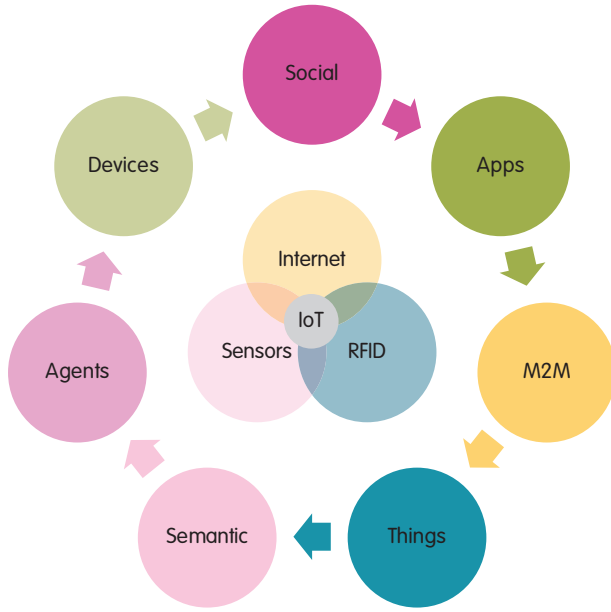
In tourism several sharing economy platforms have seen great success: Airbnb is probably the best known sharing economy platform for accommodation but there are several that enable home owners to swap properties temporarily (Love Home Swap), to invite travellers to stay at their homes free of charge (CouchSurfing) or to rent a room or the whole property to tourists (HomeAway, Homestay, Onefinestay). There are also sharing economy platforms for transport (Uber, Lyft, BlaBlaCar, Jettly), and for tours and activities in destinations (BonAppetour, Withlocals, EatWith, Airbnb Experiences). Short-term rental accommodation via sharing platforms such as Airbnb or HomeAway have completely changed the accommodation offer in some destinations, creating entrepreneurial opportunities for some homeowners, but not without unintended negative social impacts on the host community in some cases, and creating new forms of competition for the hotel sector. We consider this phenomenon throughout this book but in particular in Chapters 5, 8, 10, 11 and 13.

Online Travel Agencies

The term ‘online travel agencies’ (OTAs) is used to describe travel intermediaries that began to emerge at the turn of the twenty-first century and sold exclusively online. They quickly gained market power because they offered the tourism consumer a convenient way of researching, booking and paying for travel products, particularly hotel rooms. In addition, they facilitated access for tourism suppliers to markets worldwide. OTAs such as Expedia, Priceline and Ctrip have grown to dominate online travel commerce and wield huge marketing power over tourism suppliers, hotels in particular, through their leverage of the results of online searches and advertising. They have transformed the way in which travel is researched and booked, and have created many opportunities, but also many challenges, for suppliers. There is also some overlap between OTAs and the sharing economy, for example Expedia owns HomeAway. We discuss OTAs in detail in Chapter 6.

The Internet of Things

The Internet of Things (IoT) is the next generation of the Internet which is currently emerging. The IoT connects devices electronically and shares data between



Components of the Internet of Things

Source: Toma Cristian, Cristian Ciurea and Ion Ivan (http://jmeds.eu/index.php/jmeds/article/view/105) [CC BY 3.0 (http://creativecommons.org/licenses/by/3.0)], via Wikimedia Commons

them, for example via mobile enabled sensors, beacons, the Internet, wearables, and apps on smartphones. Many hotel companies use IoT to enhance the guest experience by enabling:

- mobile checking in and checking out
- use of the guest's smartphone as a room key
- viewing of social media and streaming channels via the room's TV
- control of heating, lighting, air conditioning and curtains.

In tourism, destinations are also embracing the power of the IoT and big data to become 'smart'. By encouraging visitors to download apps onto their smartphones or by offering free WiFi throughout a destination, realtime data on visitors' movements around the destination is collected and collated with data from destination suppliers such as attractions and transport, and social media. This data is used to enhance the visitor experience of a destination by providing personalised guides on visitors' smart phones including information about attractions close by, transportation and traffic status, wait-time at attractions, and the weather. The data collected is also useful for tourism organisations and local authorities to learn about visitor behavior in the destination, for example by analysing the flow of visitors around and between sites or how local transport is used. This data facilitates decision making about accessibility, infrastructural needs and so on. The use of such technology could help to improve the sustainability of tourism by suggesting itineraries and routes that disperse visitors away from busy routes or sites, by monitoring when sustainable capacities at sites are exceeded, and by encouraging visitors to use public transport. Sustainability is discussed in more detail in Chapter 9. Smart destinations is a new approach to

destination management; indeed, the UNWTO held its first conference on smart destinations in 2017 and the UNWTO Secretary-General concluded that '"Smart tourism" is not a trend, but the future of tourism development' (UNWTO, 2017a).

