

International Tourism: A Global Perspective

WORLD TOURISM ORGANIZATION

WTO Tourism Education and Training Series



INTERNATIONAL TOURISM: A GLOBAL PERSPECTIVE

Editor: CHUCK Y. GEE

Dean

*School of Travel Industry Management
University of Hawaii at Manoa*

Co-Editor: EDUARDO FAYOS-SOLÁ

Head, Education and Training

World Tourism Organization

World Tourism Organization

in cooperation with

WTO Education Network

at

University of Hawaii at Manoa, U.S.A.

University of Calgary, Canada

James Cook University, Australia

Copyright © 1997 World Tourism Organization
Title: International Tourism: A Global Perspective

2nd Edition: May 1999

ISBN: 92-844-0231-X

Published by the World Tourism Organization, Madrid, Spain

All rights reserved. No part of this book may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording or by any information storage and retrieval system without permission from the World Tourism Organization.

The designations employed and the presentation of material in this publication do not imply the expression of any opinions whatsoever on the part of the Secretariat of the World Tourism Organization concerning the legal status of any country, territory, city or area or of its authorities or concerning the delimitation of its frontiers or boundaries.

Printed by the World Tourism Organization, Madrid, Spain

Design and layout: Salvador Ten Barrón - ARCA Design

Revised by: Dana Gynther and Rosamond Deming

Table of contents

SECTION I: PERSPECTIVES OF TOURISM	1
Chapter 1: Introduction to Global Tourism	3
1.1 Introduction	3
1.2 Defining Travel and Tourism	4
1.2.1 <i>The Need for Definitions</i>	4
1.2.2 <i>Definitions</i>	5
1.2.3 <i>Forms and Categories of Travel</i>	7
1.3 History of Travel and Tourism	8
1.3.1 <i>Early Ages</i>	9
1.3.2 <i>Middle Ages</i>	10
1.3.3 <i>The Renaissance</i>	11
1.3.4 <i>The Industrial Revolution</i>	11
1.3.5 <i>Modern Tourism</i>	12
1.4 Components of the Travel Industry	13
1.4.1 <i>Transportation and Infrastructure</i>	13
1.4.2 <i>Accommodations and Hospitality Services</i>	14
1.4.3 <i>Travel Distribution Systems</i>	15
1.4.4 <i>The Roles of the Public and Private Sectors in Tourism</i>	16
1.5 Impacts of Travel and Tourism	17
1.5.1 <i>Economic Impacts</i>	17
1.5.2 <i>Other Impacts</i>	18
1.6 The Study of Tourism	19

Chapter 2: Travel Patterns and Trends	23
2.1 Introduction	23
2.2 Tourism Growth.....	23
2.2.1 <i>International vs. Domestic Tourism</i>	24
2.2.2 <i>Total International Arrivals</i>	24
2.2.3 <i>World's Top Destinations and Tourism Receipts</i>	25
2.2.4 <i>Tourism Generators and Related Expenditures</i>	26
2.2.5 <i>Tourism Surpluses and Deficits</i>	27
2.3 Regional Travel Patterns and Trends	28
2.3.1 <i>Europe</i>	28
2.3.2 <i>Asia and the Pacific</i>	29
2.3.3 <i>South Asia</i>	31
2.3.4 <i>Americas</i>	32
2.3.5 <i>Middle East</i>	33
2.3.6 <i>Africa</i>	33
2.4 External Factors That Affect Tourism.....	33
2.4.1 <i>Changing Demographics</i>	34
2.4.2 <i>Technological Advances</i>	34
2.4.3 <i>Political Change</i>	35
2.4.4 <i>Sustainable Tourism and the Environment</i>	36
2.4.5 <i>Safety and Health</i>	37
2.4.6 <i>Human Resource Development</i>	37
2.5 Tourism Market Trends	37
2.5.1 <i>Changing Consumer Preferences</i>	38
2.5.2 <i>Product Development and Competition</i>	39
 SECTION II: TRAVEL AND TOURISM COMPONENTS AND SERVICES	 43
Chapter 3: Transportation Services	45
3.1 Introduction	45
3.2 Historical Development of Passenger Travel.....	46
3.2.1 <i>Early Modes of Travel</i>	46
3.2.2 <i>Railroads and Ocean Liners</i>	46
3.2.3 <i>Automobiles and Airlines</i>	47
3.3 Rail Service	48
3.3.1 <i>Significant Developments in Passenger Service</i>	48
3.3.2 <i>Passenger Service Today</i>	48
3.4 Automobile Travel and Ground Transportation	49
3.4.1 <i>Automobiles</i>	49
3.4.2 <i>Highway Systems</i>	50
3.4.3 <i>Other Ground Transportation</i>	51
3.5 Water Travel.....	52
3.5.1 <i>Cruise Ships</i>	52
3.5.2 <i>Other Water Travel</i>	53
3.6 Air Travel.....	53
3.6.1 <i>Development of Commercial Passenger Service</i>	53
3.6.2 <i>Safety and Security</i>	54
3.6.3 <i>Costs</i>	55

