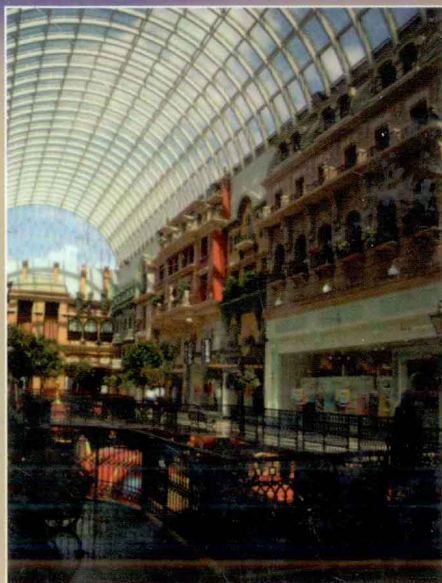


Aspects of Tourism

Tourism Development Issues for a Vulnerable Industry



Edited by
Julio Aramberri and Richard Butler

ASPECTS OF TOURISM 20

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Abbreviations

ATSA	Aviation and Transportation Security Act
ATSSSA	Air Transportation Safety and System Stabilization Act
BTA	British Tourist Authority
CCRA	Canada Customs and Revenue Agency
CSQ	commitment to the status quo
DEFRA	Department for Environment, Food and Rural Affairs
EAP	East Asia and the Pacific
ETC	English Tourism Council
EU	European Union
FMD	foot-and-mouth disease
GDP	gross domestic product
GNP	gross national product
GPS	Global Positioning System
ISS	International Space Station
MAFF	Ministry of Agriculture, Fisheries and Food
MDS	multidimensional scaling
NASA	National Aeronautics and Space Administration
NHS	National Historic Site (Canada)
NMGW	National Museums and Galleries of Wales
OE	Other Exports
OI	Other Imports
PFI	Private Finance Initiative
PPP	purchasing power parity
RMNP	Riding Mountain National Park (Canada)
SARS	Severe Acute Respiratory Syndrome
SIC	Standard Industrial Classification
SMEs	small and medium-sized enterprises
STA	Space Transportation Association
T&T	Travel and Tourism

T&TE	Travel and Tourism Economy
TE	Total Exports
TI	Total Imports
TIA	Travel Industry of America
TIS	Tourism Information System
TSA	Tourism Satellite Accounts
UN	United Nations
VE	Visitor Exports
VEP	visitor-employed photography
VI	Visitor Imports
WTO	World Tourism Organization
WTTC	World Travel and Tourism Council

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Part 1: General Introduction

Chapter 1

A Synthesis of Tourism Trends

WILLIAM C. GARTNER

Introduction

The collection of chapters in this book is varied both in subject matter and in length. Yet within this seemingly disparate compilation certain trends can be identified. Each one of the chapters contains information regarding one or more tourism trends that have been in place for years. It is my job to try and relate what is contained in each chapter to a specific trend affecting how we travel and what we do while away from home. However, before diving deep into that task it is important to discuss what a tourism trend is and what is not.

Trends are not predictions but rather traceable changes in how people react, how businesses operate or how systems evolve in response to some long-term influence. For example, population growth is a mega-trend with a sixfold increase recorded in the number of people on earth from 1900 to 2000 (1 billion to 6 billion). This mega-trend, together with other changes usually spawned by it, is responsible for how we live, work and play today. For example, urbanization is a result of increased population growth, industrialized societies and declining rural-based economic opportunities. Today there are at least 14 cities with over 10 million inhabitants, whereas in 1900 there were none (Brown & Flavin, 1999). On the other hand worldwide terrorism is not yet a trend but an exogenous influence that can seriously disrupt traditional travel patterns. Whether the new travel patterns that emerged in the wake of September 11, 2001, which were later reinforced by additional terrorist attacks such as occurred in Bali, are trends or short-term changes is not yet known. Images of a place may change due to a worldwide event (Gartner & Shen, 1992) but they just as readily return to pre-event levels in the absence of reinforcing information that supports the image change (Gartner, 1993). Terrorist attacks have resulted in reduced air travel

globally but analysis shows that, in the developed world, short-haul air travel seems to be down more than long-haul, with increased use of the private motor vehicle or other forms of public transport (e.g. train). Attacks have also led to a search for safe havens, such as Vietnam for Southeast Asia or maybe Finland for Europe (Figure 1.1).