Immersive Technologies

At the time of writing, immersive technologies are emerging as a valuable marketing tool, particularly in tourism. 'Immersive technology' refers to technology that blurs the distinction between the physical world and the simulated world, creating a digital experience that feels real. Immersive technologies have great potential in tourism because they can inspire a desire to visit a destination or attraction by allowing people to explore and discover experiences and sites whilst still at home. For instance Tourism Australia has produced a range of films that use virtual reality and 360-degree images shot from above and below aquatic and coastal sites to immerse the viewer in the scene and imagine themselves there (Tourism Australia, 2017b). During a visit to a destination or attraction, augmented reality via headsets or apps on smartphones can enhance the visitor's experience by simulating historical or cultural events and scenes, or by making a static site more dynamic and exciting. For example, Discover Moscow Photo App allows users to 'meet' historical figures at relevant sites around the city associated with them, take photos of the site featuring the figure, and even take selfies with them (Destination Think!, 2017).

Blockchain technology

The next significant ICT development to transform tourism is currently considered to be block chain technology. Blockchain is a decentralised database that is distributed among thousands or millions of computers. The database is continually updated in real time, and records can only be added, not removed or amended. Each computer in the chain holds a full or partial copy of the data so any crash, hack or loss of data is highly unlikely. Bitcoin is probably the best known current example of blockchain technology: a digital currency with which online payments can be made. At the time of writing, blockchain technology in tourism is very much in its infancy. Suggestions have been made that it could transform online distribution of travel products such as airline or hotel capacity: transport, accommodation and attraction suppliers could make their capacity available on a public blockchain travel platform that is available to everyone. Each time a reservation was made, availability would be updated on the database in real time throughout the chain, thereby reducing the need for OTAs and GDSs. At the time of writing, one of the largest travel companies in the world, TUI Travel Group, announced that they would adopt a private blockchain database to manage availability across all of their hotels (Whyte, 2017).

ICT has become one of the strongest influences in tourism: recent developments have transformed the way organisations market their products, have facilitated the greater involvement of host communities in tourism supply, have accelerated tourism's role in the process of globalisation, and have the potential to improve sustainability through tools that monitor and manage the negative social and environmental impacts of tourism. Throughout this book, we highlight how ICT can be used to harness operating, distribution and marketing advantages, and the opportunities it offers to small and medium-sized businesses to communicate with potential consumers and collaborate in partnerships.

HOW TO USE THIS BOOK

This book offers you a succinct and clear introduction to the many different aspects of tourism that you will study. It has been designed so that you can read the chapters in the order that is most useful to you and the references between chapters will lead you to other relevant information. Each chapter includes several snapshots and one case study to demonstrate how theory applies in practice, and, where appropriate, we have included definitions of specialist terminology in textboxes in the margin. Each chapter ends with self-test questions to check your understanding and a recommended reading list with references to books, articles and websites that can help you develop your knowledge further. We hope you enjoy studying this fascinating subject!

2

UNDERSTANDING TOURISM

'Tourism is much more than you imagine.'

UNWTO (2016a)

LEARNING OUTCOMES

After reading this chapter you will understand:

- what tourism is and how it is defined
- the diversity of supply elements that comprise tourism
- the different forms of tourism
- how tourism is changing in response to new market and technological conditions.

Galapagos Islands, Ecuador

Source: Claudia Dolezal

INTRODUCTION

Tourism today is a familiar and easily recognised activity that is enjoyed by over one billion people every year. Interestingly though, our understanding of what tourism is and whether it can be described as a distinct industry in its own right, as well as the criteria by which travellers are classified as tourists, is still evolving.