3.6.4 Airports.....	56
3.6.5 Other Aspects of the Airline Industry	57
3.7 Regulation and Deregulation of Air Travel.....	58
3.7.1 Basic Aspects of Regulation	58
3.7.2 Pressures on the Bilateral Regulatory System	60
3.7.3 Economic Aspects of Regulation	61
3.8 Challenges Facing Transportation.....	62
3.8.1 Fleet Planning	62
3.8.2 Congestion	63
3.8.3 Safety and Security.....	64
3.8.4 Environmental Impacts.....	64
Chapter 4: Accommodations and Hospitality Services	69
4.1 Introduction	69
4.2 Historical Development.....	70
4.3 Accommodations Classification.....	71
4.3.1 Hotels	72
4.3.2 Resort Properties and Time Shares.....	74
4.3.3 The Casino/Destination Property	75
4.3.4 National Heritage Accommodations.....	75
4.3.5 Bed and Breakfasts.....	76
4.3.6 The Emergence of the International Hotel.....	76
4.3.7 Financing of International Hotels.....	76
4.4 Food and Beverage Establishment Classification	78
4.4.1 Hotel-related Food Establishments	78
4.4.2 Independent Food Service Establishments.....	79
4.5 Hotel Guests	79
4.6 Food Service Clientele	80
4.7 Ownership and Management of Accommodations.....	81
4.7.1 Company-Owned and Operated Systems.....	81
4.7.2 Franchising	82
4.7.3 Management Contract	83
4.7.4 Management Measures for Hotels	84
4.7.5 Food Service Management and Operations.....	86
4.8 Hotel Operations.....	87
4.8.1 Reservations.....	87
4.8.2 Marketing.....	87
4.8.3 Hotel Staffing	89
4.8.4 Use of Technology.....	89
4.9 Travel Industry Linkages.....	90
4.9.1 Marketing Partnerships	90
4.9.2 Hospitality-related Industry Organizations.....	91
Chapter 5: Travel Distribution Systems.....	95
5.1 Introduction	95
5.2 Historical Background	96
5.3 Types of Distribution Systems	97
5.3.1 Direct Distribution System.....	97
5.3.2 Indirect Distribution System	99

5.4 Travel Intermediaries	100
5.4.1 Tour Wholesalers	100
5.4.2 Tour Operators	104
5.4.3 The Travel Agent	105
5.4.4 Regulation of Intermediaries	107
5.5 The Impact of Technology on Travel Distribution Systems	109
5.5.1 The Link Between Technology and Tourism	109
5.5.2 Computer Reservation Systems (CRS)	110
5.5.3 Ticketing Automation	111
5.5.4 The Internet	112
5.5.5 The Future	112
Chapter 6: Special Services and Products	117
6.1 Introduction	117
6.2 Special Segments of Leisure Travel	118
6.2.1 Reasons for the Growth of Special Leisure Travel Services and Products	118
6.2.2 Ecotourism	118
6.2.3 Cultural Tourism	120
6.2.4 Rural Tourism	121
6.2.5 Adventure Tourism	122
6.2.6 Health Tourism	123
6.2.7 "New Age" Tourism	124
6.2.8 Educational Tourism	124
6.3 Special Segments of Business Travel	125
6.3.1 Meetings	125
6.3.2 Incentive Travel	126
6.3.3 Expositions	127
6.3.4 Conventions	128
6.3.5 Major Components of the MICE Market	129
SECTION III: TOURISM MARKETING AND PROMOTION	135
Chapter 7: Tourism Market Segments and Travel Psychology	137
7.1 Introduction	137
7.2 Describing Tourists by Purpose of Travel	138
7.2.1 Leisure vs. Business Travelers	139
7.2.2 Visiting Friends and Relatives (VFR)	141
7.2.3 Special Interest Travel	142
7.2.4 Group vs. Independent Travelers	144
7.3 Sociodemographic Factors and Life Circumstances	144
7.3.1 Age	144
7.3.2 Gender	145
7.3.3 Education	146
7.3.4 Other Factors	146
7.4 Approaches to Tourist Motivation	148
7.4.1 History of Tourism and Motivation	149