In this book you will encounter a chapter (11) by Geoffrey I. Crouch on space tourism. The adventure spirit, manifest by the search for the exotic, has been noted in works by Van Den Berghe (1994), Plog (1974), and Monteiro and Rowenczyk (1992, from Teigland, 2000). "Space, the final frontier", a phrase coined by Gene Roddenberry, the creator of the television series *Star Trek*, exemplifies what tourism means to the human spirit. A \$20 million price tag for the trip taken by Dennis Tito into space ushered in a new age of adventure travel. Yet, as Crouch points out throughout his chapter, "terrestrial" space tourism has been around for almost as long as we have been putting people into space. Seeking adventure through travel is not new, nor is it a trend, but it is now possible to be more "adventurous" as new technology allows people to fulfill long held wishes. Even in the wake of the destruction of the space shuttle Columbia and all its astronauts, seeking excitement from travel where few have gone before remains a strong motivator governing human decisions about what to do. The trend that empowers these "new-age adventure seekers" has more to do with technological advances in science rather than some fundamental change in human behavior.

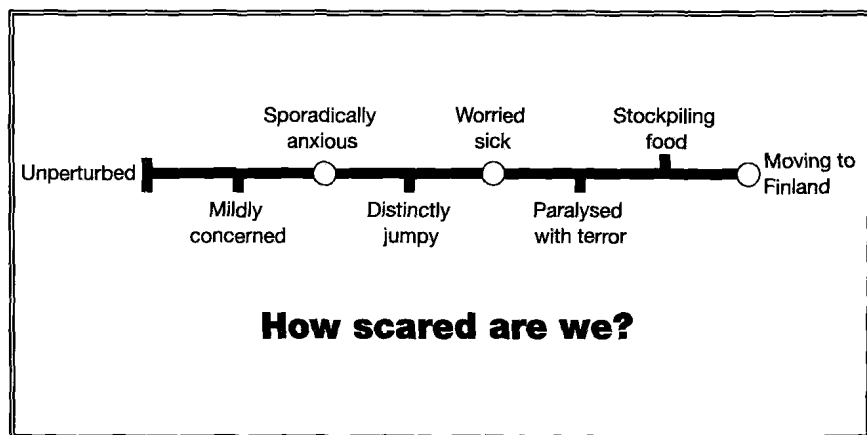


Figure 1.1 The fear gradient

What is affecting how we behave and travel? This is a large question with a multitude of answers. Some of those answers are found in the chapters in this book. As you read through it, links to the trends examined below should become apparent.

There are five trends that will be examined in this chapter and that also appear in at least one other chapter in this book. The trends discussed are: consolidation, consumption center development, devolution, public involvement, and research coming of age.

Trends

Consolidation

The trend of consolidation for tourism dependent businesses is something that has been around for a long time. It is not unique to tourism and it is not widespread for tourism-dependent businesses over all parts of the globe. However, owing to the structural nature of the tourism distribution system, the trend does pose certain challenges for managing a destination-based tourism business.