Impressive claims are made about the importance of tourism – 'one of the world's largest sectors' (World Travel & Tourism Council, 2017d), 'one of the fastest-growing economic sectors in the world' (UNWTO, 2017b) – underlining its significance as an economic force. Certainly since the mid-twentieth century the expansion of tourism has been rapid, with the growth rates of **international tourism** averaging 6.5 per cent every year between 1950 and 2005 (UNWTO, 2010), and despite slower growth rates as a result of the global economic crisis that began in 2007, international tourist arrivals are expected to reach 1.8 billion by 2030 (UNWTO, 2016b). Tourism is an activity enjoyed by substantial proportions of the populations of industrialised economies, and most countries promote their natural, historic or cultural resources as tourist attractions to earn a share of the US$1,260 billion industry (UNWTO, 2016b).

International tourism: Tourism activity by individuals outside their country of residence

Tourism is often described as a 'phenomenon', meaning that it is an observable event or occurrence. The occurrence is most observable in the destinations that tourists visit because of the infrastructure that tourism usually requires, and the economic, environmental and social impacts of tourism activities. However, an understanding of tourism requires an appreciation not just of what tourists do and need in destinations,

but also of why and how the decision to engage in tourism is taken. Therefore, tourism involves the study of places visited by tourists (i.e. where tourism is consumed) and of the factors and conditions in the places where tourists live (i.e. where the demand for tourism is created).

In this chapter we consider how tourism is described conceptually, the criteria by which travellers are defined as tourists, and the industries that supply the tourism product. We finish the chapter by discussing the main forms of tourism.

WHAT IS TOURISM?

The word 'tourism' is derived from the Greek and Latin words meaning to turn or to circle, and in the context of a journey means a trip that ends in the same place that it began; a round trip (Theobald, 2005b). It may be stating the obvious to say that tourism involves travel, but not all travellers are tourists and this leads us to one of the main problems in understanding tourism – identifying the forms of travel, and the types of activities, that are, or are not, tourism.

Tourism as an activity is often located within the broader framework of leisure and recreation because, traditionally, tourism was understood as holidays and therefore involved recreational activities during leisure time (Mathieson and Wall, 1982). However, while holidays represent one specific use of leisure time, not all tourism is for leisure purposes.

It has been suggested that the focus on holidays has created a perception of tourism as a superficial, fun and pleasurable activity and has delayed its recognition as a serious economic sector and subject of academic study. This has not been helped by slow progress in reaching a consensus on definitions of tourism and classifications of tourists. In addition, even tourism itself is variously described as 'the travel industry', 'the hospitality industry', 'the visitor industry' and 'the holiday industry', thus adding further to the confusion.

Academics, practitioners and governments have struggled to define tourism for many decades. Definitions of tourism and classifications of tourists have been proposed and amended since the 1940s, and have evolved as tourism itself has evolved and changed. As recently as 2008, the UNWTO refined its classifications of tourism and tourists.

Definitions of tourism have evolved into two broad types – conceptual and technical – each with its own rationale and application (Theobald, 2005b):

> *Conceptual definitions* describe what tourism is by providing a holistic theoretical framework that identifies all the elements of tourism and reflects its multi-faceted and multi-disciplinary characteristics.
>
> *Technical definitions* identify who tourists are and what the tourism industry is, specifying the criteria by which travellers can be classified as tourists and enterprises can be classified as part of the tourism sector. Technical definitions facilitate the collection of data, measurement of impacts and statistical comparisons.

We begin by considering conceptual definitions.

CONCEPTUAL DEFINITIONS OF TOURISM

Several definitions have evolved since the 1940s as our understanding of tourism has been refined and tourism itself has changed (Mathieson and Wall, 1982). Conceptual definitions should capture the whole essence of tourism by recognising the role of tourists' routine environment as well as where they travel to and the impacts of tourism. One of the challenges of defining the concept of tourism is to include all its components without generalising so much that the description becomes vague.

The snapshot below presents some early conceptual definitions of tourism that emerged from the 1940s onwards.