7.4.2 Theories of Travel Motivation	149
7.4.3 Market Research and Motivation	153
Chapter 8: Tourism Marketing	159
8.1 Introduction	159
8.2 Marketing Concepts	159
8.3 Characteristics of Services Marketing	161
8.3.1 The Tourism Industry's Service Characteristics	161
8.3.2 The Tourism Industry's Unique Marketing Challenges	162
8.4 Market Segmentation	163
8.4.1 Characteristics of Effective Market Segments	163
8.4.2 Bases for Market Segmentation	164
8.5 The Market Mix	165
8.5.1 Product	167
8.5.2 Place (Distribution)	168
8.5.3 Price	168
8.5.4 Promotion	170
8.6 Marketing Plans	177
8.6.1 NTA Marketing Plans	177
8.6.2 Environmental Analysis	179
8.6.3 Competitive Analysis	180
8.6.4 Market Trend Analysis	180
8.6.5 Market Segmentation Analysis	180
8.6.6 Strategic Goals and Objectives	181
8.6.7 Action Plans	181
Chapter 9: Tourism Research and Forecasting	185
9.1 Introduction	185
9.2 Tourism Research	186
9.2.1 The Functions of Tourism Research	186
9.2.2 The Tourism Research Process	186
9.2.3 Sources of Information	189
9.3 Organizations Conducting Research	192
9.3.1 Tourism Organizations	192
9.3.2 Educational Institutions	193
9.3.3 Private Organizations or Firms	194
9.3.4 Consulting Firms	194
9.4 Relationship Between Marketing and Research	194
9.4.1 Destination Marketing Research as a Planning and Evaluation Tool	194
9.4.2 The Tourism Market Research Program	196
9.4.3 Accountability Research for Destination Marketing	198
9.4.4 Making Research Understandable to Practitioners	200
9.5 The Importance of Forecasting Tourism Demand	200
9.5.1 How Tourism Demand is Measured	200
9.5.2 Elements of Tourism Demand	201
9.5.3 Forecasting Tourism Demand	201