A tourism distribution system has many parts. Dann (1977) argues that people move out of their home environment because of either a push or pull influence. A push influence can be something as simple as the realization of the need to temporarily remove oneself from the home environment. A pull influence works against the forces that keep one rooted in the home environment. Special air fares, a new attraction, or an invitation to visit with someone are all pull forces trying to draw someone away from home. Often pull and push forces have an information component that in tourism is akin to image development. Images of "the other" work to reinforce felt needs to leave home and begin a tourist journey. How images are formed and the influence and market reach those images command have been discussed by Gartner (1993, 1996). Regardless of whether the influence is a push or pull factor, a decision to leave home puts someone into the tourism distribution channel. Even the information flow to a potential tourist works to support some forms of distribution over others. For example, a tour operator obviously has a vested interest in becoming the business that takes care of your travel needs. Cohen (1972) describes a tour operator as being part of the institutionalized part of the distribution channel. Those businesses that facilitate travel are all engaged in activities to become the preferred provider of some or all of an individual's tourist needs.

The physical act of travel is necessary for someone to become a tourist, but whether a distance requirement is necessary for someone to actually enter into touristhood has been addressed by Jafari (1987). Regardless of when someone actually "becomes" a tourist in a spatial or cultural sense is irrelevant to how the distribution channel functions. How people choose to travel is relevant. At some point an individual will make a decision about how to travel. Using a plane, taking a train, or driving a motor vehicle are all popular ways to travel. Which travel option one chooses will determine how much the travel will be affected by the trend of consolidation. Nevenka Čavlek (Chapter 8) points out that, within Europe, a wave of consolidation has swept through the ranks of tour operators. This consolidation has been made easier by the formation of the European Union (EU), which created a free trade zone rivalling that which has existed for centuries in the United States. Prior to the formation of the EU tour operators were subject to the laws of their own nation, which included prohibitions against purchasing firms operating in other countries.

According to Čavlek the business of tour operators was created and developed in Europe (i.e. Thomas Cook). Since many European countries are relatively small and a common language is not spoken, tour operators were able to overcome language and cultural barriers through the packaging of tour products and services. Čavlek cites the World Tourism Organization claim that as much as 25% of all international tourism travel is accounted for by tour operators, with 50% of that total shared by European tour operators. Recently, as the EU has grown and developed, there has been a wave of consolidation taking place within the ranks of European tour operators. Čavlek claims that as few as four major tour operators today control over 70% of all European package holiday travel. How will this form of consolidation affect the tourism distribution channel?

Stephen Smith (Chapter 7) presents a thorough analysis of the size of tourism businesses vis-à-vis other industrial sectors using Canada as an example. His analysis convincingly shows that the supply side of tourism is indeed dominated by small and medium-sized enterprises (SMEs) as others have argued, but that surprisingly when compared to other industrial sectors there is no discernible pattern. In other words almost all industrial sectors are dominated by SMEs. Tourism-dependent businesses are no more likely to be heavily concentrated in SMEs than in non-tourism sectors. In fact for the smallest-sized businesses Smith found that non-tourism sectors have a higher percentage of this type of establishment than is associated with tourism sectors. Although

Smith's analysis is specific to Canada, there are strong similarities throughout the developed world to the economic system operating in Canada. Smith's analysis also shows that the concentration of SMEs is not the same across the industrial sectors that comprise tourism. Transportation firms have a higher level of small enterprises than any other tourism sector. Smith attributes this finding to the high number of small taxi companies operating in Canada. However, when air and rail transport firms are compared to other businesses in the transportation sector, it is clear a few large firms dominate. Within the travel trade sector tour operators were over-represented in the \$1million+ revenue categories. Smith also reveals that the provinces of Canada with the least economic development (i.e. poorest provinces) will have a higher percentage of micro-level (< 5 employees) firms.

Returning to the trend of consolidation and implications for tourism we again look at the distribution channel. Assuming, as Smith has shown, that SMEs dominate at the destination (e.g. restaurants, hotels, attractions) but larger firms are becoming the norm during the travel to and from destination stage, then significant implications are noted. Tighter control over the movement of people into a destination puts enormous market control into those firms that control the flow. Čavlek discusses this outcome with respect to destinations in Europe that find they are no longer in control over the sale of their products. This same situation was recorded by this author while on a consulting assignment in Puno, Peru. Figure 1.2 shows the distribution channel for international tourists to Puno. There are at least four firms controlling parts of the distribution channel with the most powerful being located in Lima. People do find ways around dealing with some of the firms in the distribution channel by using informal networks, but this brings with it risks that many tourists are unwilling to accept. Even though web-based technology allows even the smallest firm to reach out independently to the market (Buhalis, 2000) the reality is that there is too much dependency on those who currently control the flow of visitors to a destination to reject them and rely on a web-based system. There is some evidence to suggest that consumers do not want to peruse numerous home pages to find the destination products they want but rather would prefer a central clearing house to perform this service (Gartner *et al.*, 2002).