SNAPSHOT 2.1

Conceptual Definitions of Tourism

Conceptual definitions of tourism have evolved over several decades:

1942: '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.' (Hunziker and Krapf, 1942, quoted in Mathieson and Wall, 1982: 1)

1977: 'A study of man away from his usual habitat, of the industry which responds to his needs, and of the impacts that both he and the industry have on the host socio-cultural, economic, and physical environments.' (Jafari, 1977, quoted in Theobald, 2005b: 11)

1982: 'The temporary movement of people to destinations outside their normal places of work and residence, the activities undertaken during their stay in those destinations, and the facilities created to cater to their needs.' (Mathieson and Wall, 1982: 1)

These definitions stress that tourism results from individuals' decisions to move temporarily from their usual environments. Note the changes in emphasis to avoid excluding business tourism, and to acknowledge the impacts on destinations. The more recent term 'sustainable tourism' reinforces aspirations for tourism as a force for inclusive and equitable development, environmental protection, poverty reduction and sustainable economic growth (UNWTO, 2015). All tourism should be sustainable of course, but this has not yet been achieved. We discuss sustainability in detail in Chapter 1 and refer to it throughout the text.

In 1993 the United Nations endorsed the World Tourism Organization's proposed definition of tourism as 'the activities of a person travelling to a place outside his or her usual environment for less than a specified period of time whose main purpose of travel is other than the exercise of an activity remunerated from within the place visited' (UNWTO, 1991, cited in Theobald, 2005b: 16). The specified period of time was defined as one year, and the purposes of tourism travel included leisure, business, visiting friends and relatives (VFR), health treatments, religious pilgrimage and 'other' purposes, specified by the WTO's technical classification of tourists.

The definition of business tourism excluded travellers who were directly employed and paid by an employer located in the destination. The 1993 definition of tourism was widely adopted by academics, practitioners and governmental organisations. However, definitions of tourism have evolved again more recently.

In 2008 the UNWTO refined their description of tourism further: 'tourism is a social, cultural and economic phenomenon related to the movement of people to places outside the usual place of residence' (UNWTO, 2008a: 1). The 'usual place of residence' is interpreted as the geographical location of an individual's routine work and life activities, and individual nations determine the distance that must be travelled for a trip to be described as tourism.

This description reflects a more holistic approach to the concept of tourism, recognising that the effects of tourism are not limited to economic interests. From an economic perspective, tourism is defined as 'the actions and behaviours of people in preparation for and during a trip in their capacity as consumers' (UNWTO, 2008a: 106), recognising the significance of tourist spending for tourism within their usual environment, as well as within the destination visited.

The tourism activities for a single trip therefore occur in at least two locations – the tourist's usual environment and the place or places they visit during the trip – and occur over several stages – before departure, during the trip, and after the return home. Additionally of course, in order for tourism to occur, these locations must be connected by transport and infrastructure. Tourism therefore involves a number of separate elements.

Mathieson and Wall (1982: 14) illustrate this well by describing tourism as a 'composite phenomenon' comprising a range of components and relationships that together form a coherent conceptual framework (see Figure 2.1).

Mathieson and Wall's Conceptual Framework of Tourism

Mathieson and Wall (1982) identified three basic elements to tourism:

> *The dynamic element*: representing demand for and forms of tourism, which are fluid and subject to change.
>
> *The destination element*: originally called the static element, representing the tourist and the characteristics of their behaviour, the characteristics of the destination, and its static capacity and environmental and social threshold.
>
> *The consequential element*: representing the economic, environmental and social impacts that occur as a result of the interaction of the dynamic and destination elements, and their measurement and control.

These elements are incorporated into the conceptual framework to illustrate the inter-relationships between them (see Figure 2.1).

The framework identifies tourism as the interaction of demand and supply, and shows how each affects the other and creates impacts in the destination. These impacts must be managed and controlled by measures implemented within the destination. The framework illustrates how change in one element influences and changes the other elements. The framework illustrates well that the study of tourism requires an