SECTION IV: TOURISM IMPACTS	209
Chapter 10: Contributions of Tourism to Economic Development	211
10.1 Introduction	211
10.2 Understanding Economic Impacts.....	212
10.2.1 <i>Tourism in the Global Economy</i>	212
10.2.2 <i>Tourism in the National Economy</i>	213
10.2.3 <i>Impact of Tourism on Employment</i>	213
10.3 Measuring Tourism Economic Impacts.....	214
10.3.1 <i>Identifying Tourism Activity</i>	214
10.3.2 <i>Structure of the Tourism Industry</i>	216
10.3.3 <i>Supply-Demand and Price Elasticities</i>	217
10.3.4 <i>Direct, Indirect and Induced Benefits</i>	217
10.3.5 <i>Multiplier Model of Tourism Revenue Turnover</i>	218
10.3.6 <i>Input-Output Analysis</i>	220
10.3.7 <i>Tourism Satellite Accounts</i>	221
10.3.8 <i>Cost-Benefit Analysis</i>	221
10.4 Monitoring Economic Impacts.....	223
10.4.1 <i>Indicators in Tourism Monitoring</i>	224
10.4.2 <i>The Assessment Process</i>	225
10.5 Obstacles to Economic Development Through Tourism	225
10.6 Facilitating Employment in the Tourism Sector	226
Chapter 11: Social and Cultural Aspects of Tourism.....	231
11.1 Introduction	231
11.2 Sustainable Tourism.....	232
11.3 The Sociocultural Impacts of Tourism	234
11.3.1 <i>Defining Society and Impacts</i>	234
11.3.2 <i>Major Sociocultural Impacts</i>	234
11.3.3 <i>Cultural Change</i>	235
11.3.4 <i>Other Impacts</i>	237
11.3.5 <i>Factors Influencing the Sociocultural Impacts of Tourism</i>	237
11.3.6 <i>Factors Related to Individual Perceptions of Tourism</i>	238
11.3.7 <i>Factors Related to the Size and Nature of Tourism Development</i>	239
11.4 Strategies to Manage Sociocultural Impacts of Tourism	239
11.4.1 <i>Obstacles to Sociocultural Understanding</i>	240
11.4.2 <i>Strategies to Manage Sociocultural Impacts</i>	240
11.5 The Relationship Between Culture and Tourism.....	243
11.5.1 <i>Culture Shaping Outbound Tourism</i>	244
11.5.2 <i>Culture Shaping Inbound Tourism</i>	245
11.6 Interpretation for Sustainable Tourism	247
11.6.1 <i>Principles for Enhancing the Effectiveness of Interpretation</i>	248
Chapter 12: Sustainable Tourism and the Environment	253
12.1 Introduction	253
12.2 Sustainable Development	254
12.3 The Physical Environment: A Core Component of Tourism	254

12.4 The Impacts of Tourism on the Physical Environment	256
12.4.1 Negative Impacts	256
12.4.2 Positive Impacts	259
12.4.3 Factors Which Influence Tourism Impacts.....	259
12.5 Strategies for Managing Impacts	260
12.5.1 Planning Strategies	261
12.5.2 Marketing and Education Strategies.....	268
12.5.3 Research and Monitoring	270
12.6 Tourism and the Physical Environment: Three Case Studies.....	270
12.6.1 The Great Barrier Reef, Australia	270
12.6.2 Venice, Italy	272
12.6.3 Mt. Huangshan Scenic Area, People's Republic of China	273
12.7 Alternative Tourism.....	274

SECTION V: TOURISM POLICY AND PLANNING279

Chapter 13: The Role of Government in Tourism Policy and Administration281

13.1 Introduction	281
13.2 Government Involvement in Tourism	282
13.3 Reasons for Government Involvement in Tourism and the Economy.....	283
13.3.1 Promoting Economic Development.....	283
13.3.2 Facilitating and Supporting Industries	284
13.3.3 Raising Revenues	284
13.3.4 Creating a Stable Business Environment.....	285
13.3.5 Pursuing Other Policy Goals.....	285
13.4 Roles of the Public Sector in Tourism	286
13.4.1 Policy	286
13.4.2 Planning.....	288
13.4.3 Development.....	290
13.4.4 Regulation.....	290
13.5 Levels of Government Involvement	292
13.5.1 International Involvement.....	292
13.5.2 National Involvement	293
13.5.3 Local Involvement	294
13.6 National Tourism Administrations (NTAs).....	295
13.6.1 Role of NTAs	295
13.6.2 NTA Structure	297
13.6.3 NTAs and the Issue of Public Sector Involvement in Tourism.....	298

Chapter 14: The Role of International and Regional Organizations in Tourism303

14.1 Introduction	303
14.2 Types of Tourism Organizations	304
14.3 Purposes and Objectives of Tourism Organizations.....	305
14.3.1 Promotion of Industry Interests.....	305
14.3.2 Regional Marketing and Cooperation.....	306