Stephen Wanhill (Chapter 5) discusses the ownership of attractions and the implications of different forms of ownership. Although this chapter may not seem directly related to the consolidation trend, it does reveal what effect consolidation may have on attraction ownership. For example, Wanhill argues that public ownership of attractions does not

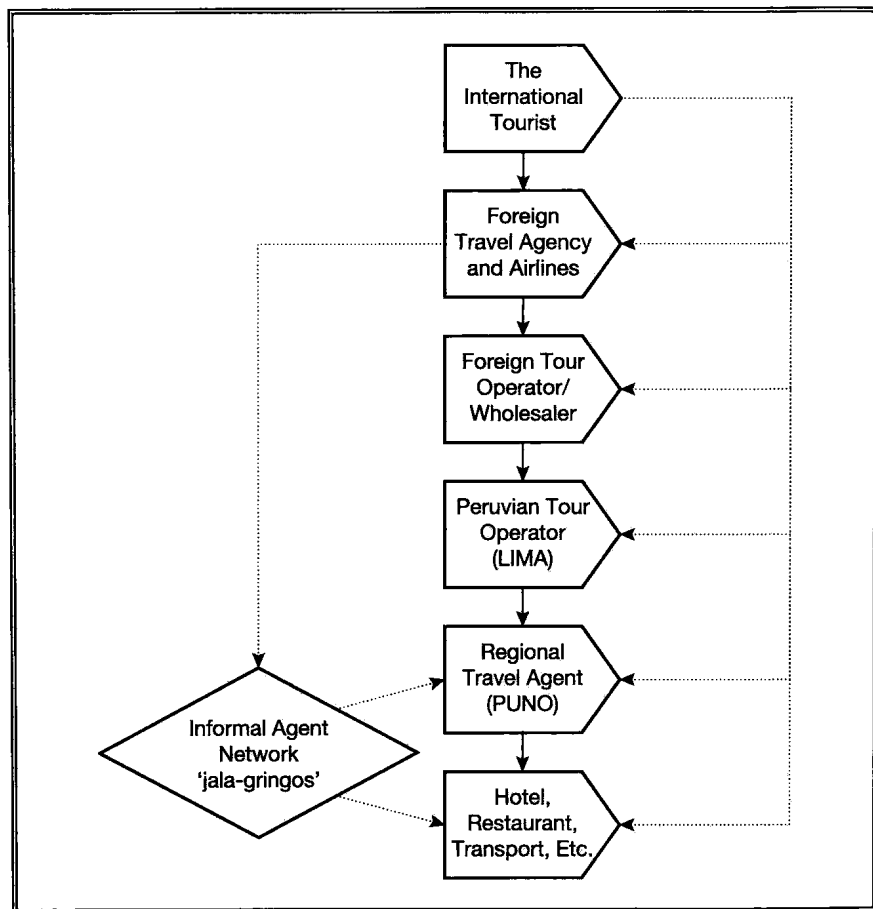


Figure 1.2 Distribution channel for Puno, Peru

leave much opportunity for development since they essentially have no assets that can be used to leverage development funds. Public ownership means the product cannot be easily changed or the physical structure altered in such a way that the significance of the public attraction changes. Revenues for development must be obtained from gifts, grants, or by petition to the government. Because of the reliance on non-market revenue streams, public attractions may actually be better off than their private sector counterparts from the effects of consolidation. Private attractions, on the other hand, must continually change their product