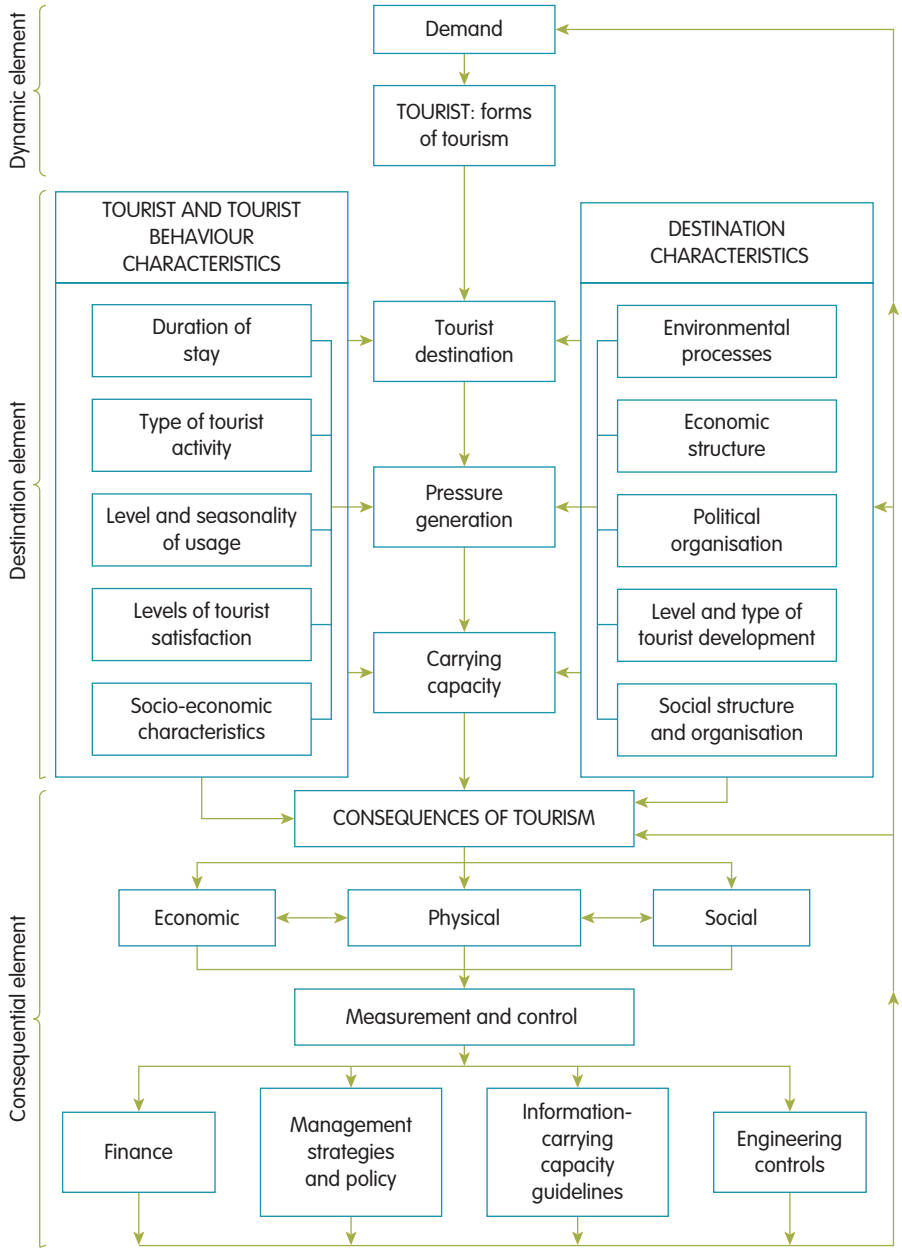


FIGURE 2.1 A conceptual framework of tourism

Source: *Tourism: Change, Impacts and Opportunities*, Wall and Mathieson, Pearson Education limited. © Pearson Education Limited 2006. Reprinted by permission

understanding of a broad range of discrete subject areas and issues: marketing is used to manage and influence the dynamic element; economics, sociology, ecology, planning, development processes and business management influence the destination element; while destination, business and environmental management influence the consequential element.

Conceptual definitions tell us what tourism is, but they do not specify any technical characteristics such as the distance from the usual place of work or residence that must be travelled in order for a trip to be recognised as tourism.

TECHNICAL DEFINITIONS OF TOURISM

Technical definitions specify the criteria by which travellers are recognised as tourists, and businesses and organisations are recognised as being part of the tourism sector. This may appear to be an easy task but in reality it has proved difficult.

Clear and standardised technical definitions are important because:

- they facilitate the collection of statistical data about the size of tourism and its economic value to enable governments to measure tourism and understand its influence on their economies
- they help tourism suppliers to identify trends and anticipate changes in demand in order to respond effectively
- internationally and nationally standardised definitions of tourists enable countries, regions of countries and individual destinations to compare tourism performance in terms of the number of arrivals and their economic contribution through expenditure in the destination.