14.3.3 Providing Data and Advice.....	306
14.3.4 Providing Direct Assistance.....	306
14.3.5 Addressing Trade Issues.....	307
14.3.6 Addressing Environmental and Social Issues.....	307
14.4 Important Tourism and Tourism-related Organizations.....	309
14.4.1 World Tourism Organization (WTO)	309
14.4.2 Organization for Economic Cooperation and Development (OECD)	310
14.4.3 International Civil Aviation Organization (ICAO)	311
14.4.4 International Air Transport Association (IATA)	312
14.4.5 World Travel and Tourism Council (WTTC).....	312
14.4.6 Pacific Asia Travel Association (PATA) and Other Regional Organizations.....	313
14.4.7 International Bank for Reconstruction and Development (IBRD).....	315
14.4.8 International Trade in Services and GATS.....	315
14.5 Challenges for Tourism Organizations.....	317
Chapter 15: Tourism Planning and Destination Development	321
15.1 Introduction.....	321
15.2 The Forms of Tourism Planning.....	322
15.2.1 Tourism and Economic Development.....	323
15.2.2 Tourism Master Planning.....	324
15.3 The Need for Tourism Planning.....	324
15.4 Levels of Tourism Planning in the Public Sector.....	326
15.4.1 National Planning.....	326
15.4.2 Local Planning.....	326
15.4.3 Destination Planning.....	327
15.5 Actors Involved in the Planning Process.....	328
15.6 Organizing the Planning and Development Process.....	329
15.7 Elements of a Tourism Plan	330
15.7.1 Demand Analysis	330
15.7.2 Supply Analysis	331
15.7.3 Tourism Impact Analysis.....	333
15.7.4 Economic and Financial Analysis	336
15.7.5 Action Plan and Recommendations.....	337
15.8 Factors Affecting Tourism Planning	337
Chapter 16: Tourism Human Resources Planning and Development	341
16.1 Introduction	341
16.2 Human Resources Planning.....	342
16.2.1 Assessing Labor Demand.....	343
16.2.2 Assessing Labor Supply.....	343
16.3 Tourism Employment and Career Opportunities	344
16.4 Quality of Service and the Work Force.....	347
16.4.1 Service Expectations of Travelers.....	347
16.4.2 Sustaining Quality Through Skill Standards	347

16.5 Tourism Education and Training Providers	350
16.5.1 Formal Programs and Courses	351
16.5.2 Employer-based Education and Training	353
16.5.3 Education and Training Providers and Skill Standards.....	354
16.6 Issues Facing Tourism Human Resources Development	355
16.6.1 Geopolitical	355
16.6.2 Economic	356
16.6.3 Social	356
16.6.4 Information Technology	356
16.6.5 Constant Change.....	357
Chapter 17: Conclusion	361
17.1 Tourism and Sustainability: Issues for 2000 and Beyond	361
17.2 The Challenges of Growth.....	362
17.2.1 Where Will Tourism Growth Occur?	363
17.2.2 What Kinds of Tourism Experiences Will Meet the Market?	364
17.2.3 Who Will Benefit from Tourism Growth?.....	364
17.2.4 What are the Human Resource Implications of Tourism Growth?	365
17.2.5 Learning from Other Destinations	366
17.3 Sustainable Tourism and the Future.....	366
17.3.1 Growth Towards What?	366
17.3.2 Sustainable Tourism	367
17.3.3 Cross-cultural Understanding and Peace.....	367
Glossary	373
About the Authors.....	395
Bibliography	399

1

Section

Perspectives of Tourism

CHAPTER 1
Introduction to Global Tourism

CHAPTER 2
Travel Patterns and Trends

CHAPTER 1

Introduction to Global Tourism Learning Objectives

Learning objectives

- To define the terms used in the travel and tourism industry.
- To obtain an overview of the historical development of tourism.
- To appreciate the scope and importance of international tourism.
- To identify the major components of the travel and tourism industry.
- To understand the impacts and contributions of tourism to the economic and social well-being of societies.
- To understand the importance of the study of tourism.

Key terms and concepts

domestic tourism

inbound tourism

infrastructure

international tourism

mass tourism

outbound tourism

same day visitor

tourism

tourists

transportation

travel

travel distribution systems

travel industry components

visitors

Introduction to Global Tourism

Learning Objectives

1.1 Introduction

The travel and tourism industry is the world's largest and most diverse industry. Many nations rely on this dynamic industry as a primary source for generating revenues, employment, private sector growth, and infrastructure development. Tourism development is encouraged, particularly among the developing countries around the world, when other forms of economic development, such as manufacturing or the exportation of natural resources, are not commercially viable.