These comparisons cannot be achieved unless each destination uses the same definitions to identify the travellers that are tourists, the businesses and organisations that are tourism enterprises, and the forms of expenditure that count as tourism expenditure. The process of standardisation has been slow because a number of organisations have researched and proposed technical definitions independently of each other, and reaching a consensus, particularly internationally, is not straightforward. In the meantime, individual states have defined tourists and tourism enterprises using their own criteria.

The need for clear and standardised criteria to identify tourists and tourism enterprises increased during the 1980s as governments recognised the economic potential of tourism and its interdependence with other industry sectors. The ability to compare tourism's contribution with the performance of other industry sectors in a national economy (e.g. construction or agriculture) required the use of the same measurement criteria and classifications. During the 1980s the WTO and the United Nations Statistics Division began a review of the definitions and classifications used for tourism statistics in order to improve their compatibility and consistency with other national and international statistical systems. At the same time, a number of other international agencies were investigating methods for harmonising classifications of tourism and collection of data. In 1995 the EU initiated legislation to harmonise and improve the tourism statistical data collected by member states, and in 1997 the OECD proposed classifications to be used in its members' national accounts (UN, 2010).

Tourism is often considered from one of two perspectives – the demand side, and the supply side:

> *Demand-side perspectives* consider tourism consumption and identify the characteristics of tourists and their behaviour and expenditure in destinations. Technical definitions of tourism have traditionally focused on the demand side.

Supply-side perspectives examine the businesses and organisations that supply tourism products. Many authors claim that the supply-side understanding of tourism has been neglected (Cooper and Hall, 2008; Theobald, 2005b), and the evidence considered later in this chapter seems to support this view. It should be noted, however, that the UNWTO has been taking steps for some time to improve definitions and classifications of tourism supply, but this is a particularly challenging task.

Demand-side Definitions

Demand-side definitions identify the characteristics that distinguish tourists from travellers for other purposes, and specify purpose of visit and duration of stay. Definitions have evolved since the 1930s, but at the time of writing the most recent revisions were proposed in 2008.

In 1937, for statistical purposes the League of Nations defined an international tourist as one who 'visits a country other than that in which he habitually lives for a period of at least 24 hours' (Theobald, 2005b: 12). In 1945 the UN endorsed this definition and added a maximum duration of six months. Note that this definition refers only to international tourism and does not recognise travel to another country for less than 24 hours as tourism. Additionally, it does not define the purpose of the visit.

Significant refinements to this definition were proposed in 1963 at the UN Conference on International Travel and Tourism (IUOTO, 1963), which recommended the use of 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' (Theobald, 2005b: 13). The conference identified two broad purposes of travel for tourism and included activities beyond the traditional understanding of tourism (Leiper, 1979):

- Recreation, holiday, health, study, religion and sport.
- Business, family, mission or meeting.

Visitors would then be classified as either:

- tourists, if they stayed in the country visited for at least 24 hours, or
- excursionists, if they stayed less than 24 hours in the country visited, and not overnight. This was to include cruise ship passengers who stayed overnight on-board ship (IUOTO, 1963, in Mathieson and Wall, 1982: 11).

These definitions were endorsed by the UN Statistical Commission in 1968 and approved in 1976 as the provisional guidelines on statistics of international tourism (UN, 2010). They only referred to international tourism, however; the value of **domestic tourism** was recognised in 1980 by the WTO's Manila Declaration that extended the terms 'visitor', 'tourist' and 'excursionist' to include domestic tourism too. Individual countries' own statistical definitions continued to define the distance from home, purpose of travel and length of stay (Mathieson and Wall, 1982).

Domestic tourism: Tourism activity by individuals within their country of residence

In 1991 the WTO and the Canadian government jointly hosted the International Conference on Travel and Tourism Statistics in Ottawa. The conference recommended coordination of statistical definitions of domestic and international tourism with other international statistical standards, for example the balance of payments, international migration statistics and the System of National Accounts (UN, 2010).

The recommendations specified the purposes of tourism travel more explicitly as:

- Leisure, recreation and holidays
- Visiting friends and relatives
- Business and professional
- Health treatment
- Religion/pilgrimage
- Other.