The reasons people desire to travel are complex and varied. Contributing to the powerful growth tourism has experienced in a relatively short time frame has been the increased accessibility to the many components of the travel experience. Transportation to, from, and within parts of the world once considered remote has become more affordable for, and within the reach of, the majority of residents in many nations. Accommodations and restaurants in assorted budget categories are universally found in major cities, resort locations, adjacent to airports and thoroughfares, and in rural areas. Professional services provided by travel agencies and tour operators, marketing efforts by public sector tourism offices, advanced technology that rapidly brings the tourism components together in a flash for the potential traveler—all make today's travel experience safe, comfortable, and enjoyable.

*Travel: easier
and cheaper*

This chapter will help students of the travel and tourism industry understand the many positive impacts travel and tourism have on countries throughout the world. The importance of tourism terminology is explained, and definitions for the most common terms are provided. Travel and tourism through a historical context is also treated. The role of tourism as a major contributor to the global economy is explored, as well as indicators which reflect the industry's rapid growth. Other contributions of tourism are discussed, as is the concept of sustainable tourism. Key components of this multifaceted industry—tourism distribution, transportation, hospitality, tourism administration—are summarized. Finally, basic approaches to studying this dynamic industry are reviewed, bringing us to the 20th century and the mass tourism movement.

1.2 Defining Travel and Tourism

1.2.1 The Need for Definitions

Defining "travel"

The terminology used within this dynamic industry is worthy of discussion. The simple word **travel**, defined as “the act of moving” by most dictionaries, has a different definition within the context of the tourism industry. For the purpose of this book, travel is defined as “the act of moving outside one’s community for business or pleasure but not for commuting or traveling to or from work or school” (Gee, Makens, & Choy, 1989, p. 12). With respect to travel as an industry, there must also be the creation of economic value resulting from the travel activity.

Understanding fundamental definitions and concepts used within the context of the travel and tourism industry provides an essential framework from which most discussions on the industry are based. Because of tourism’s intangible nature, common definitions of terminology benefit the industry in a number of ways.

Standardized definitions help insure that all parties are speaking about the same term or concept with little or no room for variables. This is essential for tourism developers and executives from different regions or countries when they discuss travel and tourism matters.

Importance of standardization

In addition, having standardized definitions enables planners to use comparable data in which to make more informed business decisions. Exact definitions, however, cannot be taken for granted. For the first half of the 20th century, tourism visitor arrivals were barely recorded by many countries and, when they were recorded, methods varied by countries. It was not possible to effectively compare the total number

of **visitors** from one country to another which defined visitors differently, usually counting arriving foreign passport-holding individuals.

Finally, having standardized definitions enables tourism researchers to make scientifically valid assumptions about the tourism industry. This becomes increasingly important as travel and tourism researchers continue to enlighten public policy makers and private industry executives about the extraordinary role tourism plays in the world's overall economy. As a relatively new academic discipline, the tourism field lacks the depth of research found in other forms of commerce. As standardized definitions become more accepted, researchers will have an easier time collecting comparable data and performing meaningful tourism studies.

Definitions in research

1.2.2 Definitions

The World Tourism Organization (WTO), the major intergovernmental body concerned with tourism, has led the way in establishing a set of definitions for general use. In 1991, the WTO and the Government of Canada organized an International Conference on Travel and Tourism Statistics in Ottawa, Canada which adopted a set of resolutions and recommendations relating to tourism concepts, definitions, and classifications. The following definitions are based on the WTO definitions and classifications and explain the various types of visitors (see Figure 1.1):

- **Tourism** - The activities of persons traveling to and staying in places outside their usual environment for not more than one consecutive year for leisure, business, and other purposes.
- **Tourist** - (overnight visitor) visitor staying at least one night in a collective or private accommodation in the place visited.
- **Same Day Visitor** (Excursionists) - visitor who does not spend the night in a collective or private accommodation in the place visited.
- **Visitor** - any person traveling to a place other than that of his/her usual environment for less than 12 consecutive months and whose main purpose of travel is not to work for pay in the place visited.
- **Traveler** - any person on a trip between two or more locations (WTO, 1995b, p. 17).

Unfortunately, there is still confusion over these very basic definitions. Even within the same country such as the United States, for example, different states may use different definitions for data gathering and statistical purposes.