In 1993 these recommendations were approved by the UN as *The Recommendations on Tourism Statistics* (UN, 1994). This was the first international agreement to provide a uniform system for tourism statistics with common interpretations of tourism concepts, definitions and classifications (UN, 2010).

In 2004, the WTO was integrated into the UN as a specialised agency to coordinate all the organisations that were involved in proposing how tourism statistics should be compiled. In 2010 the UN's statistical division published new recommendations on technical definitions and classifications of international tourism in order to:

- make them applicable to developing and developed economies worldwide
- make them consistent with definitions and classifications used by other national and international organisations that collected economic, household and migration statistics; for example the International Labour Organisation (ILO), the International Monetary Fund (IMF), the European Union (EU), the Economic Commission for Latin America and the Caribbean (ECLAC)
- make them applicable at **sub-national** as well as national levels
- consider destinations at a regional, municipality or other sub-national level
- make them conceptually precise
- be measurable.

Sub-national: A region within a nation

The *International Recommendations for Tourism Statistics 2008* (UN, 2010) confirmed the 1963 interpretation of visitors as either tourists or same-day visitors (excursionists), and revised the purposes by which trips are classified as tourism to two broad types – personal and business/professional – with further sub-classifications as outlined in Table 2.1. Of course, on one trip a visitor may undertake a variety of these activities. To avoid confusion, the classification recommends that trips are classified by their main purpose, without which the trip would not take place.

It is clear from the conceptual and technical definitions that tourism involves the temporary and voluntary movement of people to places away from their usual environment for personal or business and professional purposes, and the supply of particular products and services before and during their visit. We will now consider tourism from the supply side.

Supply Elements in the Tourism System

The term 'tourism supply' refers to the businesses and organisations that produce the products and services that tourists consume. Leiper (1979: 400) defines tourism supply as 'the firms, organisations and facilities which are intended to serve the specific

TABLE 2.1 The UN's classification of the main purpose of a tourism trip

Classifications of tourism purpose	Examples
Personal Holidays, leisure and recreation	Sightseeing, visiting natural or man-made sites, attending sporting or cultural events, recreational sports activities (skiing, riding, golf, tennis, diving, surfing, sailing, climbing etc.), using beaches, swimming pools and any recreation and entertainment facilities, cruising, gambling, attending summer camps, resting, honey-mooning, fine dining, well-being and fitness (spas, therapies), staying in a vacation home owned or leased by the tourist
Visiting friends and relatives (VFR)	Visiting friends and relatives, attending weddings, funerals or other family events, short-term caring duties
Education and training	Formal or informal short-term courses or study programmes, professional or other special courses, university sabbatical leaves
Health and medical care	Receiving short-term hospital, clinic, convalescent services, health and social institutions, visiting health resorts for medical treatments
Religion and pilgrimage	Attending religious meetings and events, pilgrimages
Shopping	Purchasing consumer goods, for personal use or as gifts
Transit	Stopping at a place without any specific purpose other than being en route to another destination
Other	Volunteer work, investigative work, temporary unpaid activities not included elsewhere
Business and professional	The activities of self-employed and employees not linked to direct employment in the destination region: attendance at meetings, conferences (congresses), trade fairs and exhibitions, giving lectures, performing concerts, shows and plays, buying and selling goods or services on behalf of non-resident producers, diplomatic, military or international government missions (except when stationed on duty in place visited), NGO missions, scientific and academic research, professional sports, formal or informal on-the-job training courses, crew member on private transport

Source: IRTS (2008)© United Nations, reproduced with permission.

needs and wants of tourists.' However, identifying tourism supply is not as simple as it may at first appear because, as Table 2.1 demonstrates, the products that tourists consume are extremely diverse:

- Tourism is often described as heterogeneous because it is not a single product, but an amalgam of separate products and services. These products and services are provided by companies and organisations that are part of separate industry sub-sectors, for instance transport and accommodation, which are studied and measured separately.
- The products and services for a single tourism visit may be produced in a number of separate locations, for instance in the tourist's place of residence and in different parts of the destination region, and as a result can be described as 'spatially fragmented'.
- Some tourism products and services are used solely by tourists, but in reality many are also used by other types of user too. For example, hotel meeting rooms or restaurant and banqueting facilities may be used by the host community or local

businesses, while a transport service may be used by migrants and commuters as well as to transport freight. Therefore, identifying the extent of tourism activities of businesses and organisations can be very difficult.

- The public sector has a significant role in tourism, either directly through the provision or management of attractions for tourists or services to the commercial sector, or indirectly through statutory services such as planning or environmental health, but are often ignored in considerations of tourism supply (Litteljohn and Baxter, 2006). We discuss the role of the public sector in Chapter 13.
- Tourists also often consume products and services that are not part of the traditional tourism sector, for example high street shops and petrol stations that primarily serve the local community. In some destination regions tourism's contribution to their revenue may be substantial.

These problems in identifying tourism supply were recognised by the UN in 2010, which defined tourism supply more broadly as 'a set of productive activities that cater mainly to visitors or for which an important share of their main output is consumed by visitors' (UN, 2010: 2). This recognises that tourists use a range of suppliers, some of whom may not be traditionally tourism related.

This diversity has created great challenges in defining what tourism supply is composed of, in measuring the value of tourism activities, and in creating a holistic image of what tourism is. Despite the difficulties in recognising the range of businesses and organisations that form tourism supply, and in identifying the extent to which tourism contributes to their revenue, a supply-side view of tourism is becoming increasingly important because governments need to:

- analyse the economic value of tourism and understand its links to other economic sectors by measuring its size, its revenue, and the number of jobs it creates
- anticipate how policy and planning decisions will affect tourism, and the legislative requirements of the sector
- consider the effects on tourism of changes in the external environment.

Litteljohn and Baxter (2006) suggest that tourism supply can be considered from either a functional or an income approach.

Functional Approach to Tourism Supply

The functional approach groups tourism supply according to its function in tourism; that is, by the type of product it produces or by the nature of its interaction with tourists.

Holloway (1985) identifies the function of tourism supply as producers, intermediaries or support services:

> *Producers*, known by industry as 'suppliers', provide the product consumed by tourists and consist of passenger transport operators, accommodation, venues and attractions.
>
> *Intermediaries* create links between producers and consumers by selling some or all of the producer's capacity. Intermediaries are travel agencies, tour and MICE operators and wholesalers.

Support services provide products or services to the businesses and organisations that supply the tourist product, or to tourists direct. Private sector support services include guiding services, training providers and travel insurance providers, while public sector support services include visa and passport services and national, regional and local tourism organisations.

Suppliers and intermediaries interact directly with tourists, either in person or digitally, during the decision-making, purchasing or consumption stages. Suppliers and intermediaries can be subdivided by industry, for example the airline, hotel or tour operator industry. We discuss suppliers in detail in Chapter 5 and intermediaries in Chapter 6.

Each category of supply function provides a portion of the tourist's experience and is dependent on the other categories for the provision of the remainder. The quality, availability and value of one category will affect demand for the others. For instance, the success of accommodation suppliers in a destination depends on the availability of quality attractions to draw tourists to the destination, and efficient and affordable transport routes to the destination. This interdependence is known as **complementarity** (Middleton et al., 2009) and implies a need for a close working relationship between different types of supplier.

Complementarity: Together forming a whole entity

Within a destination, the cooperation and coordination of suppliers is often facilitated by public sector or not-for-profit tourism support services, which also often have a substantial role in providing tourist information, destination marketing, and the commissioning of research to understand the characteristics of visitors to a destination.

The functional approach to tourism supply is useful in simplifying the fragmented nature of tourism and showing how its individual elements are complementary. It also recognises the network of interdependence, relationships and interactions that exists in tourism. The snapshot below illustrates these concepts in relation to the UK.

SNAPSHOT 2.2

Tourism in Great Britain

'Few British industries are as strong as travel and tourism, and few have such growth potential'.

VisitBritain (2017a)

Great Britain benefits from a strong tourism infrastructure that is spatially fragmented across four countries, hundreds of thousands of suppliers and several industries:

- 620,170 hotel rooms (PwC, 2016) in over 40,000 hotel and similar accommodation establishments (Eurostat, 2015)
- diverse attractions – ancient monuments; historic towns; world-class museums; National Parks and protected coastline; and cultural, sporting and business events
- 20+ airports handling over 1 million passengers annually (CAA, 2017)
- 10+ cruise ports (Cruisemapper, 2015)
- domestic and international rail links
- national and local tourism destination organisations.